



汽车街
autostreets.com

Autostreets Development Limited 汽車街發展有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2443

2025 INTERIM REPORT



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Yang Aihua
Mr. Yang Hansong
Ms. Gao Kun
Mr. Zhao Hongliang (*appointed on 28 May 2025*)

Non-executive Directors

Mr. Rob Huting
Ms. Yang Chuyu
Ms. Zhu Yi (*resigned on 28 May 2025*)

Independent Non-executive Directors

Mr. Wang Jianping
Ms. Li Mochou
Mr. Yan Jonathan Jun

AUDIT COMMITTEE

Ms. Li Mochou (*Chairperson*)
Mr. Wang Jianping
Mr. Yan Jonathan Jun

REMUNERATION COMMITTEE

Mr. Wang Jianping (*Chairperson*)
Ms. Li Mochou
Mr. Yan Jonathan Jun

NOMINATION COMMITTEE

Mr. Yang Hansong (*Chairperson*)
Ms. Li Mochou (*appointed on 28 May 2025*)
Mr. Yan Jonathan Jun
Mr. Wang Jianping (*resigned on 28 May 2025*)

JOINT COMPANY SECRETARIES

Ms. Gao Kun
Ms. Chan Sau Ling

AUTHORIZED REPRESENTATIVES

Ms. Gao Kun
Ms. Chan Sau Ling

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

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Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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33 Hysan Avenue
Causeway Bay
Hong Kong

AUDITOR

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:

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1 Garden Road
Central
Hong Kong

As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP

26/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

CORPORATE INFORMATION

COMPLIANCE ADVISER

Anglo Chinese Corporate Finance, Limited

Room 4001, 40th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
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 BANKS

China Merchants Bank Co., Ltd.

STOCK CODE

2443

COMPANY WEBSITE

www.autostreets.com

LISTING DATE

31 May 2024

FINANCIAL AND OPERATIONAL HIGHLIGHTS

FINANCIAL PERFORMANCE

	For the six months ended 30 June		Year-on-year change %
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	
Revenue	141,846	191,309	(25.9)
Gross profit	89,209	123,701	(27.9)
Gross profit margin (%)	62.9	64.7	(1.8) p.p
Profit/(loss) for the period	12,791	(142,231)	109.0
Operational Performance			
Number of used vehicles transacted and served (units) ⁽¹⁾	174,520	189,591	(8.0)

Note:

- (1) The number of used vehicles transacted and served represents the total number of (i) used vehicles transacted in our used vehicle auction business; (ii) used vehicles serviced in our vehicle value-added services; and (iii) customer trade-in vehicles transacted under the arrangement for sale of used vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

Industry Review

Data from the China Association of Automobile Manufacturers and the China Automobile Dealers Association shows that in the first half of 2025, China's vehicle production and sales volume exceeded 15 million units for the first time, with domestic sales reaching 12.57 million units, an increase of 11.7% year-on-year. Among these, new energy passenger vehicle sales grew by 35.5% year-on-year, while traditional fuel vehicle sales decreased by 1.8% year-on-year. This indicates that the growth in new vehicle sales was primarily driven by the increase in new energy passenger vehicle sales. From January to June 2025, the cumulative volume of used vehicles transactions nationwide reached 9.5701 million units, growing by 1.99% year-on-year, but the growth rate has slowed significantly compared to previous years. The weak growth was mainly due to insufficient demand, prompting used vehicle dealers to adopt generally conservative business strategies. While inventory levels were effectively controlled, inventory turnover efficiency did not see substantial improvement.

On 31 May 2025, the China Association of Automobile Manufacturers issued a "Proposal on Maintaining Fair Competition and Promoting Healthy Industry Development" (《關於維護公平競爭秩序促進行業健康發展的倡議》), explicitly opposing disorderly "price wars" among vehicle-makers. While vehicle sales reached new highs, intensified low-price competition led by new energy vehicles has continued, resulting in record-high inventory levels for manufacturers and a continuous decline in the average transaction prices of both new and used vehicles. In May 2025, the national passenger vehicle inventory reached 3.45 million vehicles (up 160,000 year-on-year), hitting a two-year high. Profitability of dealer groups continues to decline, and the wave of 4S stores closures persisted in the first half of 2025 (4,419 stores closures in 2024). Used car transactions also faced losses and heightened risks in vehicle acquisition, posing increasingly severe challenges.

Business Review

As an intermediary that connects used vehicle buyers and sellers, we primarily provide used vehicle auction services through online-offline integrated auction, which allows used vehicle buyers across China to participate in in-lane auctions either offline in person or online via our mobile application in real-time, meanwhile granting them access to the information and valuation of the used vehicles. With our online-offline integrated auction model, coupled with our full suite of value-added services, we offer end-to-end, highly standardized and reliable solutions for used vehicle transactions, helping our sellers (primarily 4S dealership stores) and buyers (primarily Professional Buyers) optimize their used vehicle transaction process and improve efficiency and profitability of their used vehicle operations. On 31 May 2024 (the "**Listing Date**"), the Company was listed on the Main Board of the Stock Exchange with the stock code "2443".

Despite a more challenging external economic environment and industry conditions, the Company remained committed to leveraging its core strengths, continuing to expand its large-scale customer business and laying a solid foundation for long-term vehicle sourcing. In the first half of 2025, the Company signed cooperation agreements with over 20 vehicle dealer groups, including not only national or regional traditional top-100 groups but also leading enterprises among the top domestic new energy vehicle dealer groups. Additionally, the Company has continued to innovate and expand diversified cooperation in the new energy vehicle segment of original equipment manufacturers (OEMs), achieving daily dedicated auctions for new energy vehicle brands, and acting as an auction partner platform for several leading domestic OEMs' resource vehicles. The auction model jointly innovated by Autostreets tailored to manufacturers' needs has been promoted as a best practice case study by manufacturers. Finally, while providing bulk vehicle disposal services for mobility platforms, the Company has successfully signed cooperation agreements with two leading domestic platforms in the truck logistics vehicle asset sector, successfully launching its commercial vehicle disposal business.

MANAGEMENT DISCUSSION AND ANALYSIS

Efficient business scenarios such as vehicle collection, centralized inspection, on-site bidding, and online auction synchronisation are not only distinctive advantages of Autostreets, but also form barriers that pure online bidding platforms cannot replicate. The standardised used vehicle auction centres of Autostreets in Shanghai Pudong, Chongqing Yunnan, and other locations have all commenced operations by the first half of 2025. By the end of June 2025, the Company had completed the relocation and renovation of four auction sites in Shenzhen, Kunming, Hohhot, and Linyi, added three new service centres in Sanya, Hainan; Yangquan, Shaanxi; and Nujiang Lisu Autonomous Prefecture, Yunnan; and optimised eight auction sites, including Shanghai Qingpu, Hangzhou, Xuzhou auction site, Tangshan auction site, Zibo auction site, Changchun auction site, Hefei auction site, and Guangzhou auction site. Currently, Autostreets has established 82 auction centres and service outlets nationwide, covering 329 cities across the country. With coverage of core economic zones and customer demand, the Company is better positioned to enhance the efficiency of vehicle allocation between regions and the participation rate of online buyers in its hybrid online-offline auction model.

In addition to business expansion and network layout, Autostreets also places strong emphasis on improving quality standards and continuously strengthens the training and development of its appraiser team. Leveraging its qualification as an authorised trainer by the China Automobile Dealers Association, by the first half of 2025, more than 92% of the employees in Autostreets' own professional assessment team had passed the training examination and obtained the "Advanced Used Vehicle Appraisal and Assessment Position Skills Certificate" (高級二手車鑒定評估師崗位技能證書) issued by the China Automobile Dealers Association, which is an industry-leading proportion.

At the same time, as a leading enterprise in China Motor Vehicle Auction Industry, it actively cooperates with the association to standardise the construction of the used vehicle industry standards. In the first half of 2025, Autostreets participated in the drafting of three industry group standards, such as the China Auction Industry Association's "Motor Vehicle Auction Inspection and Evaluation Procedures" and "Live Auction Procedures".

We generated revenue mainly from used vehicle auction and services, used vehicle value-added services, arrangement for sale of used vehicles, exhibition related services and other services.

Disclosure of key operating data by business segment

	Six months ended 30 June	
	2025	2024
Used Vehicle Auction Business		
Number of used vehicles transacted	74,411	79,439
Average revenue per vehicle (RMB)	1,264	1,678
Used Vehicle Value-added Services		
Number of used vehicles ⁽¹⁾	89,545	100,921
Average revenue per vehicle (RMB)	318	302
Arrangement for Sale of Used Vehicles		
Number of consumer trade-in vehicles transacted ⁽²⁾	6,502	9,231
Average revenue per vehicle (RMB)	2,081	1,985

Notes:

- (1) Represents the total number of used vehicles which received the following value-added services: pre-acquisition inspection and appraisal, used vehicle acquisition assistance and title transfer services.
- (2) Most of these used vehicles were transacted through our transaction platform via auctions, with the remainder transacted through other channels.

MANAGEMENT DISCUSSION AND ANALYSIS

Used Vehicle Auction Business

Used vehicle auction business is our core business and contributes a significant portion of our revenue. We pioneered a two-pronged, online-offline integrated auction model, comprising online-offline integrated auction and online auction (which is an auction model that supplements our online-offline integrated auction, in an effort to increase the vehicle visibility and enhance our transaction success rate). Our online-offline integrated transaction platform connects upstream sellers with downstream buyers of used vehicles and facilitates efficient and transparent used vehicle auction in large volumes. Meanwhile, online auctions supplement our online-offline integrated auctions and the majority of the used vehicles auctioned in our online auctions are those that were passed in during our online-offline integrated auctions.

In the first half of 2025, our transaction volume and the number of vehicles put up for auction were 74,411 units and 157,773 units respectively, achieving a slight decrease from 79,439 units and 174,180 units in the first half of 2024. During the Reporting Period, our transaction success rate (used vehicle transaction volume as a percentage of the number of used vehicles put up for auctions) was approximately 47.2%, representing an increase from 45.6% in the first half of 2024. The average revenue per vehicle during the Reporting Period decreased to RMB1,263.9 from RMB1,678.0 in the first half of 2024. In the first half of 2025, the transaction prices and volumes of used vehicles continued to decline due to the sustained decrease in new vehicle prices. The Company's used vehicle auction listings and transaction volumes were also affected, decreasing by 9.4% and 6.3% respectively compared to the same period last year. The Company implemented a series of marketing initiatives to promote transactions, aiming to maintaining a high transaction rate and transaction volume. However, the revenue per vehicle was affected by these marketing policies and decreased. Additionally, the average transaction price per vehicle also fell compared to the same period of last year, leading to the continued decline in revenue per vehicle, which is calculated on a commission basis.

Used Vehicle Value-added Services

We provide various used vehicle value-added services, either for a fee or for free, to our upstream sellers and downstream buyers. For sellers, we provide pre-acquisition inspection and appraisal, used vehicle acquisition assistance, provision of our ADMS system, and title transfer services for used vehicles not transacted on our transaction platform. For buyers, we provide used vehicle information lookup and re-inspection. We provide used vehicle information lookup and re-inspection services.

For the operation of our used vehicle value-added services during the first half of 2025, the number of used vehicles serviced in our used vehicle value-added services during the Reporting Period experienced a decrease to 89,545 units from 100,921 units in the first half of 2024. This is mainly due to the impact of the sluggish vehicle dealership industry as discussed above, with our partner dealership groups cutting back on various expenses, resulting in a decline in the volume of our used vehicle value-added services for vehicle dealership partners. The average revenue per vehicle slightly increased from RMB302.0 in the first half of 2024 to RMB317.8 during the Reporting Period, which remained generally stable.

Arrangement for Sale of Used Vehicles

We arrange for the sale of consumer trade-in vehicles at our collaborating dealership groups' 4S dealership stores to deepen the collaboration with these dealership groups and supplement the used vehicle supply on our transaction platform. Under our arrangement for sale of used vehicle business, we act as an agent for the entrusting party (the used vehicle owner or the dealership group) to dispose of used vehicles that the entrusting party entrusts to us for sale. We selectively conduct this business and primarily work with established and reputable dealership groups, ensuring that we can execute the business opportunities in a commercially viable manner.

In the first half of 2025, as the new vehicle sales businesses of our core partner vehicle-dealer groups experienced a significant decline, their used vehicle sales and purchase business also declined to varying degrees, resulting in a decrease in demand for our arrangement for sale of used vehicles services. However, as our services are charged on a fixed per-vehicle basis, there was no significant change in revenue per vehicle under our arrangement for sale of used vehicle business. Therefore, the number of consumer trade-in vehicles transacted during the Reporting Period decreased from 9,231 units in the first half of 2024 to 6,502 units, while the average revenue per vehicle slightly increased from RMB1,985.0 in the first half of 2024 to RMB2,081.5 for the Reporting Period, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Exhibition Related Services

We provide exhibition related services, primarily including (i) hosting of auto shows and exhibitions primarily for dealership groups and OEMs from time to time and (ii) occasional provision of certain advertisement services. In hosting such events, we are responsible for all material aspects of event organization, including space leasing, layout design and decoration, event promotion, participants invitation and advertisement placement. We generate revenues for our exhibition related services primarily from fees charged for exhibition booths and advertisements to the dealership groups and OEMs that participate in automotive exhibitions we host. During the Reporting Period, we continued to exploit valuable opportunities when hosting auto shows and exhibitions to approach, form strategic collaboration with, and promote our used vehicle auction services to, the participating dealership groups and OEMs.

Revenue from exhibition related services decreased from RMB0.7 million for the six months ended 30 June 2024 to nil for the six months ended 30 June 2025, mainly due to reduced marketing expenditures by our partnering OEMs and vehicle dealership groups, and the Company did not conduct any vehicle exhibitions during the off-season in the first half of 2025. The Company may resume such exhibitions in the second half of the year, subject to market conditions.

Others Business

We continue to address the ad hoc business needs of dealership groups that may arise from time to time, including the provision of title transfer services and GPS installation services for dealership groups' new vehicles. The dealership groups to which we provide new vehicle title transfer services are typically our existing business partners who collaborate with us with respect to its used vehicle auction and/or value-added services.

Outlook

We remain committed to transforming China's used vehicle transaction process and driving China's used vehicle industry toward standardization, efficiency, and transparency. We will continue to (i) expand and optimize our auction site network and upgrade the service facilities to strengthen the management and improve our service quality; (ii) further expand the upstream used vehicles supply sources and downstream Professional Buyer channels to grow our seller and buyer base; (iii) further improve and diversify our service offerings and revenue streams to better serve our upstream and downstream customers; (iv) strengthen our collaboration with new energy OEMs and manufacturers to enhance our ability of inspection, appraisal and trading in new energy used vehicles; (v) enhance our digitalization products and services to build a comprehensive platform for used vehicles' data, and inspection and appraisal; (vi) explore potential opportunities of strategic cooperation and acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Events after the Reporting Period

Save as disclosed in this interim report, there have been no events subsequent to the Reporting Period and up to the date of this interim report which may have a material impact on the Company and the subsidiaries of the Company.

Financial Analysis

Revenue

For the six months ended 30 June 2025, our revenue was derived from (i) used vehicle auction commission and service fees; (ii) used vehicle value-added services; (iii) arrangement for sale of used vehicles; (iv) exhibition related services; and (v) other vehicle-related services.

For the six months ended 30 June 2025, we recorded a revenue of RMB141.8 million, representing a decrease of 25.9% as compared with RMB191.3 million for the six months ended 30 June 2024, which was primarily because of reduced income from used vehicle auction business, used vehicle value-added services and arrangement for sales of used vehicles.

The following table sets forth a breakdown of our revenue by business segment for the periods indicated:

	For the six months ended 30 June 2025		2024	
	(unaudited)		(unaudited)	
	RMB'000	%	RMB'000	%
Used vehicle auction commission and service fees	94,051	66.3	133,309	69.7
Used vehicle value-added services	28,456	20.1	33,179	17.3
Arrangement for sale of used vehicles	13,534	9.5	18,326	9.6
Exhibition related services	–	–	721	0.4
Other services	5,805	4.1	5,774	3.0
Total	141,846	100.0	191,309	100.0

Revenue from the used vehicle auction commission and service fees decreased by 29.4% from RMB133.3 million for the six months ended 30 June 2024 to RMB94.1 million for the six months ended 30 June 2025, mainly because of continued downward pressure on used vehicle transaction prices and transaction volumes amidst the ongoing decline in new vehicle prices as discussed in the section headed “Business Review” above.

Revenue from used vehicle value-added services decreased by 14.2% from RMB33.2 million for the six months ended 30 June 2024 to RMB28.5 million for the six months ended 30 June 2025. This was primarily due to spending cuts by our partnering dealer groups in light of the sluggish environment in automotive dealership business, resulted in less demand for used vehicle value-added services provided by us to these automotive dealership partners.

Revenue from the arrangement for sale of used vehicles decreased by 26.1% from RMB18.3 million for the six months ended 30 June 2024 to RMB13.5 million for the six months ended 30 June 2025. This mainly reflected a significant decline in new vehicle sales among our major partnering dealer groups, which led to declines in various extents in their used vehicles sales business and, consequently, reduced demand for our arrangement for sales used vehicle services.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from exhibition related services decreased by 100% from RMB0.7 million for the six months ended 30 June 2024 to nil for the six months ended 30 June 2025, mainly attributable to marketing budget cuts by our major partnering OEMs and dealer groups, resulting in no automotive exhibition sales activities during the off-season in the first half of 2025.

Revenue from other vehicle-related services maintained relatively stable at RMB5.8 million for the six months ended 30 June 2025 compared to the same period in 2024.

Cost of Sales

Our cost of sales consists of labor cost, professional service cost, intermediary cost and other cost. For the six months ended 30 June 2025, our cost of sales was RMB52.6 million, representing a decrease of 22.1% as compared to RMB67.6 million for the six months ended 30 June 2024. The decrease was primarily due to proportional reductions in labour cost, professional service cost and intermediary cost corresponding with the decline in transaction volumes.

Gross Profit and Gross Profit Margin

As a result of the foregoing and primarily due to the decreased revenue, our gross profit during the Reporting Period decreased by 27.9% from RMB123.7 million for the six months ended 30 June 2024 to RMB89.2 million, and our gross profit margin for the six months ended 30 June 2025 decreased to 62.9% from 64.7% for the same period in 2024.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 23.1% from RMB39.6 million in the six months ended 30 June 2024 to RMB30.5 million in the six months ended 30 June 2025, mainly driven by lower salary expenses.

Administrative Expenses

Administrative expenses decreased by 45.5% from RMB77.2 million in the six months ended 30 June 2024 to RMB42.1 million in the six months ended 30 June 2025. This was mainly due to (i) the absence of listing expenses in the first half of 2025 compared with the same period in 2024, and (ii) a reduction in the number of employees in the first half of 2025 compared to the same period in 2024, leading to lower salary and welfare expenses.

Other Expenses

Our other expenses primarily included the expenses in relation to subleasing certain areas of our auction sites to third parties and compensation paid to buyers for deviation in the condition of used vehicles from our inspection reports. During the Reporting Period, our other expenses decreased by 38.7% from RMB1.6 million in the six months ended 30 June 2024 to RMB1.0 million in the six months ended 30 June 2025, which was mainly due to a reduction in arbitration compensation payments in the first half of 2025 compared to the same period in 2024.

Other Income and Gains, Net

Other income and gains, net decreased by 15.3% from RMB4.5 million in the six months ended 30 June 2024 to RMB3.8 million in the six months ended 30 June 2025, primarily because of a decrease in subsidy payments to business partners in the first half of 2025 compared with the same period in 2024, which led to reduced interest income.

Finance Costs

Finance costs increased by 9.5% from RMB3.3 million in the six months ended 30 June 2024 to RMB3.6 million in the six months ended 30 June 2025, which was mainly due to an increase in outstanding loan balance to RMB126.2 million as of 30 June 2025, compared with RMB79.7 million in the same period last year.

Share of Profits and Losses of Associates

Our share of profits and losses of associates increased from nil in the six months ended 30 June 2024 to RMB0.1 million in the six months ended 30 June 2025, which maintained relatively stable.

MANAGEMENT DISCUSSION AND ANALYSIS

Fair Value Change of Financial Assets and Liabilities at Fair Value Through Profit or Loss

We recorded gains of RMB0.04 million and gains/losses of nil in fair value change of financial assets at fair value through profit or loss in the six months ended 30 June 2024 and the same period in 2025.

We recorded losses of RMB142.3 million and gains/losses of nil for fair value change of financial liabilities at fair value through profit or loss in the six months ended 30 June 2024 and the same period in 2025, with such decrease primarily attributable to all convertible redeemable preferred shares being automatically converted into ordinary Shares upon the completion of the Global Offering on 31 May 2024.

Profit/loss before Tax

Our profit/loss before tax increased by 111.8% from a loss before tax of RMB135.7 million in the six months ended 30 June 2024 to a profit before tax of RMB16.0 million for the Reporting Period, primarily attributable to the absence of fair value changes and no listing expenses incurred in the first half of 2025.

Income Tax Expenses

Income tax expenses decreased by 50.4% from RMB6.5 million in the six months ended 30 June 2024 to RMB3.2 million for the Reporting Period, which was mainly due to a decline in the Company's profit before tax in the first half of 2025 compared with the same period in 2024.

Profit for the Reporting Period

As a result of the foregoing, our profit for the Reporting Period increased by 109.0% to RMB12.8 million from a loss of RMB142.2 million in the six months ended 30 June 2024, primarily due to the combined effects as detailed above.

Capital Management, Funding and Financial Policies

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the Company's Shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the Reporting Period.

The Group aims to maintain a balance between continuity of funding and flexibility. The Group's policy is to regularly monitor the current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms. Financing activities of the Group include deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Liquidity and Capital Resources

For the six months ended 30 June 2025, we have financed our operating activities through cash generated from operations and bank borrowings. Our cash and cash equivalents primarily consist of cash on hand and bank balances. As of 30 June 2025, our cash and cash equivalents increased to RMB1,046.8 million from RMB1,046.6 million as of 31 December 2024. The Group's cash and cash equivalents are mainly denominated in RMB.

Borrowings

As of 30 June 2025, our outstanding borrowings amounted to RMB126.2 million (all denominated in RMB), representing a decrease of 3% from RMB129.5 million as of 31 December 2024. All of the borrowings of the Group bear interest at fixed rate.

The Board and the Audit Committee constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing Ratio

As of 30 June 2025, our gearing ratio (calculated by dividing the total debt by total assets) was maintained relatively stable at 23.8% compared to 25.0% as of 31 December 2024.

Significant Investments

We did not make or hold any significant investments (including any investment in an investee company with a value of 5.0% or more of the Group's total assets as of 30 June 2025) during the Reporting Period.

Material acquisitions and/or disposals of subsidiaries

We did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the Reporting Period.

Pledge of assets

The Group had no pledge of assets as of 30 June 2025.

Future plans for material investments and capital assets

As of the date of this interim report, we did not have other plans for material investments and capital assets.

Employees and Remuneration

As of 30 June 2025, we had 622 employees, representing a decrease from 686 employees as of 31 December 2024. We believe we offer our employees competitive compensation packages. The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Group provides training to its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. For the Reporting Period, the total employee benefit expense (including directors' remuneration and excluding those included in the cost of used vehicles auction commission and service fees) were RMB38.2 million, as compared to RMB56.6 million for the six months ended 30 June 2024.

Contingent Liabilities

As of 30 June 2025, we did not have significant contingent liabilities.

Foreign Currency Risk and Investment Risk

Our major businesses are in the PRC and the majority of our transactions are conducted in RMB. Most of our assets and liabilities are denominated in RMB. We do not believe that we currently have any material foreign currency risk. Therefore, we currently do not engage in any hedging by financial instruments in respect of foreign currency risk. However, our management monitors the foreign currency risk closely and will consider suitable hedging measures in the future if necessary.

During the Reporting Period, we purchased financial products offered by licensed financial institutions that are considered low-risk and offer higher rates of return as compared with time deposits. Our financial assets at fair value through profit or loss were RMB4.0 million as of 30 June 2025, compared to RMB3.3 million as of 31 December 2024. We have adopted internal policies and guidelines to manage our investment in financial products to monitor and control the investment risks. Led by our chief financial officer and executive director, Ms. Gao Kun, who has extensive financial accounting experience, our financial department will closely monitor the performance of our financial products.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Save for the appointment of Mr. Zhao Hongliang as an executive Director and the resignation of Ms. Zhu Yi as a non-executive Director effective on 28 May 2025, the Directors and chief executive confirm that there has been no change in their information is required to be disclosed pursuant to the Rule 13.51B(1) of the Listing Rules since the disclosure made in the Company's 2024 annual report and up to the date of this interim report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ASSOCIATE CORPORATIONS

As at 30 June 2025, the interests and short position of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associate corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required, under the Model Code, were as follows:

Name	Position	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding ⁽²⁾
Yang Aihua	Executive Director	Interest in a controlled corporation ⁽³⁾	100,000,000	12.01%
Yang Hansong	Executive Director and Chairman	Interest in a controlled corporation ⁽⁴⁾	45,000,000	5.40%
Gao Kun	Executive Director, Chief Financial Officer and Joint Company Secretary	Interest in a controlled corporation ⁽⁵⁾	5,000,000	0.60%
Zhao Hongliang	Executive Director and Chief Executive Officer	Interest in a controlled corporation ⁽⁶⁾	7,300,000	0.88%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 30 June 2025.
- (3) Extensive Prosperous Investments Limited is wholly owned by Orient Rich Investment Development Limited, which is held by Extensive Success Holding Limited. TMF (Cayman) Ltd., as the trustee of Yang's Family Trust, directly holds all the interests in Extensive Success Holding Limited. Mr. Yang Aihua is the settlor and the beneficiaries of the trust and the descendants and remoter issue of Mr. Yang Aihua. As such, Mr. Yang Aihua is deemed to be interested in the 100,000,000 Shares held by Extensive Prosperous Investments Limited.
- (4) World Key Investment Trading Limited is wholly owned by Mr. Yang Hansong. By virtue of the SFO, Mr. Yang Hansong is deemed to be interested in the Shares in which World Key Investment Trading Limited is interested in.
- (5) Longkun Investment Development Limited is wholly owned by Ms. Gao Kun. By virtue of the SFO, Ms. Gao Kun is deemed to be interested in the Shares in which Longkun Investment Development Limited is interested in.
- (6) Hongrun Investment Development Limited is wholly owned by Mr. Zhao Hongliang. By virtue of the SFO, Mr. Zhao Hongliang is deemed to be interested in the Shares in which Hongrun Investment Development Limited is interested in.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, to the best of the Company's knowledge, information and belief, none of the Directors or chief executive of the Company had or was deemed to have interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required under the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as our Directors are aware, the following persons (other than the Directors and chief executive of Company, whose interests have been disclosed in this interim report) had interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register kept by the Company:

Name of Shareholders	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding ⁽²⁾
Extensive Prosperous Investments Limited ⁽³⁾	Beneficial owner	100,000,000	12.01%
Orient Rich Investment Development Limited ⁽³⁾	Interest in controlled corporation	100,000,000	12.01%
Extensive Success Holding Limited ⁽³⁾	Interest in controlled corporation	100,000,000	12.01%
TMF (Cayman) Ltd. ⁽³⁾	Trustee	100,000,000	12.01%
Mr. Yang Aihua ⁽³⁾	Founder of a trust	100,000,000	12.01%
Manheim Investments, Inc. ⁽⁴⁾	Beneficial owner	90,000,000	10.81%
Cox Automotive ⁽⁴⁾	Interest in controlled corporation	90,000,000	10.81%
Cox Enterprises, Inc. ⁽⁴⁾	Interest in controlled corporation	90,000,000	10.81%
James C. Kennedy ⁽⁴⁾	Trustee	90,000,000	10.81%
Alexander C. Taylor ⁽⁴⁾	Trustee	90,000,000	10.81%
John M. Dyer ⁽⁴⁾	Trustee	90,000,000	10.81%
World Key Investment Trading Limited ⁽⁵⁾	Beneficial owner	45,000,000	5.40%
Yang Hansong ⁽⁵⁾	Interest in controlled corporation	45,000,000	5.40%
China Grand Automotive Services Group Co., Ltd. ⁽⁶⁾	Interest in controlled corporations	62,500,000	7.50%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 30 June 2025.
- (3) Extensive Prosperous Investments Limited is wholly owned by Orient Rich Investment Development Limited, which is held by Extensive Success Holding Limited. TMF (Cayman) Ltd., as the trustee of Yang's Family Trust, directly holds all the interests in Extensive Success Holding Limited. Mr. Yang Aihua (楊愛華) is the settlor of the trust and the beneficiaries are the descendants and remoter issue of Mr. Yang Aihua. By virtue of the SFO, each of Orient Rich Investment Development Limited, Extensive Success Holding Limited, TMF (Cayman) Ltd. and Mr. Yang Aihua (楊愛華) is deemed to be interested in the Shares in which Extensive Prosperous Investments Limited is interested in.
- (4) Manheim Investments, Inc. is wholly owned by Cox Automotive, which in turn is wholly owned by Cox Enterprises, Inc. All of the voting securities of Cox Enterprises, Inc. are held by the Cox Family Voting Trust (the "**Cox Trust**"). The trustees of the Cox Trust are James C. Kennedy, Alexander C. Taylor and John M. Dyer. There is no settlor of the Cox Trust and no beneficiary directly owns 10% or more of the equity of Cox Enterprises, Inc. By virtue of the SFO, each of Cox Automotive, Cox Enterprises, Inc., James C. Kennedy, Alexander C. Taylor, and John M. Dyer is deemed to be interested in the Shares in which Manheim Investments, Inc. is interested in.
- (5) World Key Investment Trading Limited is wholly owned by Mr. Yang Hansong (楊漢松). By virtue of the SFO, Mr. Yang Hansong (楊漢松) is deemed to be interested in the Shares in which World Key Investment Trading Limited is interested in.
- (6) Grand Baoxin Auto Group Limited, an entity held as to 68.56% by China Grand Automotive Services Group Co., Ltd. ("**CGA**"), directly held 21,000,000 Shares as at 30 June 2025. Baoxin Auto Finance I Limited, a wholly-owned subsidiary of CGA, held 41,500,000 Shares as at 30 June 2025. CGA is a company listed on the Shanghai Stock Exchange (stock code: 600297). By virtue of the SFO, CGA is deemed to be interested in the aggregate of Shares held by Baoxin Auto Finance I Limited and Grand Baoxin Auto Group Limited. As of 30 June 2025, Mr. Yang Aihua is indirectly interested in 7.73% of Grand Baoxin Auto Group Limited through a discretionary trust that Ms. Yang Chuyu set up with TMF (Cayman) Ltd. As of 30 June 2025, Mr. Yang Hansong is interested in approximately 1% shareholding interest in Grand Baoxin Auto Group Limited.

Save as disclosed above, as at 30 June 2025, to the best of the Company's knowledge, information and belief, there were no other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register required to be kept.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Associate Corporations" above or otherwise disclosed in this interim report, at no time during the Reporting Period and up to the date of this interim report, were there rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, nor were there any such rights exercised by any Directors; nor was the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company and the Directors are committed to maintaining the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. The Company has complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules throughout the Reporting Period and up to the date of this interim report.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code throughout the Reporting Period and up to the date of this interim report.

AUDIT COMMITTEE

The Company has established the Audit Committee, in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (as amended from time to time), comprising of three members, being Ms. Li Mochou, Mr. Wang Jianping and Mr. Yan Jonathan Jun, with Ms. Li (being the Company's independent non-executive Director with the appropriate professional qualifications) as chairperson of the Audit Committee, among other things, to consider issues in relation to the external auditors and their appointments, oversee the financial reporting system, risk management and internal control system of the Group, review the financial information of the Group and review policies and practices in relation to corporate governance.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025 and the interim results announcement and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members. The Audit Committee is of the opinion that the unaudited consolidated financial statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As of 30 June 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Material litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this interim report.

Use of proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 31 May 2024. The net proceeds raised from the Global Offering, after deduction of the estimated listing expenses payable based on final offer price, were approximately HK\$83.0 million. As of 30 June 2025, HK\$17.9 million out of the net proceeds have been utilized in the manner consistent with that disclosed in the Prospectus under the section headed "Future Plan and Use of Proceeds". Set out below is the status of use of proceeds from the Global Offering as of 30 June 2025. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company expects to fully utilize the residual amount of the net proceed in accordance with such intended purpose by December 2028.

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Expansion of the geographic coverage of our auction site network	40.0%	33.2	31.2	1.0	2028
• Opening 19 new auction sites	28.0%	23.2	22.2	0.5	2028
• Renovation of existing 7 auction sites	12.0%	10.0	9.0	0.5	2028
Enhancing our relationship with existing sellers and buyers and attract new sellers and buyers to our platform	10.0%	8.2	5.0	1.6	2028
• Enhancing our business relationships with existing upstream sellers and downstream buyers	5.0%	4.1	2.5	0.8	2028
• Expanding our seller base and buyer base	5.0%	4.1	2.5	0.8	2028

CORPORATE GOVERNANCE AND OTHER INFORMATION

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Developing and diversifying our service offering and exploring new growth areas	15.0%	12.5	8.5	2.0	2028
Expanding and upgrading our ADMS system with additional functions	2.6%	2.2	1.8	0.2	2028
Providing additional services to buyers	1.3%	1.1	0.5	0.3	2028
Continuously upgrading our mobile app and technology	3.3%	2.7	1.7	0.5	2028
Providing services and developing digital tools that assist other market participants in carrying out their used vehicle business	3.4%	2.8	1.8	0.5	2028
Recruiting additional talent and establishing relevant training programs	4.4%	3.7	2.7	0.5	2028

CORPORATE GOVERNANCE AND OTHER INFORMATION

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Investing in research and development	15.0%	12.5	7.8	2.9	2028
• Developing a QR code-based, AI-assisted intelligent inventory management system	3.6%	3.0	2.0	1.0	2028
• Developing and optimizing a used vehicle pricing model	2.5%	2.1	1.1	0.5	2028
• Enhancing our IT infrastructure	2.1%	1.7	1.1	0.3	2028
• Upgrading our big data analytics capabilities	3.0%	2.5	1.5	0.5	2028
• Developing AI-empowered digital tools for detecting and analyzing images used vehicles	2.4%	2.0	1.2	0.4	2028
• Developing technology and systems that facilitate the transaction process of NEVs	0.7%	0.6	0.5	0.1	2028
• Increasing the digitalization level of our business operation	0.7%	0.6	0.4	0.1	2028
Forming potential strategic partnerships and alliances with our business partners and making investments and/or acquiring controlling interest in target companies	10.0%	8.3	8.3	0	2028
Used for our working capital and general corporate purposes	10.0%	8.3	4.3	2.0	2028
Total	100.0%	83.0	65.1	9.5	

In the event that the net proceeds are not immediately utilized for the purposes as previously disclosed in the Prospectus, we intend to deposit the net proceeds into an interest-bearing account with a licensed commercial bank or financial institution in the PRC or Hong Kong. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rule 13.20, 13.21 and 13.22 of the Listing Rules.

APPROVAL OF INTERIM REPORT

The publication of the Group's interim report and unaudited interim condensed consolidated results for the six months ended 30 June 2025 have been approved and authorized by the Board on 29 August 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	141,846	191,309
Cost of revenue		(52,637)	(67,608)
Gross profit		89,209	123,701
Other income and gains, net		3,775	4,457
Selling and distribution expenses		(30,460)	(39,620)
Administrative expenses		(42,089)	(77,188)
Other expenses		(952)	(1,552)
Finance costs		(3,586)	(3,276)
Share of profits and losses of associates		119	–
Fair value changes of:			
Financial assets at fair value through profit or loss		–	44
Financial liabilities at fair value through profit or loss		–	(142,293)
PROFIT/(LOSS) BEFORE TAX	5	16,016	(135,727)
Income tax expense	6	(3,225)	(6,504)
PROFIT/(LOSS) FOR THE PERIOD		12,791	(142,231)
Attributable to:			
Owners of the parent		5,462	(147,607)
Non-controlling interests		7,329	5,376
		12,791	(142,231)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	8	0.01	(0.19)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	12,791	(142,231)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statement of the Company	(4,381)	(987)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(4,381)	(987)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	8,410	(143,218)
Attributable to:		
Owners of the parent	1,081	(148,594)
Non-controlling interests	7,329	5,376

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		7,147	9,453
Right-of-use assets		58,512	65,393
Other intangible assets		335	463
Investments in associates		2,057	1,938
Deferred tax assets		5,727	8,372
Other non-current assets		7,447	6,455
Total non-current assets		81,225	92,074
CURRENT ASSETS			
Trade receivables	9	15,032	14,670
Prepayments, deposits and other receivables		94,417	93,593
Financial assets at fair value through profit or loss		4,000	3,300
Cash and cash equivalents		1,046,843	1,046,599
Total current assets		1,160,292	1,158,162

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade payables	10	10,320	11,103
Other payables and accruals		92,129	97,279
Interest-bearing bank borrowings		126,230	129,480
Lease liabilities		19,869	19,694
Tax payable		4,132	4,729
Total current liabilities		252,680	262,285
NET CURRENT ASSETS		907,612	895,877
TOTAL ASSETS LESS CURRENT LIABILITIES		988,837	987,951
NON-CURRENT LIABILITIES			
Lease liabilities		42,899	50,423
Total non-current liabilities		42,899	50,423
Net assets		945,938	937,528
EQUITY			
Equity attributable to owners of the parent			
Share capital	11	56	56
Other reserves		927,299	926,218
		927,355	926,274
Non-controlling interests		18,583	11,254
Total equity		945,938	937,528

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 11)	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated loss* RMB'000	Total RMB'000		
At 1 January 2025 (audited)	56	1,274,006	5,260	(353,048)	926,274	11,254	937,528
Profit for the period	–	–	–	5,462	5,462	7,329	12,791
Other comprehensive loss for the period:							
Exchange differences on translation of the financial statement of the Company	–	–	(4,381)	–	(4,381)	–	(4,381)
Total comprehensive (loss)/income for the period	–	–	(4,381)	5,462	1,081	7,329	8,410
At 30 June 2025 (unaudited)	56	1,274,006	879	(347,586)	927,355	18,583	945,938

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Attributable to owners of the parent				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (note 11)	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated loss* RMB'000	Total RMB'000	
At 1 January 2024 (audited)		51	626,360	(1,506)	(230,045)	394,860	394,726
(Loss)/profit for the period		–	–	–	(147,607)	(147,607)	(142,231)
Other comprehensive loss for the period:							
Exchange differences on translation of the financial statement of the Company		–	–	(987)	–	(987)	(987)
Total comprehensive (loss)/income for the period		–	–	(987)	(147,607)	(148,594)	(143,218)
Issue of shares from initial public offering	11	1	139,117	–	–	139,118	139,118
Share issue expenses		–	(7,779)	–	–	(7,779)	(7,779)
Conversion of convertible redeemable preferred shares to ordinary shares	11	4	516,308	–	–	516,312	516,312
Capital contribution from non-controlling shareholders from subsidiaries		–	–	–	–	–	245
At 30 June 2024 (unaudited)		56	1,274,006	(2,493)	(377,652)	893,917	899,404

* These reserve accounts comprise the consolidated reserves of RMB927,299,000, RMB893,861,000 in the condensed consolidated statement of financial position as at 30 June 2025 and 30 June 2024, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		16,016	(135,727)
Adjustments for:			
Finance costs		3,586	3,276
Fair value change of financial assets and liabilities			
at fair value through profit or loss		–	142,249
Interest income from assistant funds to business partners		(916)	(1,856)
Depreciation of property, plant and equipment		2,797	2,888
Depreciation of right-of-use assets		10,616	11,955
Amortisation of other intangible assets		129	136
Gain on disposal of items of property, plant and equipment, net		18	(44)
Share of profits and losses of associates		(119)	–
Impairment losses on financial assets	9	–	336
		32,127	23,213
Increase in trade receivables		(362)	(8,409)
Increase in prepayments, deposits and other receivables		(9,386)	(24,650)
Decrease in trade payables		(783)	(12,984)
Decrease in other payables and accruals		(5,300)	(36,381)
Cash generated from operations		16,296	(59,211)
Income taxes paid		(1,177)	(4,412)
Net cash flows from/(used in) operating activities		15,119	(63,623)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 JUNE 2025

	Six months ended 30 June	
	2025	2024
Note	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(534)	(866)
Purchases of other intangible assets	–	(45)
Purchases of items of financial assets at fair value through profit or loss	(1,000)	(6,800)
Proceeds from disposal of financial assets at fair value through profit or loss	300	2,000
Proceeds from disposal of items of property, plant and equipment	25	345
Repayment of assistant funds to business partners	72,524	40,462
Assistant funds to business partners	(66,153)	(26,061)
Interest received	916	2,397
Net cash flows from investing activities	6,078	11,432
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses	–	3,268
Proceeds from issue of shares	–	139,118
Acquisition of non-controlling interests	–	(1,180)
Proceeds from interest-bearing bank borrowings	96,250	79,700
Repayment of interest-bearing bank borrowings	(99,500)	(69,500)
Principal portion of lease payment	(10,935)	(12,704)
Dividends paid to non-controlling shareholders	–	(60,195)
Interest paid	(3,586)	(3,276)
Capital contributions by non-controlling shareholders	–	245
Net cash flows (used in)/from financing activities	(17,771)	75,476
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,426	23,285
Cash and cash equivalents at beginning of period	1,046,599	935,441
Effect of foreign exchange rate changes, net	(3,182)	930
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,046,843	959,656

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Autostreets Development Limited (“the Company”) was incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 3 September 2014 as an exempted company with limited liability. The registered office address of the Company is P.O. Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries were mainly involved in the arrangement of sales and provision of service of used vehicles.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) effective from 31 May 2024.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The 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.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IAS 21	<i>Lack of Exchangeability</i>

The above amendments are not expected to have any significant impact on the Group’s interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group’s revenue and reported results during the reporting period, and the Group’s total assets as at the end of each of the period were derived from one single operating segment, i.e., provision of transportation and related services.

Geographical information

As the Group generates all of its revenues and all the non-current assets are allocated in the PRC during the period, no geographical segments are presented.

Information about major customers

The Group has a large number of customers and no revenue from a single customer is accounted for more than 10% of the Group’s total revenue for the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. REVENUE

An analysis of revenue is as follows:

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers:</i>		
Used vehicle auction commission and service fees	94,051	133,309
Revenue from used vehicle value-added services	28,456	33,179
Revenue from arrangement for sale of used vehicles	13,534	18,326
Revenue from exhibition related services	–	721
Revenue from other services	5,805	5,774
Total	141,846	191,309
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Closing of sale or completion of service at a point in time	121,924	166,506
Services rendered over time	19,922	24,803
Total	141,846	191,309

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of used vehicle auction commission and service fees	43,197	56,254
Cost of exhibition related services	–	182
Cost of arrangement for sale of used vehicles	2,410	3,335
Cost of used vehicle value-added services	4,935	5,876
Cost of other services	2,095	1,961
Research and development costs*	6,334	5,309
Depreciation of property, plant and equipment	2,797	2,888
Depreciation of right-of-use assets	10,616	11,955
Amortisation of other intangible assets*	129	136
Loss/(gain) on disposal of items of property, plant and equipment, net	18	(44)
Lease payments not included in the measurement of lease liabilities	3,249	2,554
Fair value changes of convertible redeemable preferred shares	–	142,293
Fair value changes of financial assets at fair value through profit or loss	–	(44)
Auditors' remuneration	1,100	1,000
Listing expenses	–	26,662
Employee benefit expense (including directors' remuneration)**:		
Wages, salaries and other allowances	30,141	46,712
Pension scheme contributions and social welfare	8,066	9,872
	38,207	56,584
Foreign exchange differences, net	(500)	(864)
Impairment of financial assets:		
Impairment of trade receivables	–	336

* Research and development costs and amortisation of other intangible assets are included in "Administrative expenses" in the consolidated statements of profit or loss.

** The amount of employee benefit expense excludes those included in the cost of used vehicle auction commission and service fees.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. INCOME TAX

The major components of income tax expense for the periods ended 30 June 2025 and 2024 are:

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Current — Mainland China:		
Charge for the period	556	5,012
Under provision in prior years	24	181
Deferred tax	2,645	1,311
Total	3,225	6,504

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The subsidiaries incorporated in the BVI are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period.

Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax at a rate of 25%, unless otherwise specified below.

Changchun Baorui International Exhibition Co., Ltd. has been accredited as a High and New Technology Enterprise to enjoy a preferential income tax rate of 15% from 2024 to 2026. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Xinjiang Huihan Motor Vehicle Auction Service Co., Ltd. (“**Xinjiang Huihan**”) enjoyed the benefit of income tax exemption for five years starting from the financial year with initial operating revenue and a 50% enterprise income tax reduction for the subsequent five years under the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Incentives for Newly-established Enterprises in Poverty Areas of Xinjiang.

According to Caishui (2011) No. 58 “The notice on the tax policies of further implementation of the western region development strategy” (財稅[2011]58號“關於深入實施西部大開發戰略有關稅收政策問題的通知”) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, companies set up in the western region and falling into the encouraged industry catalogue promulgated by the PRC government are entitled to a preferential tax rate of 15%. Guizhou Xintong Used Vehicle Auction Co., Ltd (“**Guizhou Xintong**”) was set up in the western development region and falls into the encouraged industry catalogue, and therefore it is entitled to the foresaid preferential tax rate.

Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. DIVIDENDS

The Board of the Company has resolved not to declare interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(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/(loss) 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.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings/(Loss)		
Profit/(Loss) attributable to ordinary equity holders of the parent (RMB'000)	5,462	(147,607)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation ('000)	832,662	773,706
Earnings/(Loss) per share		
Basic and diluted (RMB)	0.01	(0.19)

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2025 and 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	15,347	14,985
Impairment	(315)	(315)
Total	15,032	14,670

Trade receivables are non-interest-bearing. An ageing analysis of the Group's trade receivables as at the end of the reporting period and net of loss allowance, 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 6 months	15,032	14,376
6 months to 1 year	–	294
Total	15,032	14,670

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	10,320	10,906
6 months to 1 year	–	197
Total	10,320	11,103

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 120 days.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. SHARE CAPITAL

Issued and fully paid:

	Number of shares in issue	Share capital RMB'000
Ordinary shares of USD0.00001 each		
As at 31 December 2024 (audited) and 30 June 2025 (unaudited)	832,662,428	56

12. RELATED PARTY TRANSACTIONS

(a) Name and relationship:

Name of related party	Relationship with the Group
Huzhou Baorui Auto Sales Service Co., Ltd. 湖州寶睿汽車銷售服務有限公司	An entity controlled by a shareholder with significant influence over the Group
Maanshan Ruibao Auto Sales Service Co., Ltd. 馬鞍山瑞寶汽車銷售服務有限公司	An entity controlled by a shareholder with significant influence over the Group
Shanghai Kailong Automobile Sales Co., Ltd. 上海開隆汽車集團有限公司	An entity controlled by a shareholder with significant influence over the Group
Shanghai Longyun Property Management Co., Ltd. 上海隆雲物業管理有限公司	An entity controlled by a shareholder with significant influence over the Group

(b) Related party transactions:

The Group had the following transactions with related parties during the period:

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Cost of used vehicle value-added services		
Huzhou Baorui Auto Sales Service Co., Ltd.	143	92
Rental expenses:		
Shanghai Kailong Automobile Sales Co., Ltd.	1,657	1,714
Shanghai Longyun Property Management Co., Ltd.	259	274

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with a related party:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-trade:		
Prepayments, deposits and other receivables		
Shanghai Kailong Automobile Sales Co., Ltd.	2,610	2,610
Shanghai Longyun Property Management Co., Ltd.	412	415
Total	3,022	3,025
Trade:		
Trade and bills payables		
Huzhou Baorui Auto Sales Service Co., Ltd.	88	122
Maanshan Ruibao Auto Sales Service Co., Ltd.	24	14
Total	112	136
Other payables and accruals		
Huzhou Baorui Auto Sales Service Co., Ltd.	–	622
Total	–	622

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. RELATED PARTY TRANSACTIONS *(Continued)*

(d) Compensation of key management personnel of the Group:

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	3,611	4,546
Pension scheme contributions	171	156
Total	3,782	4,702

13. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and interest-bearing borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance team 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.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group invests in unlisted investments, which represent financial products issued by the bank. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	4,000	–	4,000

As at 31 December 2024 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	3,300	–	3,300

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

14. EVENTS AFTER THE REPORTING PERIOD

There is no significant event taking place subsequent to 30 June 2025.

DEFINITIONS

"ADMS system"	our proprietary used vehicle management system that provides intuitive, easy to use digital tools designed to help dealership groups centrally and systematically manage their used vehicle inventory across their 4S dealership stores, solve the key challenges across different stages of their used vehicle business and enhance the overall transparency, efficiency and profitability of their used vehicle business
"auction"	a process of buying and selling items or services by offering them up for bids, taking bids, and then selling them to the highest bidders
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China and, for the purpose of this document only, except where the context requires otherwise, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company" or "Autostreets"	Autostreets Development Limited (汽車街發展有限公司), a company incorporated under the law of the Cayman Islands with limited liability on 3 September 2014
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company
"EV"	electric vehicle
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HK\$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Board
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	31 May 2024, the date on which the Shares were listed on the Stock Exchange

DEFINITIONS

"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"OEM"	original equipment manufacturer, which in this prospectus, refers to automobile manufacturer
"Prospectus"	the prospectus of the Company dated 23 May 2024
"Reporting Period"	the six months ended 30 June 2025
"Professional Buyers"	refer to used vehicle sales business participants that purchase more frequently (i.e., purchasing three or more used vehicles every year) than typical consumers
"RMB"	Renminbi, the lawful currency of China
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules, unless the context otherwise requires
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"trade-in"	an arrangement in which the owner of a used vehicle uses the used vehicle as a payment or partial payment for purchase of a new vehicle
"used vehicle"	for the purposes of this document only, unless otherwise indicated, "used vehicle" refers to used passenger vehicle (i.e. an automobile designed, constructed and used primarily for the carriage of passengers and typically comprising no more than eight seats in addition to the driver's seat)
"%"	per cent