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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014

The board of directors (the "**Board**") of China Yongda Automobiles Services Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the year ended December 31, 2014, together with comparative figures for the year ended December 31, 2013.

GROUP FINANCIAL HIGHLIGHTS

- Revenue was RMB32,938.0 million in 2014.
- Gross profit was RMB2,679.2 million in 2014.
- Earnings before interests, taxation, depreciation and amortization (EBITDA) was RMB1,451.6 million in 2014.
- Net profit was RMB539.5 million in 2014.
- Net profit attributable to owners of the Company was RMB501.1 million in 2014.
- Earnings per share (basic and diluted) was RMB0.34 in 2014.

MARKET REVIEW

In 2014, China's automobile market continued to maintain a steady growth. According to the China Association of Automobile Manufacturers, China's automobile sales volume was approximately 23,491,900 units for 2014, representing an increase of 6.9% compared to 2013, and ranked the top of global automobile sales volume for the six consecutive years. Driven by the increasing demand for multi-purpose passenger vehicles (MPV) and sport utility passenger vehicles (SUV), the sales volume of passenger vehicles significantly increased to 19,700,600 units, representing an increase of 9.9% compared to 2013, among which, the sales volume of MPV was 1,914,300 units with a year-on-year growth of 46.8%; and the sales volume of SUV was 4,077,900 units with a year-on-year growth of 36.4%.

Benefiting from the continuous launch of new vehicle models, especially the domestically manufactured models and entry-level models, and the strong demand from customers for replacement and upgrading, the sales volume for luxury and ultra-luxury brand passenger vehicles in China for 2014 has continued its fast growth with an increase of 23.2% compared to 2013. In 2014, the sales volume of various mainstream luxury and ultra-luxury brands in mainland China, namely BMW, Audi, Porsche, Jaguar/Land Rover, Volvo and Cadillac, were 426,000 units, 579,000 units, 47,000 units, 122,000 units, 81,000 units and 74,000 units, respectively, representing a growth of approximately 17.6%, 17.7%, 25.7%, 27.7%, 32.8% and 47.0%, respectively, as compared to 2013.

Despite the fact that China's automobile market has maintained a fast growth for more than ten years, the rate of vehicle ownership per 1,000 people in China was far lower than that in the developed countries. According to the data from the Traffic Management Bureau of the Ministry of Public Security, it is estimated that the rate of vehicle ownership per 1,000 people in China was approximately 101 units at the end of 2013, whereas the rate of vehicle ownership per 1,000 people in the United States and Germany was approximately 812 units and 634 units respectively in 2013, therefore China's automobile market, especially the passenger vehicle market, still has high growth potential in the future.

According to the data from the Traffic Management Bureau of the Ministry of Public Security, the vehicle ownership in China reached 154 million units at the end of 2014. Currently, 35 cities across the country have achieved vehicle ownership of more than one million units, among which ten cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin and Chengdu have vehicle ownership of over two million units. Along with the continuous rise in passenger vehicle ownership and the aging of passenger vehicles in China, China's after-sales services market for passenger vehicles has maintained its fast-growing pace in 2014. Moreover, the demand from customers for high quality maintenance and repair and other related extension products and services from luxury and ultra-luxury brand passenger vehicles and their relatively lower sensitivity to price have further boosted the growth of the after-sales services market for luxury and ultra-luxury brand passenger vehicles. According to the forecast from Roland Berger, by 2018, the ownership of luxury and ultra-luxury brand passenger vehicles in China is expected to reach approximately 16,080,000 units, among which, the percentage of passenger vehicles that are older than two years is expected to rise to approximately 74%. As a result, Roland Berger predicts that China's after-sales services market for the luxury and ultra-luxury brand passenger vehicle segment is expected to generate revenue of about RMB343 billion with a compound annual growth rate ("**CAGR**") of approximately 22% by 2018.

According to the data from China Automobile Dealers Association, the transaction volume of pre-owned vehicles in China reached 6,050,000 units in 2014. Despite this, in China, the proportion of transaction volume of pre-owned vehicles to the sales volume of automobile for the same period was 25.8%, which was far below than that of approximately 300% in the United States for the same period. Meanwhile, the penetration rate of automobile finance in China was only 18% in 2013, which was far below the level of the developed western countries. Therefore, the growth potential for pre-owned vehicles and automobile finance business is expected to be enormous in the future.

According to the information from Roland Berger, based on income, the highly fragmented long-term automobile rental market accounts for the largest portion of China's automobile rental market. Based on income, long-term automobile rental market increased from approximately RMB7 billion in 2008 to approximately RMB24 billion in 2013 with a CAGR of 28%. Driven by factors such as increased car use by corporations, financial optimization for corporations and policy reforms on government vehicles, the long-term automobile rental market in China will maintain a relatively fast growth with further integration in the future.

We believe that, driven by the continuing growth in passenger vehicle ownership and a gradually maturing market, the after-market service business for luxury and ultra-luxury brand passenger vehicles in China, including maintenance and repair services, extension products and services, automobile finance and insurance services, pre-owned vehicles and automobile rental services, will continue its fast growth.

BUSINESS REVIEW

As a leading passenger vehicle retailer and comprehensive service provider in China, we achieved favourable growth in 2014. Our revenue and gross profit for the year of 2014, were RMB32,938 million and RMB2,679 million, respectively, representing an increase of 26.2% and 18.2%, respectively, as compared to 2013. Our earnings before interests, taxation, depreciation and amortization (EBITDA) was RMB1,452 million, representing an increase of 11.7% compared to 2013. Set forth below is a summary of major developments of our business in 2014:

Faster Growth in New Vehicle Sales

The market for passenger vehicles in China has continued to grow steadily in 2014. Based on the changes of market conditions and for the purpose of improving our profitability, we continue to strive for fully utilizing the business policy from our manufacturers, improving automobile model portfolio, optimizing our sales business mode, enhancing integrated management of inventory and selling price control, in order to achieve a balance between sustainable sales growth, satisfactory inventory level and reasonable profitability.

Despite the challenging market environment, driven by the overall growth in passenger vehicles market and the additional sales from the our newly opened outlets and outlets through mergers and acquisitions, our sales volume of passenger vehicles reached 103,602 units in 2014, representing a 26.5% increase compared to 2013, among which, the sales volume of luxury and ultra-luxury brand passenger vehicles reached 60,237 units in 2014, representing a 42.3% increase compared to 2013. Our sales revenue for passenger vehicles was RMB29,074 million in 2014, representing a 25.1% increase compared to that in 2013, among which, the sales revenue for luxury and ultra-luxury brand passenger vehicles reached RMB23,831 million, representing a 29.6% increase compared to 2013. The proportion of sales revenue from luxury and ultra-luxury brand passenger vehicles to the sales revenue from passenger vehicles further increased to 82.0% in 2014 from 79.1% in 2013.

Rapid Development of After-sales Services

Our repair and maintenance services continued its fast growth in 2014, particularly for our luxury and ultra-luxury brands. This was mainly due to the fact that we continued to enhance the quality and customer satisfaction through our "one-stop shop" repair and maintenance services; strengthened marketing and promotion via our well-known "Yongda" brand; enhanced our cooperation with insurance companies to boost the proportion of our accident car repair business; and effectively increased our efficiency of repair and maintenance services and lowered our costs through the improvement of repair and maintenance processes and management, and the centralized procurement of spare parts.

Meanwhile, we continued to strengthen the provision of comprehensive, diversified and value-added automobile extension products and services to customers through our "one-stop shop" service, which mainly includes automobile decoration, automobile related products, automobile modifications, automobile care and maintenance services. Through our continuous improvement and remodeling of the sales process, competitive evaluation and incentive system and the introduction of suppliers and products that meet customers' needs, our automobile extension products and services business has, to a certain extent, promoted the overall growth in revenue for our after-sales services in 2014.

In addition, the rapid increase in revenue from after-sales services of our newly-opened outlets and the contribution by our acquired outlets are additional factors that boost the overall growth in revenue for our after-sales services.

In 2014, our after-sales services business, which mainly includes repair and maintenance services and automobile extension products and services, achieved a revenue of RMB3,537 million, representing an increase of 36.9% compared to 2013, among which, revenue from after-sales services for luxury and ultra-luxury brands reached RMB2,727 million, representing an increase of 50.7% compared to 2013. In 2014, our gross profit margin of after-sales services was 45.8%, which remained stable as compared to 46.7% in 2013.

Proactive Promotion of Pre-owned Vehicle Business

During 2014, we put great efforts in promoting the development of pre-owned vehicle business. We established a new public e-commerce platform through the joint venture with BitAutocom and Youxinpai to create an O2O e-commerce business layout with the adoption of a nationwide B2C/C2B retail business mode and the coordination with offline service experience; accelerated the construction of high end boutique showrooms for pre-owned vehicles to form a business pattern with high end positioning and chained operation; extended the construction of Yongda's self-owned pre-owned vehicle outlets and established an operation pattern of brand chained operation; issued Yongda authentication standards for pre-owned vehicles and implemented 168 professional inspection and quality standards under seven major categories in order to expand its brand influence; achieved effective bundling between pre-owned vehicles and finance, insurance, extended warranty, supplies, maintenance and repair and other services, and enhanced the additional value of the pre-owned vehicles retail business. Meanwhile, we actively implemented the connection between the pre-owned vehicle business and the strong internet marketing channels, such as BitAutocom and Tmall, to lay a solid foundation for achieving the restructuring and upgrading of business.

Proactive Layout of Automobile Rental Services

In 2014, the revenue for our automobile rental services maintained a steady growth. Facing the opportunities for future development in rental market, we mainly conducted the layout for network development and business structure. In 2014, apart from focusing on the business development in Shanghai, we also set up branch companies in cities such as Chongqing, Suzhou and Guangzhou. In addition, we also kept abreast of the automobile rental platform development and actively explored opportunities for cooperation.

Rapid Development of Finance Leasing

Our finance leasing business achieved additional interest-generating assets of RMB1,463 million in 2014, in which the achievement for the second half of the year was RMB1,198 million representing an increase of 352% as compared to the first half of the year. In 2014, the finance leasing business contributed a net profit of RMB23.25 million for us, accounting for 4.31% of our combined net profit. The rapid development of finance leasing business was mainly due to the recruitment of professional management personnel, and the reconstruction of corresponding organizational structure and management procedures during the first half of the year; on the other hand, it was also due to the full utilization of our advantages in respect of the passenger vehicle sales channels and resources over the years.

Fast Growth in Automobile Finance and Insurance Business

We fully examined the cooperating organizations with respect to automobile finance and insurance during 2014 for the purpose of seeking the best partners in various areas including product structure, service efficiency and regional coverage, so as to effectively enhance the penetration rate of automobile finance and insurance and relevant incomes from these services.

In 2014, our revenue from after-market finance services in respect of automobile finance and insurance reached approximately RMB286 million, representing an increase of 58.2% compared to 2013.

Creation of the E-commerce Platform — "Yongda Automobiles World"

Along with the rapid development of domestic e-commerce in various industries, the reliance on e-commerce platforms for automobiles by customers is increasing. Therefore, we adhere to the concept of enhancing the customer experience to create the e-commerce platform "Yongda Automobiles World", and to gradually satisfy all kinds of vehicles usage demand via closed-loop e-commerce business in the future. In 2014, in respect of the e-commerce on the internet, we focused on the following works:

- ***Development on Digital Marketing System***

  As the entrance for "Yongda Automobiles World" e-commerce platform, the digital marketing system enables all existing self-media of Yongda including its website, Weibo, WeChat and its mobile applications, together with the need for docking of the mature external internet resources, such as the third party resources including automobile websites and portal websites of professional vertical mode, to effectively consolidate the offline resources for pre-sales, sales and after-sales services that we provide for customers via an integrated management system of interactive content, and therefore we can significantly improve customer experience and loyalty.

- ***Customer Relationship Management System***

  We believe the concept of internet is to transform the operation of business to the operation of customer relationship, whereas the development of a complete, highly efficient and flexible customer relationship management system for customers is the foundation for all successful internet e-commerce projects. During 2014, we invited an internationally-renowned software company to conduct upgrading and restructuring of our customer relationship management system and customer award point system. A system consolidating the functions of customer's vehicle ownership cycle management, customer-oriented management, classification management and award point management in the future, are expected to effectively improve our customers' loyalty, and increase their re-consumption rate and value contribution within the Group. Meanwhile, this system will also become the data collection centre for all our operating systems, and our business decisions will be based on the data provided through business intelligence (BI) conducting big data analysis.

- ***Setting up E-commerce for New Vehicles***

  We are now mainly relying on the mature e-commerce platforms provided by third parties such as Tmall and BitAutocom to find customers for new vehicle sales and to effectively attract offline customers. Our next stage will be the attempt for self-developing new vehicle e-commerce platform, adopting the strategies of limited-time sales promotion and weekly specials, and also combining the automobile finance service so as to explore new vehicle e-commerce business.

- ***Construction for After-sales E-commerce***

  We took advantage of the customers' reliance on mobile phones and mobile devices for dealing with various matters, developed a mobile phone application that users could make appointment for vehicles maintenance and repair simply through WeChat. In addition, users can check the available appointments for any 4S dealership through WeChat and conveniently make online appointment for vehicle maintenance and repair based on their needs.

  Meanwhile, we plan to link up our system to external internet channels such as Autohome and BitAutocom in order to direct more internet users to our offline 4S dealerships so as to effectively enhance the rate of customers visiting our stores.

- ***Construction of E-commerce for Pre-owned Vehicles***

  The e-commerce project for pre-owned vehicles is conducted by Yongda through a joint venture with BitAutocom and Youxinpai, which aims to build up a retail branding for self-owned authentication of pre-owned vehicles for Yongda. We also leverage the mode by centralizing the resources for online shops, in order to effectively enhance the awareness of pre-owned vehicle authentication brand and lay a solid foundation for rapid market expansion.

Continuous and Steady Expansion of Our Network

In 2014, we continued to maintain and develop our strong and long-term strategic relationships with leading manufacturers of luxury and ultra-luxury brand passenger vehicles. We continued to focus on luxury and ultra-luxury brands, including BMW, MINI, Audi, Porsche, Jaguar/Land Rover, Bentley, Volvo, Cadillac, Lincoln, Infiniti and Lexus. In addition, we also selectively expanded the sales and services network of mid to high end brands, mainly including Buick, Volkswagen and Ford.

In 2014, we obtained authorization to open 14 new passenger vehicles sales and services outlets focusing mainly on luxury and ultra-luxury brands, including one BMW 4S dealership, three BMW authorized repair centres, one Jaguar/Land Rover 4S dealership, one Porsche 4S dealership, one Bentley 4S dealership, one Volvo 4S dealership, one Infiniti 4S dealership, one Lincoln 4S dealership, one Buick 4S dealership, one Volkswagen 4S dealership, one Shanghai-Volkswagen 4S dealership and one Skoda 4S dealership, particularly the authorization for BMW 4S dealership in Shenzhen and Porsche 4S dealership in Suzhou, which have further enhanced our luxury and ultra-luxury brand portfolio and enabled us to explore new areas with high quality.

In 2014, we opened 18 new passenger vehicle sales and services outlets mainly for luxury and ultra-luxury brands, including three BMW 4S dealerships, one BMW pre-owned vehicle centre, one Audi 4S dealership, three Jaguar/Land Rover 4S dealerships, one Porsche 4S dealership, one Cadillac 4S dealership, one Lincoln 4S dealership, one Infiniti 4S dealership, one Shanghai-Volkswagen 4S dealership, one Ford 4S dealership, one Morgan 4S dealership, one BMW authorized repair center and two Cadillac city showrooms.

In 2014, we continued to actively implement the low-cost mergers and acquisitions strategy of our Group, captured the mergers and acquisitions opportunities in the market and successfully acquired ten 4S dealerships and city showroom for luxury brands, namely one BMW 4S dealership and one MINI city showroom in Tianjin; one BMW 4S dealership in Wuxi, one Audi 4S dealership and two Volvo 4S dealerships in Shanghai, respectively; and one BMW 4S dealership in Jinan, Shandong; one BMW 4S dealership in Shijiazhuang, Hebei; one Lexus 4S dealership in Guiyang, Guizhou; one Lexus 4S dealership in Nanning, Guangxi, which are all under construction. Moreover, we also acquired additional equity interests of two Porsche 4S dealerships, including one Porsche 4S dealership in Wuxi, Jiangsu and one Porsche 4S dealership in Nantong, Jiangsu, and after such acquisition, we owned 70% and 60% of equity interests in these two Porsche 4S dealerships, respectively. These acquisitions helped us to enter into new regional markets and acquire authorization for the new luxury passenger vehicles brands, which enabled us to achieve sustainable and rapid growth in the future. In addition, after such acquisitions, we have quickly completed the integration works in the area such as team, management, process and cultures, thereby enabling these outlets to improve their post-acquisition operating results.

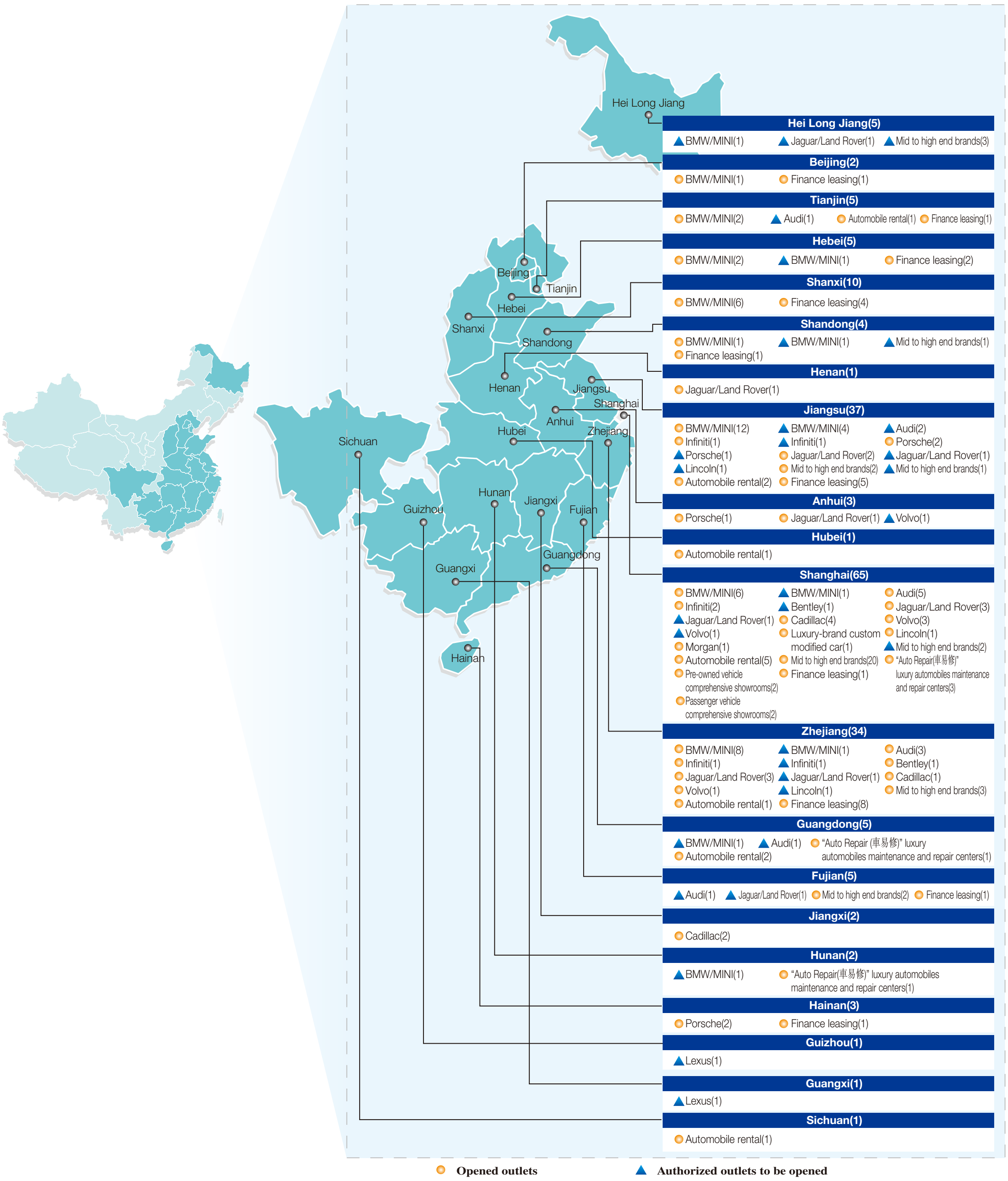
To deliver more convenient and diversified after-sales services to our customers and effectively attract these after-sales customers back to 4S dealerships, we commenced operations of our first "Auto Repair (車易修)" brand luxury automobile maintenance and repair centre which is not required to obtain authorization from the vehicle manufactures at the end of 2013 in Shanghai. In 2014, through the introduction of a professional operation team, the setting up of a performance reward scheme, the improvement on management process and standard, the enhancement of the expansion and marketing of markets adjencent to the outlets, and the promotion of the business cooperation with insurance companies, our first "Auto Repair (車易修)" outlet achieved a good start for its business development and accumulated valuable experience for the operation and management of new "Auto Repair (車易修)" outlets in the future. Meanwhile, we opened four new "Auto Repair (車易修)" outlets, among which, two of them were located in Shanghai, one in Shenzhen and one in Changsha, Hunan.

Meanwhile, during 2014, we actively expanded our network for automobile rental services and finance leasing service by establishing 24 branch companies for finance leasing service and 7 branch companies for automobile rental services in more economically developed provinces and cities other than Shanghai.

The table below sets forth the details of our outlets as of December 31, 2014:

	Outlets opened	**Outlets authorized to open**	**Total**
Luxury and ultra-luxury brands 4S dealerships	61	27	88
Mid to high end brands 4S dealerships	28	6	34
Luxury brands city showrooms	12	0	12
Luxury brands authorized service centers	5	4	9
Luxury brands authorized certified pre-owned vehicle centers	2	0	2
Total manufacturer authorized outlets	108	37	145
"Auto Repair (車易修)" luxury automobile maintenance and repair centers	5	—	5
Automobile rental outlets	13	—	13
Finance leasing outlets	25	—	25
Passenger vehicle comprehensive showrooms	2	—	2
Pre-owned vehicle comprehensive showrooms	2	—	2
Total outlets (not required to obtain authorization from the vehicle manufactures)	47	0	47
Total outlets	155	37	192

We continued to operate our extensive network with the Yangtze River Delta as the center and have expanded our network to other regions in China, such as Northern China, Northeast China, Central China and Southern China. As of December 31, 2014, we have 192 outlets which are located across 3 municipalities and 50 cities in 17 provinces in China. The geographic coverage of our outlets is illustrated below:



Note:

Mid to high end brands include Buick, Chevrolet, FAW-Volkswagen, Shanghai-Volkswagen, Ford, Skoda, GAC-Honda, GAC-Toyota, FAW Toyota and Roewe.

Continuously Improving Management and Marketing Capability

Along with our rapid business expansion, we continued to standardize and optimize our management processes, and the operation pattern derived from these standardized management processes can be readily replicated to the outlets that we will establish and acquire in the future. In 2014, we particularly focused on enhancing our management by adopting the following key measures:

- for operational management, we continued strengthening resources sharing and synergies among same-brand and same-region sales and services outlets through continuous enhancement of our brand division and exploration of regional management pattern; continuously strengthened the target and budget management of gross profit margin, inventory turnover and expenses; organized business processes and established the Corporate Operation Management Standards Handbook of Yongda;

- for human resources management, we reformed the remuneration model for corporate general manager and his team, making the remuneration for the team as a whole be linked to corporate earnings, effectively raising the team's sense of ownership and enthusiasm for work; and through the appointment of third party company, we reformed the original human resources management system and introduced advanced ranking management system and remuneration management system; we continuously speeded up the training of strategic talents to establish a reasonable talent pool as well as teams of key management personnel;

- for capital management, we explored and established a capital pool for our brand division so as to enhance the efficiency of capital utilization and fully utilize the advantages of domestic and overseas market in order to broaden our financing channels and reduce finance costs.

In addition, with respect to marketing, we continued to build our corporate brand "Yongda" in 2014 and made continuous efforts in marketing innovation and customer retention through the following main channels, including:

- adhering to our customer-oriented strategy and enhancing customer's satisfaction through a variety of customer caring activities;

- strengthening the centralized customer service and management platform of our multi-media "96818";

- through the cooperation with TV shopping channels and well-renowned automobile e-commerce websites, developing and launching a unified "Yongda Automobile" WeChat service account to explore the O2O new marketing mode; and

- continuously organising and launching online and offline marketing activities for sales and after-sales with various themes.

We obtained a number of awards in recognition of the improvement of our management and marketing. For example, in 2014, we received numerous awards granted by many well-known passenger vehicles manufacturers, including but not limited to:

- Eight 4S dealerships have been awarded “Best Performance Dealership” Award by BMW in 2014;

- Five 4S dealerships have been awarded “Best Performance Dealership” Award by MINI in 2014, and one of the 4S dealerships in Shanghai ranked the top of MINI “Best Performance Dealership Award” in China;

- One of our Jaguar/Land Rover 4S dealerships in Shanghai has been awarded five best annual awards, such as Jaguar & Land Rover China 2013–2014 “Land Rover Annual Best Dealership” Award and “Jaguar Annual Best Dealership” Award;

- One of our Jaguar/Land Rover 4S dealerships in Shanghai has been awarded Jaguar & Land Rover China 2013–2014 “Jaguar Annual Best Dealership” Award;

- One of our Jaguar/Land Rover 4S dealerships in Zhengzhou, Henan has been awarded Jaguar & Land Rover China 2013–2014 “Land Rover Annual Best Dealership” Award and “Jaguar Annual Best Sales Dealership” Award;

- Five of our Buick 4S dealerships have been awarded “Five Star Franchised Sales and Services Center” Title by Buick in 2014, and three of our Buick 4S dealerships have been awarded “Five Star Franchised After-sales Services Center” Title by Buick in 2014; and

- One of our Shanghai-Volkswagen 4S dealership has been awarded “Five Star Authorised Dealership” Title by Shanghai-Volkswagen in 2014.

ANNUAL RESULTS

Consolidated Statement of Comprehensive Income

The following table sets forth the consolidated statement of comprehensive income of the Group for the years indicated:

	NOTES	**2014**	2013
		RMB'000	*RMB'000*
Revenue	*3*	**32,937,975**	26,096,526
Cost of sales and services		**(30,258,756)**	(23,829,909)
Gross profit		**2,679,219**	2,266,617
Other income and other gains and losses	*4*	**374,787**	251,800
Distribution and selling expenses		**(1,287,515)**	(952,875)
Administrative expenses		**(647,759)**	(484,512)
Finance costs		**(422,329)**	(238,671)
Share of profits of joint ventures		**8,181**	9,567
Share of profits of associates		**651**	651
Profit before tax	*5*	**(705,235)**	852,577
Income tax expense	*6*	**(165,755)**	(210,540)
Profit and total comprehensive income for the year		**539,480**	642,037
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**501,130**	588,310
Non-controlling interests		**38,350**	53,727
		539,480	642,037
Earnings per share — basic and diluted	*8*	**RMB0.34**	RMB0.40

Consolidated Statement of Financial Position

At December 31, 2014

	NOTES	**2014**	2013
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**3,210,162**	2,228,386
Prepaid lease payments		**578,739**	374,502
Goodwill		**286,624**	104,927
Intangible assets		**490,421**	275,635
Deposits paid for acquisition of property, plant and equipment		**101,205**	75,991
Deposits paid for acquisition of land use rights		**41,230**	173,444
Deposits paid for acquisition of a subsidiary		**—**	35,380
Interests in joint ventures		**76,246**	66,571
Interests in associates		**15,106**	26,947
Finance lease receivables	*9*	**467,969**	32,556
Deferred tax assets		**102,557**	48,722
		5,370,259	3,443,061
Current assets			
Prepaid lease payments		**15,285**	9,515
Inventories	*10*	**4,324,167**	3,447,838
Finance lease receivables	*9*	**357,144**	55,681
Trade and other receivables	*11*	**3,353,186**	3,443,629
Amounts due from related parties		**37,874**	33,176
Cash in transit		**72,125**	81,628
Pledged bank deposits		**1,515,013**	965,221
Bank balances and cash		**1,874,217**	1,418,408
		11,549,011	9,455,096
Current liabilities			
Trade and other payables	*12*	**4,986,004**	3,667,080
Amounts due to related parties		**11,370**	20,694
Income tax liabilities		**427,908**	352,328
Borrowings		**4,855,730**	3,887,420
		10,281,012	7,927,522
Net current assets		**1,267,999**	1,527,574
Total asset less current liabilities		**6,638,258**	4,970,635

	NOTES	2014	2013
		RMB'000	*RMB'000*
Non-current liabilities			
Borrowings		**198,757**	51,171
Medium-term note		**1,153,682**	1,149,892
Convertible bonds	*13*	**883,669**	—
Other liabilities	*12*	**118,515**	14,741
Deferred tax liabilities		**107,945**	63,375
		2,462,568	1,279,179
Net assets		**4,175,690**	3,691,456
Capital and reserves			
Share capital		**12,065**	12,065
Reserves		**3,831,826**	3,412,000
Equity attributable to owners of the Company		**3,843,891**	3,424,065
Non-controlling interests		**331,799**	267,391
Total equity		**4,175,690**	3,691,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company is a public limited company incorporated in the Cayman Islands on November 7, 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands and its principal place of business in Hong Kong is Unit 5708, 57/F, The Center, 99 Queen's Road Central, Hong Kong.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the sale of automobiles and provision of after-sales services primarily through its 4S (sales, spare parts, service and survey) dealerships, automobile rental services, provision of automobile finance leasing service and distribution of automobile insurance products and automobile financial products in the PRC. The Company and its subsidiaries are collectively referred to as the "Group" hereafter.

The consolidated financial statements are presented in Renminbi (the "**RMB**"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation,
- investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement".

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The Group has applied the amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 *Levies*

The Group has applied IFRIC 21 *Levies* for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

The Group has not early applied the following new and revised standards that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Classification of Acceptable methods of Depreciation and Amortisation[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for first annual IFRS financial statements beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 July 2014
[5] Effective for annual periods beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The directors anticipate that application of these new and revised standards does not have material impact to the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors, being the Group's chief operating decision maker who reviews the segment revenues and results when making decisions about allocating resources and assessing performance, focuses on the products and services delivered or provided. For passenger vehicle sales and services, the executive directors review the financial information of each outlet, hence each outlet constitutes a separate operating segment. However, the outlets possess similar economic characteristics, and are similar in terms of products and services, customers, methods used to distribute products and provide services, and regulatory environment. Therefore, all outlets are aggregated into one reportable segment, namely "passenger vehicle sales and services", for segment reporting purposes.

The Group's reportable segments are as follows:

- Passenger vehicle sales and services — (i) sale of passenger vehicles; (ii) provision of after-sales services, including primarily repair and maintenance services, certain auxiliary automobile sales related services and provision of other automobile-related services, such as vehicle inspection, title transfer and registration, pre-owned vehicle agency;

- Automobile rental services; and

- Finance leasing services.

Segment revenues and results

	Passenger vehicle sales and services *RMB'000*	Automobile rental services *RMB'000*	Finance leasing services *RMB'000*	Total *RMB'000*
For the year ended December 31, 2014				
Segment revenue	**32,611,476**	**273,904**	**52,595**	**32,937,975**
Segment cost (note)	**30,044,652**	**199,217**	**14,887**	**30,258,756**
Segment profit	**2,566,824**	**74,687**	**37,708**	**2,679,219**
Other income and other gains and losses				**374,787**
Distribution and selling expenses				**(1,287,515)**
Administrative expenses				**(647,759)**
Finance costs				**(422,329)**
Share of profits of joint ventures				**8,181**
Share of profits of associates				**651**
Profit before tax				**705,235**

Note: The segment cost of finance leasing service is mainly composed of finance costs.

	Passenger vehicle sales and services *RMB'000*	Automobile rental services *RMB'000*	Finance leasing services *RMB'000*	Total *RMB'000*
For the year ended December 31, 2013				
Segment revenue	25,826,711	266,167	3,648	26,096,526
Segment cost	23,652,448	176,923	538	23,829,909
Segment profit	2,174,263	89,244	3,110	2,266,617
Other income and other gains and losses				251,800
Distribution and selling expenses				(952,875)
Administrative expenses				(484,512)
Finance costs				(238,671)
Share of profits of joint ventures				9,567
Share of profits of associates				651
Profit before tax				852,577

The accounting policies of the operating segments are same as those of the Group. Segment profit represents the profit earned by each segment without allocation of other income and other gains and losses, distribution and selling expenses, administrative expenses, finance costs, share of profits of joint ventures and share of profits of associates. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment. There were no inter-segment revenues during both years. No analysis of segment assets and liabilities are presented as it is not regularly reviewed by the board of the directors.

Geographical information

All of the Group's revenue is generated from passenger vehicle sales and services, and provision of automobile rental services and finance leasing services in the PRC and all of the Group's principal assets and liabilities for operation are located in the PRC.

Information about major customers

No single customer accounted for 10% or more of the Group's revenue for both years.

Revenue from major products and services

	2014	2013
	RMB'000	*RMB'000*
Sale of passenger vehicles:		
— Luxury and ultra-luxury brands *(note a)*	**23,831,466**	18,391,643
— Mid to high end brands *(note b)*	**5,242,622**	4,851,421
Subtotal	**29,074,088**	23,243,064
After-sales services	**3,537,388**	2,583,647
Automobile rental services	**273,904**	266,167
Finance leasing services	**52,595**	3,648
	32,937,975	26,096,526

Notes:

a. Luxury and ultra-luxury brands include BMW, MINI, Audi, Porsche, Jaguar, Land Rover, Bentley, Infiniti, Lincoln, Cadillac, Volvo and Morgan.

b. Mid to high end brands include Buick, Chevrolet, Volkswagen, Ford, Skoda, Toyota, Honda and others.

4. OTHER INCOME/OTHER GAINS AND LOSSES/OTHER EXPENSES

	2014 *RMB'000*	2013 *RMB'000*
Other income comprises:		
Service income *(note a)*	**286,297**	180,936
Advertising support received from automobile manufacturers *(note b)*	**19,608**	12,523
Government grants *(note c)*	**25,198**	23,147
Interest income on bank deposits	**20,291**	17,482
	351,394	234,088
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	**(1,705)**	(7,406)
Gain on bargain purchase	**—**	20,195
Net foreign exchange gains	**10,362**	—
Gain on disposal of interest in an associate	**8,195**	—
Gain (loss) on disposal of a subsidiary	**7,656**	(718)
Gain on subsequent adjustment to acquisition consideration	**3,311**	—
Gain on partial disposal of a joint venture	**67**	—
Others	**(4,493)**	5,641
	23,393	17,712
Total	**374,787**	251,800

Notes:

a. Service income was primarily derived from distribution of automobile insurance products and automobile financial products.

b. Advertising support was received from automobile manufacturers in connection with their marketing campaigns.

c. Government grants represent unconditional grants received from local finance bureaus in compensation for expenses incurred by the Group.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2014	2013
	RMB'000	*RMB'000*
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**701,145**	515,580
Retirement benefits scheme contributions	**85,750**	70,606
Share-based payment expenses	**28,272**	—
Total staff costs	**815,167**	586,186
Auditors' remuneration:		
— in respect of audit service for the Company	**6,000**	6,000
— in respect of the statutory audits for the subsidiaries of the Company	**2,526**	1,820
Total auditors' remuneration	**8,526**	7,820
Cost of inventories recognized as an expense	**30,164,505**	23,712,326
Depreciation of property, plant and equipment	**292,465**	198,469
Operating lease rentals	**153,748**	123,666
Release of prepaid lease payments	**12,895**	9,395
Amortization of intangibles assets	**7,219**	—

6. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income tax ("**EIT**")	**221,569**	215,578
Overprovision of PRC EIT in prior years	**(2)**	(160)
	221,567	215,418
Deferred tax		
Current year	**(55,812)**	(4,878)
	165,755	210,540

The tax charge for the year can be reconciled to the profit before tax as follows:

	2014	2013
	RMB'000	*RMB'000*
Profit before tax	**705,235**	852,577
Tax at the PRC EIT rate of 25%	**176,308**	213,144
Tax effect of expenses not deductible for tax purpose	**4,834**	3,584
Tax effect of income not taxable for tax purpose	**(10,906)**	(5,049)
Tax effect of share of results of associates and joint ventures	**(2,208)**	(2,555)
Tax effect of losses of offshore entities not recognized	**7,395**	1,576
Tax effect of income from offshore entities not taxable		—
Utilization of tax losses previously not recognized of acquired subsidiaries	**(9,666)**	—
Overprovision of PRC EIT in prior years	**(2)**	(160)
Income tax expense for the year	**165,755**	210,540

The Company and Sea of Wealth International Investment Company Limited, a subsidiary of the Company, are tax exempted companies incorporated in the Cayman Islands and British Virgin Islands, respectively.

Grouprich International Investment Holdings Limited, a subsidiary of the Company, was incorporated in Hong Kong and had no assessable profits subject to Hong Kong Profits Tax since its incorporation.

Under the Law of the PRC on EIT and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%. The income tax rate of 25% is applicable to all of the Group's PRC subsidiaries.

7. DIVIDENDS

During the year ended December 31, 2014, a final dividend of RMB0.12 per share in respect of the year ended December 31, 2013 was declared and paid out of share premium to the owners of the Company in Hong Kong dollars ("**HK$**") based on the medium exchange rate between RMB and HK$ as announced by the People's Bank of China on 16 May 2014 (HK$1.00 to RMB0.79501) The aggregate amount of the final dividend declared and paid in the year ended December 31, 2014 amounted to RMB177,603,000.

During the year ended December 31, 2013, a final dividend of RMB0.095 per share in respect of the year ended December 31, 2012 was declared and paid out of share premium to the owners of the Company in HK$ based on the medium exchange rate between RMB and HK$ as announced by the People's Bank of China on May 28, 2013 (HK$1.00 to RMB0.79627)). The aggregate amount of the final dividend declared and paid in the year ended December 31, 2013 amounted to RMB140,602,000.

A final dividend of RMB0.10 per share in respect of the year ended December 31, 2014 has been proposed by the directors and is subject to approval by the shareholders in the upcoming annual general meeting.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to owners of the Company	**501,130**	588,310
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**1,480,022**	1,480,022

No conversion of the convertible bonds is assumed for the purpose of the calculation of diluted earnings per share because they are anti-dilutive.

Outstanding share options of the Company during the years ended December 31, 2013 and 2014 have not been included in the computation of diluted earnings per share as they did not have a dilutive effect on the Company's earnings per share for the years ended December 31, 2013 and 2014.

9. FINANCE LEASE RECEIVABLES

Certain motor vehicles of the Group are leased out under finance leases. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	2014	2013
	RMB'000	*RMB'000*
Analysed as:		
Current	**357,144**	55,681
Non-current	**467,969**	32,556
	825,113	88,237

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Finance lease receivables comprise:				
Within one year	**398,319**	55,769	**357,144**	55,681
In more than one year but not more than two years	**193,321**	21,989	**150,091**	19,220
In more than two years but not more than five years	**372,290**	15,317	**317,878**	13,336
	963,930	93,075	**825,113**	88,237
Less: unearned finance income	**(138,817)**	(4,838)	**N/A**	N/A
Present value of minimum lease payment receivables	**825,113**	88,237	**825,113**	88,237

Effective interest rates of the above finance leases were around 12% (2013: 8%) per annum.

At December 31, 2014, the Group received deposits from customers under finance leases. Among the customers' deposits received, approximately RMB101,603,000 (2013: RMB11,609,000) and RMB65,207,000 (2013: RMB10,275,000) (Note 12) were recognized as other non-current liabilities and current liabilities, respectively.

10. INVENTORIES

	2014	2013
	RMB'000	*RMB'000*
Motor vehicles	**3,905,713**	3,146,318
Spare parts and accessories	**418,454**	301,520
	4,324,167	3,447,838

Certain of the Group's inventories with a carrying amount of approximately RMB689,368,000 and RMB790,186,000 as at December 31, 2014 and 2013, respectively, were pledged as security for the Group's short-term bank loans and other borrowings.

Certain of the Group's inventories with a carrying amount of approximately RMB121,502,000 and RMB1,352,665,000 as at December 31, 2014 and 2013, respectively, were pledged as security for the Group's bills payable.

11. TRADE AND OTHER RECEIVABLES

The Group's credit policies towards its customers are as follows:

a. In general, deposits and advances are required and no credit period is allowed for sales of automobiles, while after-sales services are typically settled on a cash basis upon completion of the relevant services. However, for certain corporate customers for passenger vehicles sales and after-sales services, a credit period not exceeding 90 days is granted;

b. For automobile rental services, the Group typically allows a credit period of 30 to 60 days to its customers; and

c. For customers under finance leases, the Group receives deposits from customers in accordance with terms of lease agreements and grants credit period not exceeding 30 days.

	2014	2013
	RMB'000	*RMB'000*
Current		
Trade receivables	**203,013**	275,305
Other receivables comprise:		
Payments and deposits to suppliers	**841,737**	1,386,586
Deposits to entities controlled by suppliers for borrowings	**122,400**	70,625
Payments and rental deposits on properties	**64,779**	59,058
Rebate receivables from suppliers	**1,664,046**	1,356,531
Insurance commission receivables	**33,610**	22,080
Staff advances	**10,555**	7,640
Value-Added Tax recoverable	**265,617**	192,312
Advances to non-controlling shareholders *(note 1)*	**25,118**	14,250
Advances to independent third parties *(note 1)*	**25,100**	—
Receivables on disposal of a subsidiary	**10,500**	—
Others	**86,711**	59,242
	3,150,173	3,168,324
	3,353,186	3,443,629
Non-current		
Deposits paid for acquisition of a subsidiary *(note 2)*	**—**	35,380

Notes:

(1) The balances are unsecured, interest-free and repayable on demand.

(2) In November 2013, the Group entered into a sale and purchase agreement with independent third parties to acquire the entire equity interests in an entity which mainly holds land leases. The Group paid deposits of approximately RMB35,380,000 during the year ended December 31, 2013. The transaction was completed during this year. Included in the deposits paid represented (i) consideration of the transaction of RMB9,100,000 and (ii) settlement of advances from former shareholders of the acquirees immediately before acquisition of RMB24,880,000.

The following is an ageing analysis of the Group's trade receivables presented based on the invoice date at the end of the reporting periods, which approximated the respective revenue recognition dates:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**203,013**	275,305

None of the trade receivables are past due but not impaired as at the end of the reporting periods. The Group did not notice any deterioration in the credit quality of its trade receivables. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

12. TRADE AND OTHER PAYABLES/OTHER LIABILITIES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**284,811**	139,649
Bills payables	**2,365,812**	2,288,444
	2,650,623	2,428,093
Other payables		
Other tax payables	**49,867**	44,049
Advances and deposits from customers	**1,621,283**	724,914
Payable for acquisition of property, plant and equipment	**165,321**	92,641
Rental payables	**48,854**	35,560
Salary and welfare payables	**50,760**	35,699
Accrued interest	**31,823**	25,063
Accrued audit fee	**4,000**	3,800
Other accrued expenses	**41,174**	26,645
Transaction costs payable for issue of medium-term note	**3,445**	3,132
Transaction costs payable for issue of convertible bonds *(Note 13)*	**16,912**	—
Consideration payables for acquisition of subsidiaries *(note)*	**48,979**	44,338
Consideration payable for acquisition of non-controlling interests of a subsidiary *(note)*	**—**	60,000
Advance from non-controlling shareholders *(note)*	**124,683**	91,730
Advance from former shareholders of acquired subsidiaries	**2,688**	—
Deposits received from customers under finance leases *(Note 9)*	**65,207**	10,275
Others	**60,385**	41,141
	2,335,381	1,238,987
	4,986,004	3,667,080
Non-current		
Other liabilities		
Deposits received from customers under finance leases *(Note 9)*	**101,603**	11,609
Transaction costs payable for issue of medium-term note	**—**	3,132
Transaction costs payable for issue of convertible bonds *(Note 13)*	**16,912**	—
	118,515	14,741

Note: The balances are unsecured, interest-free and repayable within one year from the end of the reporting period.

Prepayments and deposits are in general required to be paid to suppliers before making purchases. The Group's trade payables mainly relate to purchase of spare parts and accessories. A credit period not exceeding 90 days is generally granted by certain suppliers to the Group for the purchase of spare parts and accessories. Bills payable primarily relates to the Group's use of bank acceptance notes to finance its purchase of passenger vehicles, with a credit period of one to three months.

The following is an ageing analysis of the Group's trade and bills payables presented based on invoice date at the end of the reporting period:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**2,650,623**	2,428,093

13. CONVERTIBLE BONDS

The Company issued USD settled convertible bonds (the "**Bonds**") at a par value in an aggregate principal amount of RMB1,000,000,000 with interest rate of 1.50% per annum on July 18, 2014.

The principal terms of the bonds

(1) Denomination of the bonds — The Bonds are denominated in RMB and settled in USD.

(2) Maturity date — Five years from the date of issuance, which is July 18, 2019 ("**Maturity Date**")

(3) Interest — The Bonds bear interest at 1.50 per cent per annum and is payable in US dollars at the US Dollar equivalent of each interest amount semiannually. The first interest payment date will be 18 January 2015.

(4) Letter of Credit — Payments of principal and premium in respect of the Bonds has the benefit of an irrevocable standby letter of credit (the "**Letter of Credit**") issued by DBS Bank Ltd., Hong Kong Branch which, subject to certain exceptions, expires on August 17, 2017.

(5) Conversion —

a) Conversion price — The price is HK$7.958 per each new share to be issued upon conversion of the bonds ("**Conversion Share**"), subject to anti-dilutive adjustment in accordance with the terms of the bonds, including subdivision, reclassification or consolidation of shares of the Company, capitalisation of profits or reserves, capital distribution, issuance of options or rights, and certain other events.

b) Conversion period — The Bondholder has the right to convert the bonds into shares at any time on or after August 28, 2014 up to the close of business on the tenth day prior to the Maturity Date or if such bonds shall have been called or put for redemption at any time before the Maturity Date, then up to the close of business on a date no later than ten days (both days inclusive) prior to the date fixed for redemption, which is discussed below.

c) Number of Conversion Shares issuable — 158,259,610 Conversion Shares will be issued upon full conversion of the bonds based on the initial conversion price of HK$7.958 (translated at the fixed exchange rate of HK$1 = RMB0.79401 as pre-determined).

(6) Redemption —

a) At the option of the Company:

(I) Redemption at maturity — The Company will redeem the bonds outstanding at principal amount on the Maturity Date.

(II) Redemption for tax reasons — The Company will redeem all and not only some of the Bonds at their principal amount, at its option, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders on the date specified in the Tax Redemption Notice.

(III) Redemption at the Option — The Company may redeem all and not only some of the Bonds on the date specified in the Option Redemption Notice at the US Dollar Equivalent of the Early Redemption Amount as at such date plus accrued and unpaid interest to such date at any time after July 18, 2017, provided that the closing price of a Share at least 130 percent of the Conversion Price then in effect immediately prior to the date upon which notice of such redemption is given. If at least 90% in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled, the Issuer may redeem all and not only some of such outstanding Bonds at the US Dollar Equivalent of the Early Redemption Amount as at such date plus accrued and unpaid interest to such date.

b) At the option of the Bondholder:

(I) Redemption on change of control — Upon the occurrence of a Change of Control, the Bondholder will have the right, at such holder's option, to require the Company to redeem all or some only of such holder's bonds on the Change of Control put date at their principal amount of the bonds.

(II) Redemption at the option — The holders of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of the Bonds of such holder on the Optional Put Date (on July 18, 2017) at 100.767% of their principal amount.

The convertible bonds issued on July 18, 2014 are a compound instrument that included a liability component, an equity component and an embedded derivative in respect of the early redemption feature of the convertible bonds. The embedded derivative in respect of the early redemption feature of the convertible bonds is deemed to be clearly and closely related to the host contract and therefore, does not need to be separately recorded. The fair value of the liability component of the convertible bonds was approximately RMB864 million and the equity component was approximately RMB62 million, determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole.

	RMB'000
Principal amount	**1,000,000**
Transaction cost	**(73,737)**
Liability component at the date of issue	**(863,773)**
Equity component	**62,490**

At December 31, 2014, unpaid transaction costs of approximately RMB16,912,000 and RMB16,912,000 are recognized as non-current liabilities and current liabilities respectively. The Group paid transaction costs of approximately RMB39,913,000 during the year ended December 31, 2014.

Subsequent to the initial recognition, the liability component of the convertible bonds was carried at amortized cost using the effective interest method. The effective interest rate of the liability component of the convertible bonds was 6.83% per annum. The movement of the liability component of the convertible bonds for the year ended December 31, 2014 is set out below:

	RMB'000
Liability component at the date of issue	**863,773**
Interest charged	**26,563**
Liability component at December 31, 2014	**890,336**
Less: interest payables due within one year shown under current liabilities	**(6,667)**
Liability component shown under non-current liabilities	**883,669**

The equity component will remain in convertible bond equity reserve until the embedded conversion option is exercised or the bonds mature.

FINANCIAL REVIEW

Revenue

Revenue was RMB32,938.0 million in 2014, a 26.2% increase from RMB26,096.5 million in 2013, which was primarily due to the growth from sales and after-sales services in relation to luxury and ultra-luxury brand passenger vehicles. The table below sets forth a breakdown of our revenue and relevant information for the periods indicated:

	For the year ended December 31,					
	2014			2013		
	Amount *(RMB in thousands)*	**Sales Volume** *(Units)*	**Average Selling Price** *(RMB in thousands)*	Amount *(RMB in thousands)*	Sales Volume *(Units)*	Average Selling Price *(RMB in thousands)*
Passenger Vehicle Sales						
Luxury and ultra-luxury brands	**23,831,466**	**60,237**	**396**	18,391,643	42,324	435
Mid to high end brands	**5,242,622**	**43,365**	**121**	4,851,421	39,558	123
Subtotal	**29,074,088**	**103,602**	**281**	23,243,064	81,882	284
After-sales services	**3,537,388**	**—**	**—**	2,583,647	—	—
Automobile rental services	**273,904**	**—**	**—**	266,167	—	—
Finance leasing services	**52,595**	**—**	**—**	3,648	—	—
Total	**32,937,975**	**—**	**—**	26,096,526	—	—

Revenue from passenger vehicle sales was RMB29,074.1 million in 2014, a 25.1% increase from RMB23,243.1 million in 2013, which was primarily due to (i) continuous growth of the overall demand for passenger vehicles in China, particularly for luxury and ultra-luxury passenger vehicles; (ii) the continued increase in revenue of our outlets opened in prior years; and (iii) the growth of passenger vehicle sales resulting from our newly opened outlets and acquired outlets in 2013 and 2014. Despite the increased proportion of entry-level and domestically manufactured models leading to a decrease in average selling prices of luxury and ultra-luxury brands of passenger vehicles, the proportion of revenue from luxury and ultra-luxury brands of passenger vehicle sales continued to increase, which resulted in the overall average selling price of our passenger vehicles in 2014 to remain in line with that of 2013.

Revenue from after-sales services was RMB3,537.4 million in 2014, a 36.9% increase from RMB2,583.6 million in 2013, which was primarily due to (i) our continuous enhancement of the quality and customer satisfaction of our “one-stop shop” repair and maintenance services; (ii) our strengthened marketing and promotion leveraging on our well-known “Yongda” brand; (iii) the reinforcement of cooperation with insurance companies to promote the proportion of our accident car repair business; (iv) our innovative efforts and launch of various comprehensive, diversified and value-added automobile extended products and services; (v) our continuing effort in enhancing service efficiency; and (vi) the increase in revenue of after-sales services from the newly opened and acquired outlets in 2013 and 2014.

Revenue from automobile rental services was RMB273.9 million in 2014, a 2.9% increase from RMB266.2 million in 2013.

Revenue from finance leasing services was RMB52.6 million in 2014, representing an increase of RMB49.0 million compared to RMB3.6 million in 2013.

Cost of Sales and Services

Cost of sales and services was RMB30,258.8 million in 2014, a 27.0% increase from RMB23,829.9 million in 2013, which was generally in line with the growth of our revenue.

Cost of sales and services for passenger vehicle sales was RMB28,127.1 million in 2014, an increase of 26.3% from RMB22,276.1 million in 2013, which was generally in line with the growth in revenue from passenger vehicle sales.

Cost of sales and services for after-sales services was RMB1,917.6 million in 2014, a 39.3% increase from RMB1,376.3 million in 2013, which was generally in line with the growth in revenue from after-sales services.

Cost of sales and services for automobile rental services was RMB199.2 million in 2014, a 12.6% increase from RMB176.9 million in 2013, which increased at a relatively fast pace compared to the increase in revenue from our automobile rental services.

Cost of sales and services for finance leasing services was RMB14.9 million in 2014, representing an increase of RMB14.4 million compared to RMB0.5 million in 2013, which was the finance cost arising from the borrowings of Shanghai Yongda Finance Leasing Company Limited.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit was RMB2,679.2 million in 2014, a 18.2% increase from RMB2,266.6 million in 2013.

Gross profit from passenger vehicle sales was RMB947.0 million in 2014, a 2.1% decrease from RMB966.9 million in 2013. Affected by the intense competition in passenger vehicle sales market and decline in retail price in 2014, gross profit margin for passenger vehicle sales decreased to 3.26% in 2014 from 4.16% in 2013.

Gross profit from after-sales services was RMB1,619.8 million in 2014, an increase of 34.2% from RMB1,207.3 million in 2013. Gross profit margin for after-sales services was 45.79% in 2014, which remained basically flat compared to 46.73% in 2013.

Gross profit from automobile rental services was RMB74.7 million in 2014, a decrease of 16.3% compared to RMB89.2 million in 2013. Affected by the intense market competition, the increase in costs such as salary, depreciation and fuel oil, gross profit margin for automobile rental services decreased from 33.53% in 2013 to 27.27% in 2014.

Gross profit from finance leasing services in 2014 was RMB37.7 million, representing an increase of RMB34.6 million compared to RMB3.1 million in 2013. Gross profit margin for finance leasing services was 71.70% in 2014 (2013: 85.25%).

Other Income and Other Gains and Losses

Other income and other gains and losses were RMB374.8 million in 2014, a 48.8% increase compared to RMB251.8 million in 2013. The increase was primarily due to the fact that our revenue generated from after-market finance services including insurance and finance amounted to RMB286.3 million in 2014, a 58.2% increase compared to 2013.

Distribution and Selling Expenses

Distribution and selling expenses were RMB1,287.5 million in 2014, a 35.1% increase from RMB952.9 million in 2013, which was primarily due to the expansion of our sales and services network and sales scale. As a percentage of revenue, our distribution and selling expenses increased from 3.65% in 2013 to 3.91% in 2014, which was primarily due to the newly opened outlets in 2014 were still in the early development stage.

Administrative Expenses

Administrative expenses were RMB647.8 million in 2014, a 33.7% increase compared to RMB484.5 million in 2013, which was primarily due to the expansion of our sales and services network and sales scale. As a percentage of revenue, our administrative expenses increased from 1.86% in 2013 to 1.97% in 2014, which was primarily due to the newly opened outlets in 2014 were still in the early development stage.

Finance Costs

Finance costs were RMB422.3 million in 2014, a 77.0% increase from RMB238.7 million in 2013, which was primarily due to the increased finance balance as a result of the expansion in sales and services network and business scale.

Profit before Tax

As a result of the foregoing, profit before tax was RMB705.2 million in 2014, a 17.3% decrease as compared to RMB852.6 million in 2013.

Income Tax Expenses

Income tax expenses were RMB165.8 million in 2014, a 21.3% decrease compared to RMB210.5 million in 2013. Our effective income tax rate slightly decreased to 23.5% in 2014 compared to 24.7% in 2013.

Profit and Total Comprehensive Income

As a result of the foregoing, profit and total comprehensive income was RMB539.5 million in 2014, a 16.0% decrease from RMB642.0 million in 2013.

Profit and Total Comprehensive Income Attributable to the Owners of the Company

As a result of the foregoing, profit and total comprehensive income attributable to the owners of the Company was RMB501.1 million in 2014, a 14.8% decrease from RMB588.3 million in 2013.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Our primary uses of cash are payment for purchases of passenger vehicles, spare parts and accessories, funding of our working capital and ordinary recurring expenses, funding of the capital expenditures in connection with the establishment and acquisition of outlets and repayment of our indebtedness. We maintain our liquidity through a combination of cash flows generated from our operating activities, capital injections, the issuance of bonds, bank loans and other borrowings. In the future, we believe that our capital expenditures and liquidity requirements are expected to be satisfied by using a combination of cash flows generated from our operating activities, bank loans and other borrowings, as well as funds raised from the capital markets from time to time.

In 2014, our net cash from operating activities was RMB719.5 million, a significant increase of approximately RMB676.7 million from RMB42.8 million in 2013, which was primarily due to a significant decrease of approximately RMB696.1 million in the net increase of inventories and prepayment balance as a result of our intensified inventory turnover management in 2014 compared to 2013.

In 2014, our net cash used in investing activities was RMB1,309.5 million, compared to net cash used in investing activities of RMB1,459.6 million in 2013. This was primarily due to our payment for purchases of property, plant and equipment, land use rights and intangible assets in the amount of RMB1,122.3 million and for acquisition of subsidiaries in the amount of RMB364.0 million, which was partially offset by the proceeds from disposals of property, plant and equipment, land use rights and intangible assets in the amount of RMB185.5 million.

In 2014, our net cash from financing activities was RMB1,045.9 million, compared to net cash from financing activities of RMB940.0 million in 2013, mainly including the proceeds from bank borrowings and other borrowings of RMB15,442.0 million, issuance of convertible bonds of RMB960.1 million, which was partially offset by the repayment of bank borrowings and other borrowings of RMB14,662.6 million, payment of interest of RMB423.7 million and payment of dividends of RMB177.6 million.

Inventories

Our inventories mainly include passenger vehicles and, to a lesser extent, spare parts, accessories and other miscellaneous inventories. Our inventories were RMB4,324.2 million as of December 31, 2014, a 25.4% increase from RMB3,447.8 million as of December 31, 2013, which was primarily due to the expansion in our sales and services network and sales scale. The following table sets forth our average inventory turnover days for the periods indicated:

	For the year ended December 31,	
	2014	2013
Average inventory turnover days[1]	**46.9**	46.9

Note:

(1) The average inventory turnover days is the average of opening and closing inventory balances divided by the cost of sales and services for that year and multiplied by 365 days.

Average inventory turnover days in 2014 was 46.9 days, which was basically the same as 46.9 days in 2013.

Capital Expenditures and Investment

Our capital expenditures comprised primarily expenditures on the purchase of property, plant and equipment, land use rights and intangible assets, as well as the acquisition of subsidiaries. In 2014, our capital expenditures of purchase of property, plant and equipment, land use rights and intangible assets amounted to RMB1,122.3 million and the expenditures on acquisition of subsidiaries amounted to RMB364.0 million.

Borrowings and Bonds

We obtained borrowings consisting of bank loans and other borrowings from automobile manufacturers' captive finance companies, bonds and convertible bonds issuance to fund our working capital and network expansion. As of December 31, 2014, the outstanding amount of our borrowings, bonds and convertible bonds amounted to RMB7,091.8 million, a 39.4 % increase from RMB5,088.5 million as of December 31, 2013, which was primarily due to (i) increase in borrowings as a result of capital expenditures and mergers and acquisitions in 2014 and borrowings brought in by the acquired or merged outlets as well; and (ii) the expansion of sales scale resulting in the increase of working capital borrowings. The following table sets forth the maturity profile of the our borrowings, bonds and the convertible bonds as of December 31, 2014:

	As of December 31, 2014 *(RMB in millions)*
Within one year	**4,855.7**
One year to two years	**1,318.2**
Two to five years	**906.6**
More than five years	**11.3**
Total	**7,091.8**

As of December 31, 2014, our gearing ratio (being net debt divided by the aggregate amount of total equity and net debt) was 69.0% (as of December 31, 2013: 64.6%). The net debt was total debt net of cash and cash equivalents, pledged bank deposits, time deposits and cash in transit.

As of December 31, 2014, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of December 31, 2014 consisted of (i) inventories of RMB689.4 million; (ii) property, plant and equipment of RMB140.2 million; and (iii) land use rights of RMB152.9 million.

In July 2014, we issued 1.5% USD settled convertible bonds due 2019 with an aggregate principal amount of RMB1 billion, and the funds raised will be used for establishment and acquisition of passenger vehicle sales and services outlets and replenishment of working capital.

Contingent Liabilities

As of December 31, 2014, we did not have any material contingent liabilities.

Interest Rate Risk and Foreign Exchange Risk

We are exposed to interest rate risk resulting from fluctuations in the interest rate on our borrowings. Certain of our borrowings were variable-rate borrowings that are mostly linked to the benchmark rates of the People's Bank of China or London Interbank Offered Rate. Increases in interest rates could result in an increase in our cost of borrowing. If this occurs, it could adversely affect our finance costs, profit and our financial condition. We do not currently use any derivative financial instruments to hedge our exposure to interest rate risk.

Except a part of bank borrowings denominated in United States dollar, substantially all of our revenue, costs and expenses are denominated in Renminbi. We also use Renminbi as our reporting currency. We believe our operations currently are not subject to any significant direct foreign exchange risk. We do not currently use any derivative financial instruments to hedge our exposure to foreign exchange risk.

Use of Proceeds

The net proceeds from our Company's initial public offering were approximately RMB1,013.2 million. The net proceeds have been utilized in the manner consistent with that disclosed in the prospectus of the Company dated June 29, 2012 under the section headed "Future Plans and Use of Proceeds."

FUTURE PROSPECT AND STRATEGIES

From the year of 2015 to the future, in light of the progress of domestic urbanization and strong demand for upgrading and updating vehicle ownership within the society, China's automobile market is expected to maintain a fast-growing and stable development, especially for the luxury and ultra-luxury automobile market, which is expected to maintain fast growth. We also realize that after experiencing the rapid growth over the past few years, extended services such as automobile maintenance and repair, pre-owned vehicles, automobile decoration, care and maintenance, as well as after-market businesses such as automobile finance and insurance service and automobile rental are expected to have robust development with unlimited business opportunities. Therefore, we will adhere to the operating concept of "Introducing Auto Life" and keep developing the Company into a leading retailer and services provider of luxury and ultra-luxury passenger vehicles offering premium customer experience in China. At the same time, we will rely on the well-established industrial chain of automobile services to reconstruct a brand new business mode of "Automobile + Finance + Internet".

We will continue to promote sales and services network mainly focused on luxury and ultra-luxury brands via self-establishment and mergers and acquisitions to expand the coverage of such network. Meanwhile, under the control of investment scale, we plan to focus on promoting two types of major after-sales outlets, which are the maintenance and repair outlets authorized by brand manufacturers and the independent after-sales outlets of "Auto Repair (車易修)" in the community. We will also keep track of the trends and changes regarding the types of automobile service outlets and correspondingly promote the construction of outlets with a mix of different types of services, so as to enhance the response and coverage of the services.

We will firmly capture the opportunity in the internet era, and proactively realize the rapid transformation and upgrade from existing traditional business to auto life O2O business. Through the integration of manpower and technical resources platform for after-sales services, spare parts logistic platform and customer ownership data platform accumulated over the years, together with the internet e-commerce mobile access such as WeChat and mobile applications, we aim to provide personalised, comprehensive, innovative and convenient services in high quality to our customers.

We will concentrate on our self-owned automobile finance service system. We initially set up comprehensive automobile finance platfrom focusing on payment, credit, wealth and asset management as a whole, and fully utilize the potential of automobile finance as a leading role within the automobile service industrial chain, so as to enable this system to become a string that ties the various aspects of auto life including sales, maintenance and repair, insurance, pre-owned vehicles and etc. Meanwhile, by capturing the opportunity of automobile-related mobile payment derived from the further development of automobile network in the future, we aim to form a financial business ecosystem around various stages of the lifecycle for customers' automobiles.

We will proactively conduct the layout for the pre-owned vehicle business by leveraging on the e-commerce platform on the internet in order to develop Yongda's pre-owned vehicle authentication retail brand. This expects to attract the recognition and awareness in regional markets, effectively enlarge the market share of pre-owned vehicle business and also provide standard and replicable model for nationawide fast expansion.

In addition, we plan to seize the opportunity for future development in China's automobile rental market and thoroughly explore the demand for automobile rental market in order to rapidly expand our automobile rental network in more economically developed cities other than Shanghai, which may enable the automobile rental business to become another major growth momentum for our revenue and profit.

We also plan to seize the market opportunity and commercially develop the land for 4S dealership with high realized value as appropriate in order to gain higher revenue from land value appreciation. We plan to utilize such revenue to expand our network and develop various innovative businesses so as to maximize the value for our shareholders.

At the same time, we will further concentrate on offline customer experience and strengthen the basic corporate management. We will also continuously improve the quality of operational management and customer satisfaction via the enhanced measures on internal management such as standardized service training, innovative management system and procedures, and establishment of knowledge sharing system.

In 2015, we aim to intensify our capabilities for sustainable growth, exert great efforts in improving the operational level and profitability for Yongda, and create a new ground for a more moderate, stable and sustainable development for the purpose to further reinforce the leading position of Yongda within the automobile industry and endeavor to contribute significant rewards for our investors.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has applied the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and has complied with the code provisions in the CG Code during the year ended December 31, 2014.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code during the year ended December 31, 2014.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended December 31, 2014.

Audit and Compliance Committee

The Audit and Compliance Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit and Compliance Committee considers that the annual financial results for the year ended December 31, 2014 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The auditor of the Company, Deloitte Touche Tohmatsu, has agreed that the figures in respect of the Group's annual results for the year ended December 31, 2014 contained in this announcement are consistent with the amounts set out in the Group's audited consolidated financial statements for the year.

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company in the forthcoming annual general meeting on May 8, 2015 (Friday) for the distribution of a final dividend of RMB0.1 per share for the year ended December 31, 2014. The final dividend is expected to be paid on or about May 29, 2015 (Friday) to the shareholders of the Company whose names are listed in the register of members of the Company on May 14, 2015 (Thursday), in an aggregate of approximately RMB148.0 million. The proposal for the distribution of the final dividend above is subject to the consideration and approval of the shareholders at the forthcoming annual general meeting of the Company.

RECORD DATE OF ANNUAL GENERAL MEETING

Shareholders whose names appear on the register of members of the Company at the close of business on May 7, 2015 (Thursday) (the "**Record Date**") will be entitled to attend the forthcoming annual general meeting to be held on May 8, 2015 (Friday) (the "**AGM**"). In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on the Record Date.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 14, 2015 (Thursday) to May 18, 2015 (Monday), both days inclusive, in order to determine the entitlement of the shareholders to the final dividend. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on May 13, 2015 (Wednesday).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (***www.hkexnews.hk***) and the Company (***www.ydauto.com.cn***).

The annual report for the year ended December 31, 2014 containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

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

PRC, March 23, 2015

As at the date of this announcement, the executive directors of the Company are Mr. Cheung Tak On, Mr. Cai Yingjie, Mr. Wang Zhigao, Mr. Xu Yue and Ms. Chen Yi; the non-executive director of the Company is Mr. Wang Liqun; and the independent non-executive directors of the Company are Mr. Wang Zhiqiang, Mr. Lu Wei and Mr. Chen Xianglin.