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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)

GRANT OF AWARD SHARES UNDER THE SHARE AWARD SCHEME

On March 28, 2023, the Board resolved to grant a total of 5,660,000 Award Shares to 83 employees of the Group (the “Grant”) pursuant to the Share Award Scheme, subject to acceptance of such Grantees. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, none of the Grantees is (i) a connected person of the Company; or (ii) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them. The Award Shares will be issued to the Trustee pursuant to the Annual Scheme Mandate, and is not subject to the Shareholders’ approval.

References are made to the announcements of the Company dated April 7, 2022 and June 1, 2022, and the circular of the Company dated April 22, 2022, in relation to, among others, the adoption of the Share Award Scheme and the Annual Scheme Mandate.

DETAILS OF GRANT OF AWARD SHARES

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that on March 28, 2023, it resolved to grant a total of 5,660,000 Award Shares to Grantees who are employees of the Group pursuant to the Share Award Scheme. A summary of such grant is set out below:

Date of grant : March 28, 2023 (the “Date of Grant”)

Number of Award Shares granted : 5,660,000

Consideration of the Award Shares granted	:	HK\$2.765, representing the highest of (a) HK\$2.765, 50% of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant notice, namely the Date of Grant; (b) HK\$2.671, 50% of the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant notice, namely the Date of Grant; and (c) HK\$0.01, being the nominal value of the Shares. No financial assistance is provided by the Group to any Grantee in relation to the Awards.
Closing price of each Share on the Date of Grant	:	HK\$5.530
The average closing price of the Shares for the five business days immediately preceding the Date of Grant	:	HK\$5.342
Vesting date of the Award Shares	:	Conditional upon the vesting conditions being fully satisfied, 5,660,000 Award Shares are to be vested on March 29, 2024.
Performance targets	:	The vesting of the Award Shares is subject to the achievement of the performance targets at the Company level and individual level. The performance targets at the Company level were determined taking into account the growth and development of the Group, tied to the phased revenue, profits or operating development of the Group. The performance targets at the individual level were determined taking into account position and responsibilities, work performance and quality, attitude, capabilities, teamwork and factors relevant to the Grantee, including the key performance indicators expected to be achieved, whether the Grantee is disciplined, humble and responsible, the work capabilities and independent and creative thinking skills of the Grantee, the communication skills of the Grantee and whether the Grantee is a team player.

Clawback mechanism : Upon the occurrence of any of the following in relation to a Grantee, all the Awards to such Grantee not vested shall lapse automatically, and the Company shall propose that no new Awards shall be granted to him and shall claw back the gain of the Grantee derived from the Awards vested: (a) the results of the economic responsibility audit and other reports proved that the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance; (b) the Grantee has contravened the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the bye-laws of the Company; (c) the Grantee has, during his tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company; (d) the Grantee has failed to discharge, or failed to discharge properly, his duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequences; or (e) the Grantee is dismissed due to the breach of the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the bye-laws of the Company; (f) the Grantee leaves the Company (unless otherwise agreed with the Company); and (g) the Grantee joins a competitor or forming a competing business after leaving the Company.

The Grant would not result in the options and awards granted and to be granted to each individual Grantee in the 12-month period up to and including the Date of Grant in aggregate to exceed 1% of the Shares in issue. None of the Grant will be subject to approval by Shareholders of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Grantees is (i) a connected person of the Company; or (ii) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them.

Subject to the terms and condition of the Share Award Scheme and the fulfillment of all vesting conditions, the Award Shares, once vested, shall be transferred to the relevant Grantees.

The Company believes that the grant of Awards to the Grantees can provide incentive or reward to them so as to encourage them to make continuing effort and contribution to the Group. It also enables them to share results of the development of the Group and is in the best interests of the Group as a whole.

LISTING RULES IMPLICATIONS

The Board has resolved to issue up to 5,660,000 new Shares to the Trustee pursuant to the Annual Scheme Mandate (assuming that all the Grantees accept the Awards in accordance with the terms as set out in the grant notices) for the purpose of awarding a total of 5,660,000 Award Shares to 83 Grantees under the Share Award Scheme. The issue of the Award Shares is not subject to the Shareholders' approval.

The maximum number of Shares that can be issued and allotted under the Annual Scheme Mandate is 59,019,990 Shares, as approved by the Shareholders. Except for the Award Shares, no Shares have been issued or allotted under the Annual Scheme Mandate. As of the date of this announcement, the number of Shares available for future grant under the Annual Scheme Mandate pursuant to the Share Award Scheme, except for the Award Shares, amounts to 53,359,990 Shares, representing approximately 2.73% of the total number of issued Shares.

The Award Shares, when allotted and issued, shall rank *pari passu* among themselves and with the other Shares in issue. Pursuant to the Share Award Scheme, each of the Grantees shall not enjoy any of the rights of a Shareholder (including but not limited to the exercising of voting rights attached to the Shares) by virtue of the grant of the Awards before vesting.

BOCI Trustee (Hong Kong) Limited (“**BOCI**”) is the initial Trustee appointed by the Company under the Share Award Scheme. To the best knowledge, information and belief of the Board after making all reasonable enquiries, BOCI is a professional trustee engaged by the Company for the Share Award Scheme. BOCI and its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons under the Listing Rules.

Application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the Award Shares. The allotment of the Award Shares is not subject to any conditions or approval of the Shareholders.

On March 24, 2023, the Board resolved to amend the Share Award Scheme, and to adopt the limit on grants of share awards and/or options over new Shares of the Company under all share schemes of the Company (“**Scheme Mandate Limit**”), both subject to the approval of the Shareholders at the annual general meeting of the Company to be held in 2023. Please refer to the announcement of the Company dated March 24, 2023 for further details. For avoidance of doubt, the Award Shares will not be counted towards the Scheme Mandate Limit.

The Share Award Scheme does not constitute a share scheme pursuant to the new Chapter 17 (effective on January 1, 2023) of the Listing Rules. The Company will comply with the new Chapter 17 in accordance with the transitional arrangements for the existing share schemes.

DEFINITIONS

“Annual Scheme Mandate”	An annual scheme mandate granted to the Directors at the annual general meeting of the Company dated June 1, 2022 to allot and issue new Shares under the Share Award Scheme not exceeding 3% of the number of issued Shares of the Company as at the date of passing the resolution
“Award(s)”	award(s) granted by the Board to a selected participant pursuant to the Share Award Scheme, which vest(s) in the form of Award Shares in accordance with the rules relating to the Share Award Scheme, as amended, modified or supplemented from time to time
“Award Share(s)”	Share(s) underlying the Award(s) granted to the Grantees under the Share Award Scheme
“Board”	board of Directors
“Company”	China Yongda Automobiles Services Holdings Limited, an exempted company incorporated on November 7, 2011 in the Cayman Islands with limited liability, with its Shares listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Grantees”	83 employees of the Group granted with Awards pursuant to the Share Award Scheme on the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company upon the approval by the Shareholders at the annual general meeting of the Company dated June 1, 2022
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	BOCI Trustee (Hong Kong) Limited, the initial trustee appointed by the Company under the Share Award Scheme
“%”	per cent.

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

The PRC, March 28, 2023

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