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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)

ANNOUNCEMENT
COMPLETION OF THE DISPOSAL OF EQUITY INTEREST
IN YONGDA FINANCE LEASING

Reference is made to the announcement of China Yongda Automobiles Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated June 29, 2021 (the “**Announcement**”) in relation to the disposal (the “**Disposal**”) of 80% equity interest in Shanghai Yongda Finance Leasing Co., Ltd. (上海永達融資租賃有限公司) (“**Yongda Finance Leasing**”) made by the Group directly and indirectly through a series of equity transfer agreements. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Board is pleased to announce that all conditions precedent to the Disposal (mainly including, among others, obtaining requisite governmental approvals, receiving cash consideration for equity transfers of approximately RMB447 million and changing the relevant registration of equity interest with the industrial and commercial authority) have been satisfied and the completion of the Disposal took place on December 22, 2021. Upon the completion of the Disposal, the Company indirectly holds 20% equity interest in Yongda Finance Leasing through Yongda Investment, and Yongda Finance Leasing has ceased to be a subsidiary of the Company. The financial results of Yongda Finance Leasing will be no longer consolidated into the financial statements of the Group.

According to International Financial Reporting Standards, the Group has not recorded any material gains or losses due to the Disposal, and the Company expects that the gearing ratio of the Group as of December 31, 2021 will be reduced by approximately three percentage points due to the Disposal. The actual impact of the Disposal on the financial status of the Group will be subject to the final audit by the Company’s auditors. For details, please refer to the Company’s annual report to be published by the end of April 2022.

Before the Disposal, the Group has provided guarantees (the “**Previous Guarantees**”) for a series of credits (the “**Existing Credits**”) and the corresponding debts of Yongda Finance Leasing to certain banks in China. Immediately upon the completion of the Disposal, Yongda Finance Leasing has become a commonly held entity as defined under Rule 14A.27 of the Listing Rules. In accordance with Rule 14A.26 of the Listing Rules, before the Existing Credits expire and Yongda Finance Leasing fully repays the corresponding debts (expected to take place by the end of 2022), the provision of financial assistance by providing the Previous Guarantees by the Group to Yongda Finance Leasing constitutes a continuing connected transaction of the Group. The Company will comply with annual review requirement as applicable and carry out annual reporting for the Previous Guarantees in accordance with Rule 14A.60 of the Listing Rules. The Company will be in full compliance with all applicable reporting, disclosure and (if applicable) independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in the event of any change or renewal of the Previous Guarantees after the completion of the Disposal. For further details of the Previous Guarantees, please refer to the Announcement and the 2021 interim report of the Company.

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

The PRC, December 22, 2021

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.