

CENTENARY UNITED HOLDINGS LIMITED
世紀聯合控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 1959



INTERIM REPORT
2025



CONTENTS

2	CORPORATION INFORMATION
4	MANAGEMENT DISCUSSION AND ANALYSIS
13	OTHER INFORMATION
25	INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
26	INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
27	INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
29	INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31	INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
33	NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



CORPORATION INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Law Hau Kit
(Chairman and Chief Executive Officer)
Mr. Chen Huaquan
Ms. Li Huifang

Independent Non-Executive Directors

Mr. Li Wai Keung
Mr. Li Weining
Ms. Yan Fei

AUTHORISED REPRESENTATIVES

Mr. Law Hau Kit
Mr. Chan Ngai Fan

JOINT COMPANY SECRETARY

Mr. Chan Ngai Fan
Ms. Liang Jiexin

AUDIT COMMITTEE

Mr. Li Wai Keung (Chairman)
Mr. Li Weining
Ms. Yan Fei

REMUNERATION COMMITTEE

Mr. Li Weining (Chairman)
Mr. Chen Huaquan
Mr. Li Wai Keung

NOMINATION COMMITTEE

Mr. Law Hau Kit (Chairman)
Mr. Li Weining
Ms. Yan Fei

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

No. 40, Rainbow Road
Western District,
Zhongshan, Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1426, 14/F., Solo Building
41-43 Carnarvon Road
Tsim Sha Tsui, Kowloon
Hong Kong

AUDITOR

Prism Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

Units 1903-1905, 19/F,

8 Observatory Road,

Tsim Sha Tsui, Hong Kong

STOCK CODE

1959

COMPANY'S WEBSITE

www.car2000.com.cn

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

PRINCIPAL BANKERS

**Industrial and Commercial Bank of China
(Zhongshan Shalang Branch)**

No. 4, Ganglong South Road

ICBC Building

Zhongshan, Guangdong Province

PRC

**China Construction Bank
(Zhongshan Shalang Branch)**

No. 2, Jinhua South Road

Zhongshan, Guangdong Province

PRC

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Centenary United Holdings Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”) together with comparative figures for the corresponding period in 2024 (the “**Previous Period**”).

INDUSTRY OVERVIEW

In the first half of 2025, the automobile industry continued to accelerate its reshuffling and innovation driven by electrification and intelligentization. Market competition was complex and volatile, with the frenzy on smart driving gradually cooling down and “anti-competition” sentiments toward the automobile price wars gradually rising. The fuel passenger car market of joint venture brands witnessed a recovery, and the national automobile sales volume grew significantly. According to the China Association of Automobile Manufacturers, in the first half of 2025, both of the production and sales volume of automobiles in China exceeded 15 million units for the first time, representing a dual-digit growth as compared to last year. The market share of NEVs reached 44.3%, becoming the core force driving the growth of the automobile market.

Although the overall automobile sales volume showed growth in the first half of 2025, automakers and dealers faced squeezed profit margins or even losses due to price wars. How to achieve synchronous growth in normal profits in align with the sales volume expansion and build a healthy and sustainable industry landscape has now become the common goal for the upstream and downstream players of the automobile industry.

BUSINESS REVIEW

During the Reporting Period, the Group recorded revenue of approximately RMB454.2 million, a decrease of approximately 38.5% from the Previous Period. Gross profit increased by approximately 61.9% to approximately RMB17.4 million, while gross profit margin increased to approximately 3.8% from approximately 1.5% for the six months ended 30 June 2025.

Headquartered in Zhongshan City, Guangdong Province, the Group is located at the center of the Greater Bay Area as a leading provider of diversified vehicle mobility services in the Greater Bay Area. During the Reporting Period, the Group operated a total of 19 outlets in Zhongshan, Foshan and other cities in the Greater Bay Area, one insurance agency company, three used-vehicle trading centres, and a company engaged in the construction of charging stations and operation of online ride-hailing business.

The Group has up to 13 brands authorised by automobile manufacturers, including GAC Aion, Hyper, Leapmotor, EVH, JAC Yiwei New Energy, ARCFOX, FAW-Volkswagen, Buick, Chevrolet, FAW Toyota, Dongfeng Nissan, Cadillac and Beijing Hyundai.

SALES OF MOTOR VEHICLES

During the Reporting Period, the sales of motor vehicles (comprising new vehicles and used vehicles) were approximately RMB298.7 million, representing a decrease of approximately 46% compared to approximately RMB553.2 million for the Previous Period.

SALES OF NEW VEHICLES

During the Reporting Period, the Group's sales revenue of new vehicles was approximately RMB294.0 million (2,797 units in total), a decrease of approximately 45.9% as compared to approximately RMB543.2 million (4,832 units in total) recorded in the Previous Period. The decline in new vehicle sales was mainly due to the complex and volatile international environment, persistent competition in the domestic automobile market, regional disparities in subsidy policies, strong wait-and-see sentiment among consumers as well as the slow recovery in new vehicle sales.

SALES OF USED VEHICLES

The Group sold 376 used vehicles during the Reporting Period, with sales revenue of approximately RMB4.6 million, a decrease of approximately 54% from approximately RMB10.0 million (335 units in total) as compared to the Previous Period. The sluggish growth in used vehicle sales was mainly due to the impact of "dual-new" policies and frequent price cuts in the new vehicle market, which made consumers more inclined to purchase new vehicles, resulting in insufficient demand for used vehicles and transaction prices remaining at low levels.

OTHER INTEGRATED AUTO SERVICES

As a 4S dealership group providing one-stop car services, the Group offers a series of one-stop services such as after-sales services and customer feedback in addition to car sales. Other integrated auto services provided by the Group include repair and maintenance services, sales of spare parts, insurance agency services and other services. During the Reporting Period, revenue from comprehensive automobile services amounted to approximately RMB155.6 million, representing a decrease of approximately 15.8% compared with approximately RMB184.8 million during the Previous Period.

MANAGEMENT DISCUSSION AND ANALYSIS

REPAIR SERVICES

The Group's repair services are comprised of repair and maintenance services, sales of spare parts, car care services and used vehicle warranty services. During the Reporting Period, revenue from repair services amounted to approximately RMB71.9 million (Previous Period: RMB108.7 million), accounting for approximately 15.8% of the total revenue, representing an increase of approximately 1.1% as compared with the Previous Period. The gross profit margin was approximately 32.4%.

INSURANCE AGENCY SERVICES

For the Reporting Period, revenue from the Group's insurance agency services was approximately RMB50.6 million, an increase of approximately 15.0% from approximately RMB43.0 million in the Previous Period. Gross profit decreased 72.4% to approximately RMB1.6 million from approximately RMB5.8 million in the Previous Period.

OTHER SERVICES

Other services of the Group mainly comprised of vehicle registration services, registration of title transfer of used vehicles, charging station business and online ride-hailing services. Revenue from other services was approximately RMB33.1 million during the Reporting Period, maintaining stable as compared to approximately RMB33.1 million in the Previous Period.

NEW-ENERGY VEHICLE RELATED SERVICES

During the Reporting Period, the Group had taken the NEV related businesses as one of the key development strategies. The Group's NEV related services are comprised of charging services fee generated from the electric vehicle charging network in the Greater Bay Area and rental and administrative fee from participating in the operation of the online ride-hailing business.

During the Reporting Period, revenue from newly launched NEV related services amounted to approximately RMB25.8 million (Previous Period: approximately 24.4 million), and gross profit from NEV related services amounted to approximately RMB2.0 million (Previous Period: approximately 1.7 million).

DIVIDENDS

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

PROSPECT AND OUTLOOK

Looking ahead to the second half of 2025, the competitive landscape of the automobile market will not undergo fundamental changes. The intensity of price wars will decrease but not completely cease. However, the Group believes that under the stimulus of various policies introduced by the national and local governments to boost consumption, coupled with the continuous enrichment of new offerings from the automobile manufacturers, the domestic automobile industry will gain continuous growth and release vitality.

In the second half of 2025, the Group will continue to adjust its brand structure and business model to swiftly adapt to market changes, optimize its organizational structure and team capability to further promote its business development, transform to an asset-light investment model to develop its new energy charging business, and continue to seek new points of business growth and profit contribution as well as breakthroughs in other industries.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded revenue of approximately RMB454.2 million, representing a decrease of approximately RMB283.8 million or approximately 38.5% from that of approximately RMB738.0 million for the Previous Period. Sales of motor vehicles contributed approximately RMB298.7 million for the Reporting Period (Previous Period: approximately RMB553.2 million) of the Group's total revenue whereas other integrated auto services brought in revenue of approximately RMB155.6 million for the Reporting Period (Previous Period: approximately RMB184.8 million), representing approximately 65.8% (Previous Period: approximately 75.0%) and 34.2% (Previous Period: approximately 25.0%) of the Group's total revenue, respectively. The decrease of revenue mainly derived from the decrease of sales of motor vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales and gross profit margin

The Group's cost of sales primarily consists of (i) cost of motor vehicles, (ii) cost of spare parts and accessories, (iii) staff costs, (iv) depreciation, and (v) others. Cost of motor vehicles is the main source of cost of sales, accounting for approximately 70.0% for the Reporting Period (Previous Period: approximately 81.3%). For the Reporting Period, the Group's cost of sales amounted to approximately RMB436.8 million, representing a decrease of approximately 39.9% as compared to that of approximately RMB727.3 million for the Previous Period. The decrease was mainly due to the decrease in sales volume and repair service demands of motor vehicles.

The Group recorded gross profit of approximately RMB17.4 million for the Reporting Period, representing an increase of approximately 61.1% as compared to that of approximately RMB10.8 million for the Previous Period. The increase in gross profit was mainly due to the Group's transformation from a singular sales-oriented model to a service-oriented model, allocating its limited resources to business segment with higher profit contribution. Overall gross profit margin of the Group increased to approximately 3.8% from approximately 1.5% for the Previous Period.

Other income and gains

Other income and gains increased by approximately RMB2.5 million, or 12.4%, from approximately RMB20.1 million for the Previous Period to approximately RMB22.6 million for the Reporting Period, primarily attributable to the commission income from releasing vehicle mortgage for the customers, commission income for automotive explosion-proof membrane, commission income from third party financing institution for vehicle financing and advertisement support received from automobile manufacturers for the advertising activities.

Selling and distribution expenses

The Group's selling and distribution expenses significantly decreased by approximately RMB11.1 million, or 36.6%, from approximately RMB30.4 million for the Previous Period to approximately RMB19.3 million for the Reporting Period.

The decrease in selling and distribution expenses for the Reporting Period was primarily due to the decrease in salary and wages of sales staff and advertising and office expenses as compared to the Previous Period.

Administrative expenses

Administrative expenses primarily consist of (i) salary and wages of administrative staff; (ii) rental expenses; (iii) depreciation and amortization of fixed asset; (iv) property repair and maintenance expenses; (v) sundry expenses such as utility expenses and telephone expenses; and (vi) bank charges. The Group's administrative expenses for the Reporting Period were approximately RMB33.7 million, representing a decrease of approximately RMB13.0 million from the Previous Period. Such decrease was mainly due to the combined effect of (i) the decrease in salary and wages of administrative staff of approximately RMB2.5 million; (ii) the increase in rental expense of approximately RMB4.1 million; (iii) the decrease in depreciation and amortization of fixed assets and right-of-use assets of approximately RMB5.0 million; (iv) the decrease in repair and maintenance expenses of approximately RMB1.0 million and (v) the decrease in sundry expenses of approximately RMB8.4 million.

Finance costs

For the Reporting Period, the Group's finance costs were approximately RMB3.0 million (Previous Period: approximately RMB5.6 million), representing a significant decrease as compared to the Previous Period due to the decrease in the Group's financing demand and the decrease in interest rates of bank loans.

Loss for the period

As a result of the foregoing, the Group's loss for the Reporting Period was approximately RMB16.2 million as compared to approximately RMB52.4 million for the Previous Period. The significant decline in loss was mainly due to the improvement in the inventory structure and gross profit margin of new vehicles, as well as the reduction in administrative expenses.

Income tax expense

For the Reporting Period, the income tax expense of the Group was approximately RMB0.2 million (Previous Period: approximately RMB0.1 million). The increase was primarily attributable to the increase in the Group's taxable profit for the Reporting Period.

Liquidity, financial resources and capital structure

The Group continues to adhere to the principle of prudent financial management and generally meets its working capital requirements by cash flows generated from its operations and short term borrowings.

The Group's net gearing ratio, which is total debt divided by total equity, as at 30 June 2025 was approximately 2.16 times (as at 31 December 2024: 2.28 times). The decrease was mainly due to the significant contraction of loss and liabilities of the Group during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's pledged bank deposits and cash and cash equivalents balances as at 30 June 2025 amounted to approximately RMB39.7 million, representing a decrease of approximately RMB44.8 million as compared to that of approximately RMB84.5 million as at 31 December 2024.

The Group's interest-bearing bank and other borrowings as at 30 June 2025 were all denominated in Renminbi. The interest rates ranged from 2.75% to 5.3% per annum.

As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to RMB91.1 million, representing a decrease of 6.6% as compared to RMB97.6 million as at 31 December 2024. Short-term loans and borrowings amounted to approximately RMB91.1 million (as at 31 December 2024: approximately RMB95.6 million), and long-term loans and borrowings was RMB0 (as at 31 December 2024: RMB2.0 million).

The Group's total equity attributable to owners of the parent was approximately RMB84.2 million as at 30 June 2025 (as at 31 December 2024: approximately RMB100.1 million). The capital of the Group mainly comprises share capital and reserves.

Capital expenditures and commitments

As at 30 June 2025, the capital commitments of the Group in connection with building expenditures was approximately RMB0.5 million (as at 31 December 2024: approximately RMB4.7 million).

Foreign exchange

The Group mainly operates in the PRC and the majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Renminbi. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirement should they arise. Therefore, the Group did not engage in any derivative contracts to hedge its exposure against foreign exchange risk during the Reporting Period.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2025 (as at 31 December 2024: nil).

Significant Investments, Acquisitions and Disposals, Future Plan for Material Investments and Capital Assets

The Group had no material acquisitions or disposals during the Reporting Period and up to the date of this report.

As of the date of this report, the Group did not have plans for material investments or capital assets.

Pledge of assets

As at 30 June 2025, the Group's utilised banking facilities amounting to approximately RMB91.1 million (as at 31 December 2024: approximately RMB97.6 million) were secured by:

- (i) certain of the Group's merchandised goods amounting to approximately RMB61.0 million as at 30 June 2025 (as at 31 December 2024: approximately RMB45.8 million);
- (ii) the Group's buildings, which a net carrying amount of RMB0 as at 30 June 2025 (as at 31 December 2024: approximately RMB5.0 million);
- (iii) the Group's right of use assets, which a net carrying amount of approximately RMB8.8 million as at 30 June 2025 (as at 31 December 2024: approximately RMB8.6 million);
- (iv) the Group's bills payable was secured by pledged deposits of approximately RMB4.3 million as at 30 June 2025 (as at 31 December 2024: approximately RMB4.5 million); and
- (v) pledged deposits for others of RMB0 as at 30 June 2025 (as at 31 December 2024: approximately RMB1.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total workforce of 488 employees (as at 31 December 2024: 526). Most of the Group's employees were located in China. The Group offered its staff with competitive remuneration packages. In addition, the Group conducts annual review on salary increment, discretionary bonuses and promotions based on the performance of each employee. During the Reporting Period, the Group did not experience any significant problems with its employees due to labour disputes nor did we experience any difficulty in the recruitment and retention of experienced staff. The Group maintains a good relationship with its employees.

The Board has the general power of determining the Directors' remuneration, subject to authorization of the shareholders of the Company at the annual general meeting each year. The remuneration of the executive Directors is subject to review by the remuneration committee ("**Remuneration Committee**") of the Company, and their remuneration is determined with reference to the Directors' qualifications, experience, duties, responsibilities and performance and results of the Group. As for the independent non-executive Directors remuneration, is determined by the Board, upon recommendation from the Remuneration Committee.

The Company has adopted share option schemes as incentives to Directors and eligible employees. Details of the share option schemes are set out under the heading "Share Option Scheme" below.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

As at 30 June 2025, the interests and short positions of Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) as recorded in the register required to be kept under section 336 and 352 of the SFO, or as notified the Company and the Stock Exchange pursuant to the Model Code, are as follows:

(i) Director’s interest in the Company

Name of Director	Capacity/nature	Number of Shares held/Interested in	Interest in underlying Shares pursuant to share option	Total	Long/short position	Approximate percentage of shareholding as at 30 June 2024
Mr. Law Hau Kit	Interest in a controlled corporation	373,916,000 (Note 1)	—	373,916,000	Long	73.57%
	Beneficial owner	3,000,000	—	3,000,000	Long	0.59%
	Beneficial owner	—	3,000,000 (Note 2)	3,000,000	Long	0.59%
Mr. Chen Huaquan	Beneficial owner	1,842,000	1,500,000 (Note 2)	3,342,000	Long	0.66%
Ms. Li Huifang	Beneficial owner	—	1,300,000 (Note 2)	1,300,000	Long	0.26%
Ms. Yan Fei	Beneficial owner	—	500,000 (Note 2)	500,000	Long	0.10%
Mr. Li Wai Keung	Beneficial owner	—	500,000 (Note 2)	500,000	Long	0.10%

Notes:

- Chong Kit Limited is wholly owned by Mr. Law. Under the SFO, Mr. Law is deemed to be interested in the same number of Shares in which Chong Kit Limited is interested.
- The interest of each of Mr. Law, Mr. Chen, Ms. Li, Ms. Yan, Mr. Li in 3,000,000, 1,500,000, 1,300,000, 500,000 and 500,000 underlying Shares represents his/her interest in the share options granted by the Company to him/her on 21 May 2021 under the share option scheme (the “Share Option Scheme”) adopted on 16 September 2019. For details, please refer to the table disclosing movements in the share options of the Company under the section headed “Share Option Scheme” in page 15 of this report. Each of Mr. Law, Mr. Chen, Ms. Li, Ms. Yan and Mr. Li has confirmed that he/she will not exercise any Share Options if as a result of which the Company will not be able to comply with the public float requirement of the Listing Rules.

OTHER INFORMATION

(ii) Directors' interests in associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/nature	Number of Shares held/interested in	Long/short position	Percentage of shareholding
Mr. Law Hau Kit	Chong Kit Limited (Note 1)	Beneficial owner	1	Long	100.00%

Note:

1. Chong Kit Limited holds more than 50% of the Shares. Therefore Chong Kit Limited is a holding company and an associated corporation of the Company.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register of the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

So far as the Directors are aware, as at 30 June 2025, the interest and short positions of the persons, other than a director or chief executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO are as follows:

Substantial shareholders' interest in the Company

Name of shareholder	Capacity/nature	Number of Shares/ underlying Shares held/ interested in	Long/short position	Approximate percentage of shareholding as at 30 June 2025
Chong Kit Limited (Note 1)	Beneficial owner	373,916,000	Long	73.57%
Ms. Liu Yali (Note 2)	Interest of spouse	379,916,000	Long	74.76%

Notes:

1. Chong Kit Limited is wholly owned by Mr. Law. Under the SFO, Mr. Law is deemed to be interested in the same number of Shares in which Chong Kit Limited is interested.
2. Ms. Liu Yali is the spouse of Mr. Law. Under the SFO, Ms. Liu Yali will be deemed to be interested in the same number of Shares/underlying Shares in which Mr. Law is interested.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or Chief Executive of the Company) in the Shares or underlying Shares which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

UPDATE ON DIRECTORS' INFORMATION

- The Directors of the Company were notified by Mr. Li Wai Keung, an independent non-executive Director, on 15 August 2025 that China South City Holdings Limited ("**China South City**"), an independent third party unrelated to the Group, was ordered to be wound up by the High Court of The Hong Kong Special Administrative Region (the "**High Court**") on 11 August 2025 (the "**Winding-up Order**"). Mr. Chow Wai Shing Daniel and Mr. Pan Lu Yang, both of FTI Consulting (HongKong) Limited of Level 35, Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong were appointed as Joint and Several Liquidators of the China South City by a regulating order of the High Court on 11 August 2025. Mr. Li Wai Keung has been an independent non-executive director of China South City since 4 September 2009. Please refer to the announcement of the Company dated 12 August 2025 (the "**Announcement dated 12 August 2025**") for details.

As the Winding-up Order was made against China South City in a period during which Mr. Li Wai Keung was an independent non-executive director of China South City, the Winding-up Order constitutes an event required to be disclosed by the Company pursuant to Rule 13.51(2) (I) of the Listing Rules. Mr. Li Wai Keung has confirmed to the Company that (i) apart from being an independent non-executive director of China South City, he has no connection with and no involvement in the matters relating to the Winding-up Order or any of the underlying claims; (ii) he is not a respondent of the Petition nor a party of such winding-up proceedings; (iii) he is not aware of any actual or potential claim that has been or will be made against him because of the Winding-up Order; (iv) he has no knowledge at the present time of the possible outcome of the Winding-up Order; and (v) save as disclosed in the Announcement dated 12 August 2025, there is no other matter relating to him which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, there is no other changes in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the 2024 annual report of the Company and up to the date of this report.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 16 September 2019. The purpose of the Share Option Scheme is to provide any Director and full-time employees of any member of the Group ("**Participants**") with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and the shareholders as a whole.

OTHER INFORMATION

The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 50,000,000 (being 10% of the Shares in issue as at 18 October 2019 when the Shares first commenced dealing on the Stock Exchange) (the “**General Scheme Limit**”). Subject to the approval of shareholders in general meeting, the Company may refresh the General Scheme Limit to the extent that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group as refreshed must not exceed 10% of the Shares in issue as at the date of approval provided that the options previously granted will not be counted for purpose of calculating the General Scheme Limit as renewed.

The number of options available for grant under the existing General Scheme Limit as at 1 January 2025 and 30 June 2025 and the maximum number of Shares of the Company which may be issued upon exercise of all options that may be granted under the existing General Scheme Limit was 0, representing 0% of the issued share capital of the Company as at the date of this interim report.

During the six months ended 30 June 2025, 5,500,000 share option was granted under the Share Option Scheme. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for the six months ended 30 June 2025 is 0.01.

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised, cancelled or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

Pursuant to the terms of the Share Option Scheme, the period within which the Shares must be taken up under an option shall be the period of time to be notified by the Board to each grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant.

There is no general requirement on the minimum period for which an option must be held before an option can be exercised under the terms of the Share Option Scheme. Upon fulfilment of the vesting conditions of the share options, the share options are exercisable in the manner set out herein below.

The subscription price for Shares under the Share Option Scheme will be a price determined by the Board, but shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares on the date of grant.

The Share Option Scheme will remain in force for a period of 10 years from the date of listing (i.e. 18 October 2019).

A non-refundable consideration of HK\$1.0 was paid by each grantee on acceptance of the Share Options within 14 days from the date of grant.

As at 30 June 2025, the Company had 21,800,000 share option outstanding under the Share Option Scheme, representing approximately 4.3% of the issued share capital of the Company as at the date of this interim report. Details of the share options outstanding as at the date of this report are as follows:

Option type	Date of grant	Validity period	Exercisable period	Vesting period	Exercise price (HK\$)	Closing price of the Shares immediately before the date on which the Share Options were granted (HK\$)
2021 Options	21/05/2021	5 years commencing from the date of grant	21/05/2022 to 20/05/2026 21/05/2023 to 20/05/2026 21/05/2024 to 20/05/2026	21/05/2021 to 20/05/2022 21/05/2021 to 20/05/2023 21/05/2021 to 20/05/2024	0.81	0.790
2025 Options	16/05/2025	5 years commencing from the date of grant	16/05/2025 to 15/05/2030	Vested on 16/05/2025	0.32	0.320

OTHER INFORMATION

The following table discloses movements in the share options of the Company during the Reporting Period:

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2025	Movements during the six months ended 30 June 2025			Number of options at 30/06/2025
					Granted	Exercised	Lapsed	
Directors								
Mr. Law Hau Kit	21/05/2020	21/05/2021 to 20/05/2025	0.48	1,200,000	—	1,200,000	—	0
		21/05/2022 to 20/05/2025	0.48	900,000	—	900,000	—	0
		21/05/2023 to 20/05/2025	0.48	900,000	—	900,000	—	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	1,200,000	—	—	—	1,200,000
		21/05/2023 to 20/05/2026	0.81	900,000	—	—	—	900,000
		21/05/2024 to 20/05/2026	0.81	900,000	—	—	—	900,000
				6,000,000	—	3,000,000	—	3,000,000
Mr. Chen Huaquan	21/05/2020	21/05/2021 to 20/05/2025	0.48	320,000	—	—	320,000	0
		21/05/2022 to 20/05/2025	0.48	480,000	—	—	480,000	0
		21/05/2023 to 20/05/2025	0.48	480,000	—	—	480,000	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	600,000	—	—	—	600,000
		21/05/2023 to 20/05/2026	0.81	450,000	—	—	—	450,000
		21/05/2024 to 20/05/2026	0.81	450,000	—	—	—	450,000
				2,780,000	—	—	1,280,000	1,500,000

OTHER INFORMATION

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2025	Movements during the six months ended 30 June 2025			Number of options at 30/06/2025
					Granted	Exercised	Lapsed	
Ms. Li Huifang	21/05/2020	21/05/2022 to 20/05/2025	0.48	300,000	—	—	300,000	0
		21/05/2023 to 20/05/2025	0.48	300,000	—	—	300,000	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	520,000	—	—	—	520,000
		21/05/2023 to 20/05/2026	0.81	390,000	—	—	—	390,000
		21/05/2024 to 20/05/2026	0.81	390,000	—	—	—	390,000
				1,900,000	—	—	600,000	1,300,000
Ms. Yan Fei	21/05/2020	21/05/2021 to 20/05/2025	0.48	200,000	—	—	200,000	0
		21/05/2022 to 20/05/2025	0.48	150,000	—	—	150,000	0
		21/05/2023 to 20/05/2025	0.48	150,000	—	—	150,000	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	200,000	—	—	—	200,000
		21/05/2023 to 20/05/2026	0.81	150,000	—	—	—	150,000
		21/05/2024 to 20/05/2026	0.81	150,000	—	—	—	150,000
				1,000,000	—	—	500,000	500,000

OTHER INFORMATION

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2025	Movements during the six months ended 30 June 2025			Number of options at 30/06/2025
					Granted	Exercised	Lapsed	
Mr. Li Wai Keung	21/05/2020	21/05/2021 to 20/05/2025	0.48	200,000	—	—	200,000	0
		21/05/2022 to 20/05/2025	0.48	150,000	—	—	150,000	0
		21/05/2023 to 20/05/2025	0.48	150,000	—	—	150,000	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	200,000	—	—	—	200,000
		21/05/2023 to 20/05/2026	0.81	150,000	—	—	—	150,000
		21/05/2024 to 20/05/2026	0.81	150,000	—	—	—	150,000
				1,000,000	—	—	500,000	500,000
Total Directors				12,680,000	—	3,000,000	2,880,000	6,800,000

OTHER INFORMATION

	Date of grant	Exercise period	Exercise price (HK\$)	Number of options at 01/01/2025	Movements during the six months ended 30 June 2025			Number of options at 30/06/2025
					Granted	Exercised	Lapsed	
Employees	21/05/2020	21/05/2021 to 20/05/2025	0.48	558,000	—	—	558,000	0
		21/05/2022 to 20/05/2025	0.48	2,340,000	—	—	2,340,000	0
		21/05/2023 to 20/05/2025	0.48	2,340,000	—	—	2,340,000	0
	21/05/2021	21/05/2022 to 20/05/2026	0.81	3,800,000	—	—	—	3,800,000
		21/05/2023 to 20/05/2026	0.81	2,850,000	—	—	—	2,850,000
		21/05/2024 to 20/05/2026	0.81	2,850,000	—	—	—	2,850,000
	16/05/2025	16/05/2025 to 15/05/2030	0.32	—	5,500,000	—	—	5,500,000
Total Employees				14,738,000	5,500,000	—	5,238,000	15,000,000
Total				27,418,000	5,500,000	3,000,000	8,118,000	21,800,000

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules, if any)) during the six months ended 30 June 2025 and up to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all code provisions ("**Code Provisions**") and, where applicable, the recommended best practices of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025, save for the deviations which are explained below:

In relation to provision C.2.1 of the CG Code where the roles of the Group's chairman and chief executive officer ("**CEO**") are both performed by Mr. Law. Provision C.2.1 of the CG Code requires that the roles of chairman and CEO should be separate and should not be performed by the same individual. Mr. Law has been responsible for overall strategic planning and management of the Group since the Group was founded in 1999. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, both of which comprise experienced and high-calibre individuals. The Board currently comprises three executive Directors (including Mr. Law) and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Save as disclosed above and those disclosed in the corporate governance report in the 2024 annual report of the Company, none of the directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the CG Code during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Change of auditor of the Company

Ernst & Young (“**EY**”) resigned as the auditor of the Company with effect from 27 August 2025, as the Company could not reach a consensus with EY on the audit fee for carrying out the audit for the financial period ending 31 December 2025. With the recommendation from the audit committee of the Company (the “**Audit Committee**”), it has resolved to appoint Prism Hong Kong Limited as the new auditor of the Company with effect from 27 August 2025 to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. For more details regarding the change of auditor of the Company, please refer to the announcement of the Company dated 27 August 2025.

Save as disclosed in this report, there was no material event which could have material impact to the Group’s operating and financial performance after the Reporting Period and up to the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions conducted by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own Code of Conduct for securities transactions conducted by relevant Directors. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited interim results for the six months ended 30 June 2025 including the interim report and discussed with the management of the Company and is of the view that such financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made with no disagreement by the Audit Committee of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules of at least 25% of the Company’s total number of issued shares which was held by the public.

OTHER INFORMATION

ACKNOWLEDGEMENT

We would like to pay tribute to the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to the Group.

By order of the Board

Law Hau Kit

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	454,249	738,039
Cost of sales		(436,843)	(727,289)
Gross profit		17,406	10,750
Other income and gains	4	22,599	20,133
Selling and distribution expenses		(19,280)	(30,390)
Administrative expenses		(33,719)	(46,710)
Other expenses		(75)	(473)
Finance costs	6	(2,984)	(5,644)
LOSS BEFORE TAX	5	(16,053)	(52,334)
Income tax expense	7	(181)	(106)
LOSS FOR THE PERIOD		(16,234)	(52,440)
Attributable to:			
Owners of the parent		(15,984)	(52,356)
Non-controlling interests		(250)	(84)
		(16,234)	(52,440)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	RMB(3.15) cents	RMB(10.36) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	(16,234)	(52,440)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	50	(175)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	50	(175)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(16,184)	(52,615)
Attributable to:		
Owners of the parent	(15,934)	(52,531)
Non-controlling interests	(250)	(84)
	(16,184)	(52,615)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	125,460	133,814
Right-of-use assets		59,035	54,607
Other intangible assets		300	658
Deferred tax assets		3,308	876
Total non-current assets		188,103	189,955
CURRENT ASSETS			
Inventories	11	117,134	118,679
Trade receivables	12	19,915	12,220
Prepayments, other receivables and other assets	13	73,975	118,652
Pledged deposits	14	4,334	5,502
Cash and cash equivalents	14	35,345	78,997
Total current assets		250,703	334,050
CURRENT LIABILITIES			
Trade and bills payables	15	29,336	30,799
Contract liabilities	16	23,014	26,074
Other payables and accruals	17	54,111	67,744
Interest-bearing bank and other borrowings	18	91,129	95,610
Amount due to a director		4,911	11,041
Tax payable		23,210	21,443
Total current liabilities		225,711	252,711

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NET CURRENT ASSETS		24,992	81,339
TOTAL ASSETS LESS CURRENT LIABILITIES		213,095	271,294
NON-CURRENT LIABILITIES			
Lease liabilities		42,722	47,655
Interest-bearing bank and other borrowings	18	—	2,006
Amount due to a director		85,000	120,000
Deferred income		1,370	1,473
Total non-current liabilities		129,092	171,134
Net assets		84,003	100,160
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	4,585	4,558
Reserves		79,578	95,512
Equity attributable to owners of the parent		84,163	100,070
Non-controlling interests		(160)	90
Total equity		84,003	100,160

Law Hau Kit
Director

Chen Huaquan
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital	Share premium*	Share option reserve*	Other reserve*	Statutory surplus reserve*	Foreign currency translation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 19	Note 21	Note 20	Note 21	Note 21					
At 1 January 2025 (audited)	4,558	103,214	6,831	(44,512)	37,896	96	(8,013)	100,070	90	100,160
Loss for the period:	—	—	—	—	—	—	(15,984)	(15,984)	(250)	(16,234)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	50	—	50	—	50
Total comprehensive loss for the period	—	—	—	—	—	50	(15,984)	(15,934)	(250)	(16,184)
Issue of shares	27	1,269	(1,269)	—	—	—	—	27	—	27
Transfer from retained profits	—	—	—	—	936	—	(936)	—	—	—
Equity-settled share option arrangements	—	—	—	—	—	—	—	—	—	—
At 30 June 2025 (unaudited)	4,585	104,483	5,562	(44,512)	38,832	146	(24,933)	84,163	(160)	84,003

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent								Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 Note 19	Share premium* RMB'000 Note 21	Share option reserve* RMB'000 Note 20	Other reserve* RMB'000 Note 21	Statutory surplus reserve* RMB'000 Note 21	Foreign currency translation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000		
At 1 January 2024 (audited)	4,558	103,214	6,676	(44,512)	37,454	(590)	82,164	188,964	506	189,470
Loss for the period:	—	—	—	—	—	—	(52,356)	(52,356)	(84)	(52,440)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	(175)	—	(175)	—	(175)
Total comprehensive income/(loss) for the period	—	—	—	—	—	(175)	(52,356)	(52,531)	(84)	(52,615)
Issue of shares										
Transfer from retained profits	—	—	—	—	312	—	(312)	—	—	—
Equity-settled share option arrangements	—	—	178	—	—	—	—	178	—	178
At 30 June 2024 (unaudited)	4,558	103,214	6,854	(44,512)	37,766	(765)	29,496	136,611	422	137,033

* These reserve accounts comprise the reserves of RMB79,578,000 in the interim condensed consolidated statement of financial position as at 30 June 2025 (30 June 2024: RMB132,053,000).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(16,053)	(52,334)
Adjustments for:			
Finance costs	6	2,984	5,644
Bank interest income	4	(1,003)	(487)
Gain on disposal of items of property, plant and equipment	4	(3,917)	(1,417)
Depreciation of property, plant and equipment	5	16,943	21,293
Depreciation of right-of-use assets/ recognition of prepaid land lease payments	5	5,476	7,514
Amortisation of other intangible assets	5	133	62
Government grant released		(103)	(107)
Write-down/(reversal) of impairment of trade receivables	5	78	210
Write-down/(reversal) of inventories to net realisable value	5	(4,021)	(2,631)
Remeasurement from early termination of a lease		—	—
Equity-settled share option expense	5	—	178
Covid-19-related rent concessions from lessors		—	—
		517	(22,075)
Increase/(decrease) in inventories		(1,545)	138,442
(Increase)/decrease in trade receivables		(7,695)	(8,652)
Decrease in prepayments, other receivables and other assets		44,677	77,154
Decrease in pledged deposits		1,168	28,116
Decrease in trade and bills payables		(1,463)	(67,186)
(Decrease)/increase in other payables and accruals		(22,270)	(23,479)
Decrease in contract liabilities		(3,060)	(27,161)
Cash used in operations		10,329	95,159
Interest received		1,003	487
Income tax refund/(paid)		(181)	(106)
Net cash flows from operating activities		11,151	95,540

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash flows used in operating activities		11,151	95,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(4,897)	(12,557)
Proceeds from disposals of items of property, plant and equipment		7,328	12,199
Net cash flows from investing activities		2,431	(358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,766)	(4,356)
New bank borrowings		220,689	315,115
Repayments of bank and other borrowings		(226,672)	(364,216)
Increase in amount due to shareholders		(44,310)	(11,172)
Principal portion of lease payments		(5,225)	(7,681)
Net cash flows from financing activities		(57,284)	(72,310)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(43,702)	22,872
Cash and cash equivalents at beginning of period		78,997	60,592
Effect of foreign exchange rate changes, net		50	(175)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		35,345	83,289
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		39,679	103,919
Less: Pledged deposits	14	(4,334)	(20,630)
Cash and cash equivalents as stated in the interim consolidated statement of financial position	14	35,345	83,289

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 October 2018. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are mainly engaged in the sale of motor vehicles and provision of services in the People's Republic of China (the “**PRC**” or “**Mainland China**”).

2.1 BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. The unaudited interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the amendments to IAS 21, the effects of changes in foreign exchange rates — Lack of exchangeability issued by the International Accounting Standards Board to this interim financial report for the current accounting period. The application of the amendments to IAS21 in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group principally engages in the sale and service of motor vehicles in Mainland China.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

During the Reporting Period, the Group operated within one geographical segment because most of its revenue was generated in Mainland China and most of its long-term assets/capital expenditure were located/incurred in Mainland China. Accordingly, no further geographical segment information is presented.

Information about major customers

No revenue from sales of motor vehicles or provision of services to a single customer amounted to 10% or more of total revenue of the Group during the Reporting Period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

Revenue from contracts with customers

(i) *Disaggregated revenue information from contracts with customers*

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Sale of motor vehicles	298,662	553,199
Others	155,587	184,840
Total revenue from contracts with customers	454,249	738,039
Timing of revenue recognition		
Transferred at a point in time	370,577	661,935
Transferred over time	83,672	76,104
Total revenue from contracts with customers	454,249	738,039

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon delivery of the merchandised products and payment in advance is generally required.

Provision of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the service and customer acceptance. The unsatisfied performance obligations are expected to be satisfied within one year.

Other income and gains

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	1,003	487
Government grants released (note (a))	443	607
Gain on disposal of property, plant and equipment	3,917	1,417
Others (note (b))	17,236	17,622
	22,599	20,133

Notes:

- (a) Government grant released represented the funds for stable employment and incentives for charging infrastructure construction. There were no unfulfilled conditions or contingencies in relation to the grants.
- (b) Others mainly included commission income from releasing vehicle mortgage for the customers, commission income from third party financing institution for vehicle financing and sales support received from automobile manufacturers for the operation activities.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Note	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expense (excluding directors' remuneration):			
Wages and salaries		21,777	30,131
Pension scheme contributions		3,129	6,972
		24,906	37,103
Cost of inventories sold (note (a))		350,764	652,180
Cost of services provided		67,308	54,225
Depreciation of property, plant and equipment		16,943	21,293
Depreciation of right-of-use assets		5,476	7,514
Equity-settled share option expense		—	178
Amortisation of other intangible assets		133	62
Auditor's remuneration		390	590
Gain on disposal of property, plant and equipment		(3,917)	(1,417)
Write-down/(reversal) of impairment of trade receivables (note (b))	12	78	87
Write-down/(reversal) of inventories to net realisable value		(4,021)	(2,631)
Interest income		(1,003)	(487)
Stock loss (note (b))		—	—

Notes:

- (a) Inclusive of (reversal of write-down of)/write-down of inventories to net realisable value.
- (b) Included in "Other expenses" in the consolidated statement of profit or loss.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on bank and other borrowings	1,766	4,356
Interest on lease liabilities	1,218	1,288
	2,984	5,644

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the entities of the Group which were incorporated in the Cayman Islands and the BVI are not subject to any income tax.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Reporting Period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

7. INCOME TAX (Continued)

PRC Corporate Income Tax ("CIT")

Certain subsidiaries of the Group operating in Mainland China were certified as small and micro-sized enterprises ("**SMEs**") in 2025. They enjoyed a 75% reduction of taxable income of RMB3,000,000 and the preferential CIT rate of 20%.

Pursuant to the CIT Law and the respective regulations, the other PRC subsidiaries were subject to income tax at a statutory rate of 25% for the six months ended 30 June 2025 and 30 June 2024.

CIT of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Mainland China during the Reporting Period.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current — the PRC		
Charge for the period	181	1,028
Deferred income tax	—	(922)
Total tax charge for the period	181	106

8. DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic and diluted loss per share amount are based on the loss for the Reporting Period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 508,202,000 (six months ended 30 June 2024: 505,202,000) in issue during the Reporting Period.

The calculation of the diluted earnings per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2025 and 30 June 2024 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation: (RMB'000)	(15,984)	(52,356)
Shares		
Weighted average number of ordinary shares in issue during the period in the basic loss per share calculation (in thousand)	508,202	505,202
	RMB cents	RMB cents
Loss per share: Basic and diluted	(3.15)	(10.36)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of approximately RMB4,897,000 (six months ended 30 June 2024: RMB12,557,000).

Assets with a net book value of approximately RMB7,241,000 (six months ended 30 June 2024: RMB10,783,000) were disposed of by the Group during the six months ended 30 June 2025, resulting in a net gain on disposal of approximately RMB3,917,000 (six months ended 30 June 2024: RMB1,417,000).

11. INVENTORIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Vehicles	107,150	108,378
Accessories	9,984	10,301
	117,134	118,679

At 30 June 2025, the Group's inventories with a carrying amount of approximately RMB60,966,000 (31 December 2024: RMB45,793,000), respectively, were pledged as security for the Group's interest-bearing bank and other borrowings, as further detailed in note 18 the financial statements.

12. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	20,116	12,343
Impairment	(201)	(123)
	19,915	12,220

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. TRADE RECEIVABLES (Continued)

Trade receivables of the Group represented proceeds receivable from the sale of motor vehicles and the provision of services. The Group's trading terms with its customers normally require payment in advance, except for certain of provision of services where credit is allowed. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, there is no significant concentration of credit risk as at 30 June 2025. Trade receivables were interest-free and unsecured as at 30 June 2025.

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	12,874	10,407
3–12 months	7,041	1,813
	19,915	12,220

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	123	59
Impairment (note 5)	78	64
At end of period/year	201	123

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Advances to suppliers	15,530	81,137
Deposit	33,387	10,486
Value added taxes recoverable	17,604	16,665
Prepayments	358	1,702
Other receivables	7,096	8,662
	73,975	118,652

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances. Other receivables are non-interest-bearing and not secured with collateral.

Other receivables were settled within 12 months and had no historical default, the financial assets included in the above balances were categorised in stage 1 at the end of the Reporting Period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the Reporting Period, the Group estimated the expected loss rate for other receivables is minimal.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	39,679	84,499
Less: Pledged deposits:		
Pledged for bills payables	(4,334)	(4,501)
Others	—	(1,001)
	(4,334)	(5,502)
Cash and cash equivalents	35,345	78,997

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB39,679,000 (31 December 2024: RMB84,499,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and term deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables of the Group, based on the invoice date, as at the end of the Reporting Period, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	16,628	11,000
3 to 12 months	12,708	18,021
Over 1 year	—	1,778
	29,336	30,799

The trade and bills payables are non-interest-bearing and are normally settled on a 90 to 180 days' term.

The Group's bills payables are secured by the pledged deposits of approximately RMB4,334,000 as at 30 June 2025 (as at 31 December 2024: RMB4,501,000).

16. CONTRACT LIABILITIES

The following table provides information about contract liabilities from contracts with customers:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contract liabilities:		
Advances from customers	23,014	26,074

The contract liabilities represent the Group's obligations to transfer goods or services to customers for which the Group has received consideration, or for which an amount of consideration is due from the customers.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. CONTRACT LIABILITIES (Continued)

Changes in contract liabilities during the reporting period are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of the period/year	26,074	42,654
Revenue recognised that was included in the contract liabilities at the beginning of the period/year	(26,074)	(42,654)
Increases due to cash received, excluding amounts recognised as revenue during the period/year	23,014	26,074
At end of the period/year	23,014	26,074

Contract liabilities included short-term advances received to deliver goods and render services.

17. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Lease liability	7,473	7,765
Payroll payable	3,130	3,548
Other taxes payable	—	694
Others	43,508	55,737
	54,111	67,744

The above balances are unsecured and non-interest bearing. The carrying amounts of other payables and accruals as at the end of each of the reporting periods approximated to their fair values due to their short term maturities.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans	2.75-2.90	July 2025 to May 2026	48,549	2.75-4.50	June 2024 to December 2025	47,556
— secured						
Other loans	2.28-4.92	August 2025 to April 2026	42,580	4.92	March 2025 to December 2025	44,054
— secured						
Bank loans	2.90	September 2025 to November 2025	—	3.30	March 2025	4,000
— unsecured						
Total – current			91,129			95,610
Non-current						
Bank loans	5.30	April 2029	—	5.30	April 2029	2,006
— secured						
Total			91,129			97,616

Notes:

- (a) As at 30 June 2025 and 31 December 2024, the Group's bank and other borrowings are all denominated in RMB.
- (b) The Group's bank and other borrowings are secured by:
 - (i) certain of the Group's merchandised goods amounting to approximately RMB60,966,000 (note 11) as at 30 June 2025 (as at 31 December 2024: RMB45,793,000);
 - (ii) the Group's buildings, which a net carrying amount of approximately RMB0 as at 30 June 2025 (as at 31 December 2024: RMB5,035,000);
 - (iii) the Group's right of use assets, which a net carrying amount of approximately RMB8,840,000 as at 30 June 2025 (as at 31 December 2024: RMB8,588,000);
 - (iv) certain buildings and leasehold lands held by the Group's related parties as at 30 June 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

19. SHARE CAPITAL

Shares

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Authorised:		
2,000,000,000 ordinary shares of HKD0.01 each as at 30 June 2025 and 31 December 2024	HK\$20,000,000	HK\$20,000,000
Issued and fully paid:		
508,202,000 ordinary shares of HK\$0.01 each as at 30 June 2025 and 505,202,000 ordinary shares of HK\$0.01 each as at 31 December 2024	HK\$5,082,020	HK\$5,052,020
Equivalent to	RMB4,585,000	RMB4,558,000

3,000,000 share options with subscription rights were exercised at a subscription price of HK\$0.48 per share, resulting in the issuance of 3,000,000 shares for a total cash consideration of HK\$1,440,000 (equivalent to approximately RMB1,296,000) (before expenses). Following the exercise of the share options, HK\$1,410,000 (equivalent to approximately RMB1,269,000) was transferred from the share option reserve to the share premium.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

20. SHARE OPTION SCHEME

On 21 May 2020 and 21 May 2021, the Company adopted two share option schemes (the “Scheme” or the “2020 Share Option Scheme” and “2021 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any invested entity.

The following share options were outstanding under the Scheme during the period:

	Six months ended 30 June 2025	
	Weighted average exercise price HK\$ per share	Number of options '000
At 31 December 2024 (Audited)	0.68	27,418
Forfeited for 2020 Share Option Scheme	0.48	(8,118)
Exercised for 2020 Share Option Scheme	0.48	(3,000)
Forfeited for 2021 Share Option Scheme	0.81	—
Granted for 2025 Share Option Scheme	0.32	5,500
At 30 June 2025 (Unaudited)	0.69	21,800

	Six months ended 30 June 2024	
	Weighted average exercise price HK\$ per share	Number of options '000
At 31 December 2023 (Audited)	0.68	31,318
Forfeited for 2020 Share Option Scheme	0.48	(600)
Forfeited for 2021 Share Option Scheme	0.81	(1,950)
At 30 June 2024 (Unaudited)	0.68	28,768

3,000,000 share options (six months ended 30 June 2024: 0) with subscription rights were exercised at a subscription price of HK\$ 0.48 per share during the six months ended 30 June 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

20. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

As at 30 June 2025 (unaudited)

Name and category of participants	Number of share options '000	Exercise price* per share HK\$	Grant date of share option	Exercise period
Directors				
Mr. Law Hau Kit	1,200	0.81	21-5-2021	21-5-2022 to 20-5-2025
	900	0.81	21-5-2021	21-5-2023 to 20-5-2026
	900	0.81	21-5-2021	21-5-2024 to 20-5-2026
	3,000			
Mr. Chen Huaquan	600	0.81	21-5-2021	21-5-2022 to 20-5-2026
	450	0.81	21-5-2021	21-5-2023 to 20-5-2026
	450	0.81	21-5-2021	21-5-2024 to 20-5-2026
	1,500			
Ms. Li Huifang	520	0.81	21-5-2021	21-5-2022 to 20-5-2026
	390	0.81	21-5-2021	21-5-2023 to 20-5-2026
	390	0.81	21-5-2021	21-5-2024 to 20-5-2026
	1,300			

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

20. SHARE OPTION SCHEME (Continued)

As at 30 June 2025 (unaudited) (Continued)

Name and category of participants	Number of share options '000	Exercise price* per share HK\$	Grant date of share option	Exercise period
Ms. Yan Fei	200	0.81	21-5-2021	21-5-2022 to 20-5-2026
	150	0.81	21-5-2021	21-5-2023 to 20-5-2026
	150	0.81	21-5-2021	21-5-2024 to 20-5-2026
	500			
Mr. Li Wai Keung	200	0.81	21-5-2021	21-5-2022 to 20-5-2026
	150	0.81	21-5-2021	21-5-2023 to 20-5-2026
	150	0.81	21-5-2021	21-5-2024 to 20-5-2026
	500			
Other Employees	3,800	0.81	21-5-2021	21-5-2022 to 20-5-2026
	2,850	0.81	21-5-2021	21-5-2023 to 20-5-2026
	2,850	0.81	21-5-2021	21-5-2024 to 20-5-2026
	5,500	0.32	16-5-2025	16-5-2025 to 15-5-2030
	15,000			
	21,800			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

20. SHARE OPTION SCHEME (Continued)

The fair value of share options granted for the six months ended 30 June 2025 was approximately HK\$1,760,000, equivalent to approximately RMB1,584,000. The Group recognised a share option expense of HK\$0, equivalent to RMB0 for the six months ended 30 June 2025 (Six month ended 30 June 2024: HK\$195,000, equivalent to RMB178,000).

The fair value of equity-settled share options granted during the year ended 31 December 2021 and the year ended 31 December 2020 was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	For the year ended 31 December	
	2021	2020
Dividend yield (%)	2.47	0.00
Expected volatility (%)	54.07	54.61
Risk-free interest rate (%)	0.68	0.40
Expected life of options (year)	5	5
Exercise multiple — Directors	3.34	3.34
Exercise multiple — Employees	2.86	2.86

The expected life of options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At the end of the reporting period, the Company had 21,800,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 21,800,000 additional ordinary shares of the Company and additional share capital of HK\$218,000 (equivalent to RMB196,200) (before issue expenses).

21. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the consolidated statements of changes in equity on page 29 to 30 of this report.

Share premium

The share premium of the Group represents the capital contribution premium from its then shareholders.

Other reserve

The balance represented the reserve arising from the corporate reorganisation and the aggregate paid-in capital of the subsidiaries acquired, offset by investment costs in subsidiaries of the Company during the corporate reorganisation.

Statutory surplus reserve

Pursuant to the relevant laws and regulations in the PRC, the companies registered in the PRC shall appropriate a certain percentage of their net profit after tax (after offsetting any prior years' losses) calculated under the accounting principles generally applicable to the PRC enterprises to the reserve fund. When the balance of this reserve fund reaches 50% of the entity's capital, any further appropriation is optional. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after these usages. After making the appropriation to the statutory surplus reserve, the companies may also appropriate their profits for the period to the discretionary surplus reserve upon approval by the board of directors or the shareholders in a general meeting.

22. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

During the reporting period, certain subsidiaries leased the buildings and leasehold lands owned by Zhongshan Dongri Automobile Co., Ltd.* (中山市東日汽車有限公司) and Zhongshan New Century Pioneering Automobile Co., Limited* (中山市創世紀汽車有限公司) with nil consideration under rent concessions.

(b) During the Reporting Period, the Group did not identify any personnel as key management other than the directors of the Group.

* The English names of all the above companies represent the best effort made by the directors of the Company (the "Directors") to translate the Chinese names as these companies have not been registered with any official English names.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

23. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets at amortised costs		
Trade receivables	19,915	12,220
Financial assets included in prepayments, other receivables and other assets	40,483	19,148
Pledged deposits	4,334	5,502
Cash and cash equivalents	35,345	78,997
	100,077	115,867

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

23. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial liabilities at amortised costs		
Trade and bills payables	29,336	30,799
Lease liabilities (non-current)	42,722	47,655
Financial liabilities included in other payables and accruals	48,549	63,502
Interest-bearing bank borrowings	91,129	97,616
Amount due to a director	89,911	131,041
	301,647	370,613

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalent, pledged deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, amount due from related companies, trade and bill payables, amount due to a director, amounts due to related parties, current interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the non-current interest-bearing borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing borrowings was assessed to be insignificant.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the treasury department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.