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China Yongda Automobiles Services Holdings Limited
(中國永達汽車服務控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03669)

STRATEGIC COOPERATION MEMORANDUM
AND
RESUMPTION OF TRADING

The announcement is made by China Yongda Automobiles Services Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce that, on 5 August 2015, an indirect wholly-owned subsidiary of the Company, Shanghai Automobile Group Co., Ltd. (上海永達汽車集團有限公司) entered into a strategic cooperation memorandum (the “**Memorandum**”) with the Automobile business unit (“**Alibaba Automobile**”) of Alibaba Group Holding Ltd. (a company listed on the New York Stock Exchange, stock code: BABA) (“**Alibaba**”). The Board believes that, the two parties, through this strategic cooperation, will achieve an extensive cooperation in respect of online-to-offline (“**O2O**”) comprehensive sales and services solutions in the automobile industry of the Internet plus age.

MAJOR DETAILS OF THE COOPERATION UNDER THE MEMORANDUM

The strategic cooperation between the Group and Alibaba Automobile will focus on the following areas:

- **Organize the first ever “Internet Automobile Fair”** — the parties will jointly organize the first ever “Internet Automobile Fair” and endeavor to promote this event to a highlight of the Internet automobile industry annually. The parties propose to promote online sales of the first batch of customized automobiles with favorable prices on the “Internet Automobile Fair”.

- **Launch the online sales of exclusive customized automobiles** — through Alibaba Automobile’s big data analysis and the Group’s existing cooperation with automobile brand manufacturers, the Group plans to develop online sales of exclusive customized automobile on a national scale, redefining the sustainable business model of Internet automobile sales.
- **Promote parallel imported vehicles business** — the Group will participate in the “Overseas Car Purchase” (“車海淘”) program of Alibaba Automobile, and the parties will jointly set up a national O2O sales and services network of parallel imported vehicles to satisfy the demands of customers for automobile sales, automobile after-sales services, parts, etc..
- **Participate in Internet automobile financing service** — the Group will become a strategic partner of Alibaba Automobile’s “Instant Automobile Financing” (車秒貸) business and a financing service provider. The parties will cooperate extensively in the area of automobile financing to provide financing services for vehicle purchases and other finance products for car owners.
- **Build up a national offline network of vehicle pick-up points** — the parties will provide a brand new online vehicle purchase — offline vehicle pick-up (線上購車 — 線下提車) experience to customers. As the most important strategic partner of Alibaba Automobile’s “Car Port” (車碼頭) service at this stage, the Group will actively participate in the establishment of a national network of “car ports” by Alibaba Automobile. It is anticipated that over 200 “car ports” in 100 regions will be set up within 2 years.
- **Online after-sales maintenance and repair reservation service** — the Group, as the only national service provider of all-brand online repair and maintenance reservation service for Alibaba Automobile, will provide online after-sales maintenance and repair reservation service to customers, expanding its after-sales service to the Internet.
- **In-depth cooperation in pre-owned car business** — the Group will connect its own pre-owned car platform with Alibaba Automobile’s pre-owned car platform, so as to provide authenticated premium pre-owned vehicles for customers. The parties will further cooperate in offline pre-owned vehicle assessment, display and sales.

REASONS FOR AND BENEFITS OF THE STRATEGIC COOPERATION

The purpose of the cooperation is to achieve an upgrade and transformation of the current automobile sales and services industry with an Internet perspective, through the integration of the offline automobile sales business model and the rapidly developing Internet e-commerce. The Board believes that Alibaba Automobile, as a leading global e-commerce platform, can attract more attention of online customers to the brand products and services provided by the Group. The Group and Alibaba Automobile will also jointly set up an auto-life O2O platform — “One Yongda Auto Life” (永達汽車生活一號館) to provide a better experience of online and offline integrated services to its customers through providing comprehensive services solutions (including sales of customized vehicles, sales of parallel imported cars, repair and maintenance reservation services, offline vehicle pick-up services, pre-owned vehicle business and automobile financing services) to the 80 million car owners on Alibaba Automobile’s online platform. The Board of the Company considers that, the signing of the Memorandum is in the interest of the Company and its shareholders as a whole and is in line with the strategic development goal of the Company.

GENERAL INFORMATION ABOUT THE GROUP AND ALIBABA AUTOMOBILE

The Group is a leading passenger vehicle retailer and comprehensive service provider in China focused on luxury and ultra-luxury brands including Bentley, Porsche, BMW/MINI, Audi, Jaguar/Land Rover, Volvo, Cadillac, Lincoln, Infiniti, Lexus and etc. In addition to new passenger vehicle sales business, the Group also provides customers with after-sales service, automobile rental services, as well as a wide array of services that it offers in connection with pre-owned vehicles, automobile insurance and credit products and finance leasing.

Alibaba Automobile is the Internet automobile platform of the Alibaba. Alibaba Automobile takes advantage of the big data sales capacity of Alibaba, its car financing business and the 80 million car-owners on its online platform, and coordinates and cooperates with its partners along the automobile industry chain to provide one-stop automobile O2O integrated services to car-owners in a wireless business setting.

In the event that the strategic cooperation contemplated under the Memorandum materializes and constitutes notifiable transactions of the Company under the Listing Rules, the Company will make further announcements as and when appropriate pursuant to the requirements under the Listing Rules.

The Company wishes to emphasize that, on the date of this announcement, the Group has only entered into a Memorandum with Alibaba Automobile, the matters contained in which are subject to implementation. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, dealing in the shares and debt securities of the Company has been halted with effect from 9:00 a.m. on 5 August 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares and debt securities of the Company with effect from 9:00 a.m. on 6 August 2015 following the publication of this announcement.

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

PRC, 5 August 2015

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