



CHINA YONGDA AUTOMOBILES SERVICES HOLDINGS LIMITED

中國永達汽車服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 03669



2025

INTERIM REPORT





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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. CHEUNG Tak On (*Chairman*)
Mr. CAI Yingjie (*Vice-chairman*)
Mr. WANG Zhigao (*Vice-chairman*)
Mr. XU Yue (*Vice-chairman, President and Chief Executive Officer*)
Ms. CHEN Yi (*Vice-president*)
Mr. TANG Liang (*Vice-president*)

Independent Non-executive Directors

Ms. ZHU Anna Dezhen
Mr. LYU Wei
Mr. MU Binrui

CORPORATE HEADQUARTER

299 Ruijin Nan Road, Huangpu District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5708, 57/F, The Center
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Central
Hong Kong

REGISTERED OFFICE

Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ogier Global (Cayman) Limited
89 Nexus Way, Camana Bay
Grand Cayman KY1-9009
Cayman Islands

LEGAL ADVISERS TO HONG KONG LAW

Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central, Hong Kong

JOINT COMPANY SECRETARIES

Ms. ZHANG Hong
Ms. SO Ka Man (*HKFCG(PE), FCG*)

AUTHORIZED REPRESENTATIVES

Mr. XU Yue
Ms. SO Ka Man

AUDIT AND COMPLIANCE COMMITTEE

Ms. ZHU Anna Dezhen (*Chairlady*)
Mr. LYU Wei
Mr. MU Binrui

REMUNERATION COMMITTEE

Ms. ZHU Anna Dezhen (*Chairlady*)
Mr. WANG Zhigao
Mr. LYU Wei

NOMINATION COMMITTEE

Mr. CHEUNG Tak On (*Chairman*)
Mr. LYU Wei
Mr. MU Binrui
Ms. ZHU Anna Dezhen (*appointed on May 30, 2025*)

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

03669

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F One Pacific Place
88 Queensway Hong Kong

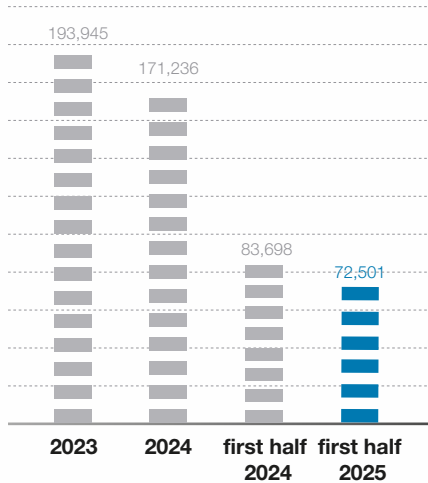
COMPANY WEBSITE

www.ydauto.com.cn

Financial Highlights

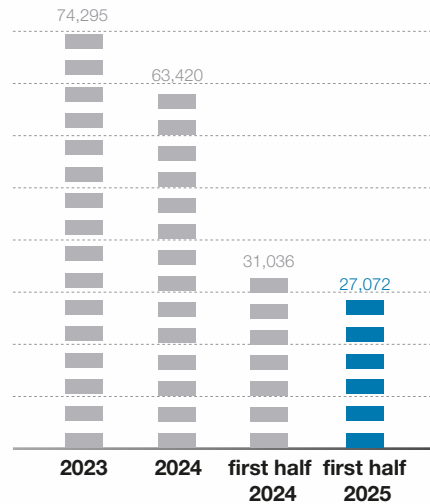
New vehicles sales volume (Note 1)

units



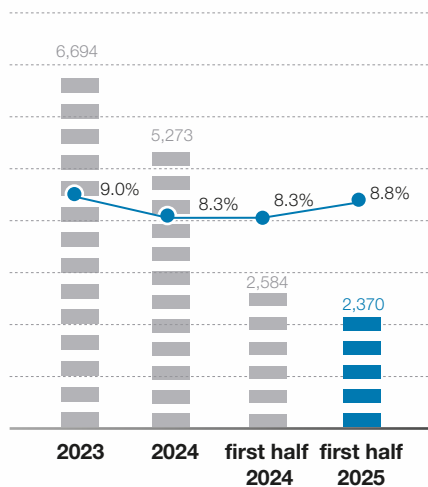
Revenue (Note 2)

RMB million



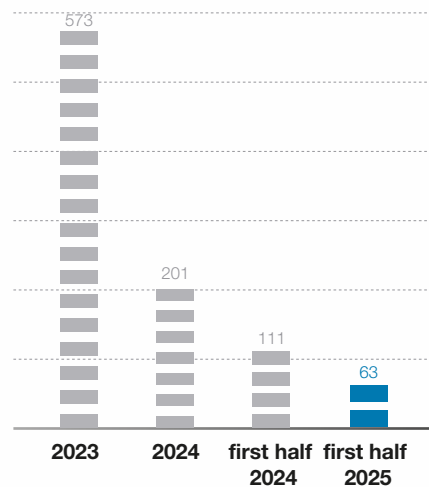
Gross profit and gross profit margin (Note 2)

RMB million



Profit attributable to owners of the Company (Note 3)

RMB million



Notes:

1. New vehicles sales volume includes sales volume of direct agency sales of independent new energy brand vehicles.
2. The comparative figures of revenue, gross profit and gross profit margin for the year of 2023 have been restated. Details are set out in the notes to the consolidated financial statements of 2024 annual report.
3. It represents adjusted profit attributable to owners of the Company (under non-IFRSs measurement) for the first half of 2025. Details are set out on page 22 of this interim report.

Chairman's Statement



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) and the management of China Yongda Automobiles Services Holdings Limited (the “**Company**”), I hereby present the Interim Report for the first half of 2025 of the Company and its subsidiaries (collectively referred to as the “**Group**”, “**we**” or “**us**”).

According to the data from the China Passenger Car Association (“**CPCA**”), in the first half of 2025, the retail sales of passenger vehicles reached 10.902 million units, representing a year-on-year increase of 10.8%. Among them, the sales volume of new energy vehicles reached 4.111 million units, representing a year-on-year increase of 41.8%, with a market penetration rate of 50.2%.

In the first half of 2025, our revenue and gross profit amounted to RMB27,072 million and RMB2,370 million, respectively, representing a decrease of 12.8% and 8.3%, respectively, as compared to the corresponding period in 2024; in the first half of 2025, the selling expenses, administrative expenses and financing costs totaled RMB2,382 million, representing a year-on-year decrease of 7.3% as compared to the corresponding period in 2024.



Chairman's Statement

In the first half of 2025, due to the increasingly price war in the automotive market and macroeconomic factors, the Group has made non-cash and one-off impairment provisions on the financial accounts (the **"Impairment of Related Assets"**) during the relevant period on the long-term assets such as goodwill, intangible assets of dealership agreements and buildings and renovations of certain underperforming 4S stores, mainly including the acquisition projects over the years, the total amount of which is approximately RMB3,539 million after offsetting against the corresponding deferred tax liabilities reversed.

The adjusted net profit and net profit attributable to owners of the Company (under non-IFRSs measurement), excluding Impairment of Related Assets, amounted to RMB54 million and RMB63 million, respectively, representing a decrease of 46.3% and 43.8%, respectively, as compared to the corresponding period in 2024.

The Impairment of Related Assets represents a one-off prudent adjustment at the financial level, does not involve cash outflows, and does not affect the daily operation and business profitability of the Group. After the Impairment of Related Assets, the amortization expenses for future periods will decrease accordingly, which is conducive to improving the overall profitability of the Group. The Company does not expect significant ongoing impairment risks in the future.

KEY OPERATING RESULTS AND MANAGEMENT PERFORMANCE DURING THE REPORTING PERIOD

In the first half of 2025, the sales volume of new vehicles reached 72,501 units, representing a decrease of 13.4% as compared to the corresponding period in 2024; the revenue from our new vehicle sales and related services amounted to RMB20,532 million and the gross profit margin from new vehicle sales and related services was 1.03%.

In the first half of 2025, the sales volume of our independent new energy brand vehicles reached 10,312 units, representing a year-on-year increase of 49.0%; the sales volume of independent new energy vehicle accounted for 14.2% of total sales, representing a year-on-year increase of 5.9 percentage points; of which, 4,455 units were sold under the dealership model and 5,857 units were sold under the direct sales model.

In the first half of 2025, our revenue from after-sales services business was RMB4,784 million, basically unchanged from the corresponding period last year; the gross profit margin of our after-sales services was 41.91%, basically unchanged from the corresponding period of last year, and the absorption rate of retail services was 84.2%, representing a year-on-year increase of 5.6 percentage points.

In the first half of 2025, our transaction volume of pre-owned vehicles was 30,427 units, representing a year-on-year decrease of 13.6%; and the revenue from pre-owned vehicles calculated based on the selling price of pre-owned vehicles was RMB2,164 million; the gross profit margin of pre-owned vehicles business calculated based on the selling price of pre-owned vehicles was 5.21%, representing an increase of 0.81 percentage points compared with the previous period.

In the first half of 2025, our inventory balance in transit and in stock amounted to RMB4,986 million, representing a decrease of 6.8% compared with the end of 2024. We maintained a relatively healthy inventory turnover days of 26.3. In the first half of 2025, our net cash from operating activities was RMB1,167 million, and our asset-liability ratio as of June 30, 2025 was 59.5%, generally in line with that at the end of 2024.



Chairman's Statement

In the first half of 2025, China's passenger vehicles market was still under great price pressure in the context of oversupply, the overall automotive industry remained in a profound phase of reform and transformation. In response to these evolving industry dynamics, the Company demonstrated proactive adaptability, upheld the prudent operation bottom line with cash flows and asset and liability structure always maintaining at a healthy level, laying a solid foundation for navigating the industry's transformative landscape.

FUTURE DEVELOPMENT STRATEGIES

The rapid development of new energy vehicles and the breakthrough resilience of traditional fuel vehicles have pushed China's automobile market into a new stage of reconstruction and iteration, and the "anti-internal competition" trend in the industry has become the main theme of the market recently, which will accelerate the transformation of the industry from price war to technological ecosystem and compliance operation. We believe that although the overall industry is encountering phased difficulties, it is essentially a necessary stage for the industry to transform to high-quality development. We will actively respond to the development trends and changes in the automobile market, including the following aspects:

I. Coordinately develop new energy and luxury vehicle business

We will increase our investment and focus our efforts on strengthening our new energy business. We will deepen our cooperation with key new energy brands, such as HIMA, which have leading intelligence, good market reputation and profitability in China, so as to create a scale advantage in the network of new energy brands, and to rapidly increase the proportion of our new energy business and its profit contribution. We target to achieve the market share of new energy vehicles of the Company reaching 50% in next one to two years.

We will also continue to optimize and refine our traditional luxury brands business, proactively optimize the existing layout of luxury vehicle brands, accelerate the closure and transformation of outlets with weak profitability, focus on retaining high-quality outlets in core areas, and enhance the operation quality and overall profitability of each outlet, thereby consolidating our leading position.

II. Reduce costs, control expenses and enhance business quality and efficiency

We will continue to improve the profitability of our new vehicle business, maintain the long-term steady development of our after-sales maintenance business, and develop and upgrade our pre-owned vehicles business. We will continue to enhance customer retention and satisfaction through diversified services, and continuously expand the user scale to consolidate the customer base, so as to ensure the synergistic development of the two major business camps.

Meanwhile, we will implement various cost and expense control measures, continue to improve efficiency around labor costs and other major distribution, selling and administrative expenses, strengthen the dynamic correlation and control between expenses and performance, and further streamline our organization and structure as well as optimize the staffing effectiveness. Besides, we will accelerate the promotion of a shared management model of business, finance and human resources, enhance management efficiency, empower business development so as to reduce management costs.



Chairman's Statement

III. Safeguard the cash flow and financial health

We will further strengthen cash flow management, pay attention to the utilization rate of funds, ensure that the efficiency of inventory turnover is maintained at a higher level, and shorten the receivable payment cycle while compressing the amount of receivables, so as to ensure the Group's operating cash flow is healthy and stable under a stringent control strategy in general; meanwhile, we will strictly control capital expenditure and continue to optimize and co-ordinate the management of the channels and structure on the financing side, continuously improve our ability to resist risks in turbulent market environments and ensure stable operations.

In terms of core financial indicators, such as gearing ratio, current assets covering liabilities and net assets covering long-term assets, we will ensure that they are maintained at a healthy level to provide the Company with a solid financial foundation.

IV. Promote talent training, new business deployment and new technology empowerment

We will strengthen the cultivation and reserve of talents in related fields to help us realize rapid business transformation. Meanwhile, we will continue to lay out our business in the fields of "battery recycling industry" and "intelligent robots" to accelerate the cultivation and development of new industries.

Meanwhile, with the gradual enrichment of AI and other new technologies, we will also accelerate the pace of digital transformation, embrace AI technology, and use AI to inject new vitality into our development and empower our business development.

Looking ahead, the trend of industry consolidation is becoming more and more evident amid intensifying overall market competition, and the market share of major brands will continue to be concentrated in high-quality top distributors, further enabling us to leverage the value of our distributor channels in brand communication and after-market service capabilities. We will be fully prepared to face the challenges of the industry with confidence, and to navigate through the current market transformation cycle. We will also actively participate in and continue to respond to the national "low carbon" strategy and fulfill our ESG-related corporate social responsibilities. Besides, we will adopt a more proactive and sustainable dividend and buyback policy to reward our shareholders and investors with more solid performance and achieve sustainable and healthy development.

CHEUNG Tak On
Chairman

August 26, 2025

Management Discussion & Analysis



MARKET REVIEW

In the first half of 2025, China's automobile market generally maintained a steady growth momentum under fierce competition. Based on relevant data from the CPCA, domestic sales of passenger vehicles reached 10.902 million units, representing a year-on-year increase of 10.8%. Driven by policy incentives and technological iteration, new energy vehicles have become the core engine of growth. The new energy penetration rate reached 50.2%, representing a year-on-year increase of 8.4 percentage points. In June, the monthly penetration rate exceeded 53.3% for the first time. The market share of Chinese brands exceeded 64%, representing a year-on-year increase of 7.5 percentage points. Among the emerging new brands, Xiaomi has risen sharply relying on its appearance and technological configuration. The average price of high-end models of HIMA (Harmony Intelligent Mobility Alliance) series exceeded RMB400,000, and the sales volume in June exceeded 21,000 units. The successful listing of the MAEXTRO brand has achieved a breakthrough in high-end domestic brands.

In the first half of 2025, the overall passenger vehicles market was still under great price pressure in the context of oversupply. According to the data from the CPCA, the average price of new vehicles fell by 11.4% in the first half of the year. Although the year-on-year decline slowed down, all upstream parts suppliers, OEMs or channel dealers were facing great profit pressure. Recently, we noticed that traditional brand OEMs started to adjust wholesale and retail targets, shortened credit terms for suppliers, accelerated dealer rebate support and other measures. Emerging new energy brands were also gradually optimizing pricing strategies to shake off the price war. Meanwhile, we also noticed that automakers were accelerating product and service transformations, including L2+ autonomous driving systems or higher, 800V+ high-voltage platforms, solid-state batteries, and the diversification of



Management Discussion & Analysis

high-performance plug-in hybrid and range-extended products. The competitive focus in the industry was shifting from price competition to comprehensive multi-dimensional competition encompassing technological systems, ecological collaboration and user experience.

As an automobile dealer, we have been challenged and tested by the market, brand, cost, management and other aspects in recent years. Although price competition still exists in the second half of the year, we believe that there are also structural opportunities. Firstly, electrification transformation has become an unstoppable main line in the industry, with new opportunities emerging in new segments; secondly, brands and networks continued to survive the fittest, with the right brand choices enabling companies to navigate market cycles and anticipate returns; meanwhile, aftermarket service opportunities with huge retained customers continued to grow. Therefore, dealers should take innovative services and user value as long-termism and strengthen market competitiveness, so as to seize structural opportunities and respond to challenges. In the second half of 2025, under the state's overall policy of guiding the healthy and orderly development of the industry and avoiding vicious competition, it is expected that the intensity of industry competition in China's automobile market will be marginally mitigated driven by the "policy support + technology iteration + export upgrade", and the market is expected to reach a new and more resilient dynamic balance point within the year.

BUSINESS REVIEW

In the first half of 2025, our revenue recognized amounted to RMB27,072 million, representing a decrease of 12.8% as compared to the corresponding period in 2024; our gross profit amounted to RMB2,370 million, representing a decrease of RMB214 million or 8.3% compared with the corresponding period in 2024, among which, the gross profit from the sales of new vehicles and related services decreased by RMB183 million or 46.4% year-on-year.



Management Discussion & Analysis



In the first half of 2025, the selling expenses, administrative expenses and financing costs totaled RMB2,382 million, representing a year-on-year decrease of RMB186 million or 7.3% compared with the corresponding period in 2024.

In the first half of 2025, due to the increasingly price war in the automotive market and macroeconomic factors, the Group has made non-cash and one-off impairment provisions on the financial accounts (the “**Impairment of Related Assets**”) for the six months ended June 30, 2025 on the long-term assets such as goodwill, intangible assets of dealership agreements and buildings and renovations of certain underperforming 4S stores, mainly including the acquisition projects over the years, the total amount of which is approximately RMB3,539 million after offsetting against the corresponding deferred tax liabilities reversed. The impact on the Group’s consolidated profit for the six months ended June 30, 2025 and the Group’s consolidated total equity as of June 30, 2025 is approximately RMB3,539 million, and the impact on the profit attributable to owners of the Company for the six months ended June 30, 2025 and the equity attributable to owners of the Company as of June 30, 2025 is approximately RMB3,394 million.

The Impairment of Related Assets represents a one-off prudent adjustment at the financial level, does not involve cash outflows, and does not affect the daily operation and business profitability of the Group. The Company does not expect significant ongoing impairment risks in the future. After the Impairment of Related Assets, the pressure of depreciation and amortization of related assets will be alleviated, and the depreciation and amortization expenses for future periods will decrease accordingly, which is conducive to improving the overall profitability of the Group.

Management Discussion & Analysis

Excluding the impact of the aforementioned Impairment of Related Assets, the adjusted net profit of the Group and the adjusted net profit attributable to owners of the Company (under non-IFRSs measurement) for the first half of 2025 were RMB54 million and RMB63 million, respectively (for details, please refer to “Adjustments on Non-IFRS Measurement”).

In the first half of 2025, we continued to uphold the strategies of reducing the capital tied up in inventory and improving the inventory turnover efficiency. As of June 30, 2025, our inventory balance in transit and in stock amounted to RMB4,986 million, representing a decrease of 6.8% compared with that as of December 31, 2024. We maintained a relatively healthy average inventory turnover days of 26.3 in the first half of 2025. In the first half of 2025, our net cash from operating activities was RMB1,167 million, representing an increase of 66.9% compared with the corresponding period in 2024, and our asset-liability ratio as of June 30, 2025 was 59.5%, generally in line with that at the end of 2024.



Management Discussion & Analysis



Set forth below is a summary of our business development in the first half of 2025:

New Vehicle Sales Business

In the first half of 2025, the new vehicle sales were 72,501 units, representing a year-on-year decrease of 13.4%. Revenue from sales of new vehicles and related services amounted to RMB20,532 million, representing a year-on-year decrease of 14.4%; and gross profit margin from sales of new vehicles and related services was 1.03%, representing a year-on-year decrease of 0.61 percentage points. In the first half of the year, competition in the industry became extremely fierce. In order to seize market share, some brands and dealers adopted aggressive price reduction and promotion strategies, which resulted in the continuous decline in the sales price of new vehicles and the loss of gross profit per unit. In view of the current market competition environment, we proactively adjusted our new vehicle operation strategy in the first half of the year, with our core goal shifted from “success by volume” to “volume and profit balance”, which affected the short-term sales volume to a certain extent. By actively communicating with the manufacturers, we have achieved the reduction of wholesale and retail assessment task objectives, and by efforts in new media customer acquisition channels such as short videos, live streaming and social media, we have further strengthened the tracking and management of the process indicators such as the arrival rate, conversion rate of potential customers and the transaction cycle, and effectively promoted the improvement of clue conversion rate.

Our new vehicle turnover days remained at a healthy level of 26.4 days in the first half of 2025. Due to the large fluctuations in the prevailing terminal prices and policies in the automobile market, we have reduced the task assessment of brand manufacturers and further strengthened the control of new vehicle inventories (including prepayables) of various brands. Additionally, we have implemented a mandatory liquidation mechanism for the 60-day overdue inventory of new vehicles, and bundled the performance assessment with the general manager and management team of manufacturers. Also, through the linkage of new vehicle sales and inventory fund digital systems, we effectively guaranteed the health of new vehicle inventories and the improvement of fund turnover efficiency.

Management Discussion & Analysis

New Energy Vehicle Business

In the first half of 2025, the new energy market maintained a rapid growth trend, and also demonstrated the characteristics of focusing on leading brands and high-end product experience. Among the popular models released in the first half of the year, such as AITO M8, Xiaomi SU7 Ultra, ZEEKR 009, Li Auto L6, all performed outstandingly in their respective fields. Among the brands for which we act as the agent, quite a few models have become “hot” ones in the first half of the year.

In terms of sales volume, in the first half of 2025, the sales volume of our independent new energy brand vehicles reached 10,312 units, representing a year-on-year increase of 49.0%, of which 4,455 units were sold under the dealership model and 5,857 units were sold under the direct sales model. As the products for which we act as the agent are further developing towards the high-end market, the average selling price of new vehicles reached RMB267,300 in the first half of this year. With the large-scale delivery of vehicles such as MAEXTRO S800 in the second half of the year, we believe that the average selling price will further increase. The comprehensive gross profit margin per new vehicle also remained stable at over 4%. Meanwhile, the numerous popular models mentioned above have also accumulated a considerable number of pending delivery orders for us. By the end of the first half of this year, the number of retained orders of independent new energy brands reached nearly 6,000, laying the foundation for sustained business growth in the second half of the year.



Management Discussion & Analysis



In terms of after-sales, in the first half of 2025, the after-sales business of independent new energy vehicle brands continued to maintain rapid growth momentum. In the first half of 2025, the repair revenue amounted to RMB215.59 million, representing a year-on-year increase of 75.8%, and the average vehicle yield amounted to RMB3,447, representing a year-on-year increase of 16.5%. The number of after-sales customers of independent new energy brands reached 72,281 at the end of June 2025, representing an increase of 25.9% as compared to the end of 2024. At present, with the rapid increase in the number of new vehicle deliveries of our independent new energy brands, the number of after-sales customers still maintains a high growth rate, with a monthly compound growth rate of over 5%, and the after-sales business of independent new energy brands is still in a rapid growth stage.

After-sales Business

Our revenue from after-sales services was RMB4,784 million in the first half of 2025. Among them, the revenue from repair and maintenance business was RMB4,660 million, basically unchanged from the corresponding period in 2024. In the first half of 2025, the gross profit margin of our repair and maintenance business was 40.35%, basically unchanged from the corresponding period in 2024. In the first half of 2025, the absorption rate of retail services was 84.2%, representing an increase of 5.6 percentage points compared with the corresponding period in 2024.



Management Discussion & Analysis

In terms of user operations, on the one hand, we have constantly launched sticky products that help improve the repair of accident vehicles and the replacement of new vehicles. Besides, we also actively participated in the research and development of power battery maintenance equipment for new energy vehicles, providing a guarantee for further improving the stickiness of new energy vehicle maintenance and repair, promoting factory entry and enhancing unit production in the future. On the other hand, we are actively expanding the customer resources of dealers who have withdrawn from the network in the coverage areas of our outlets. For example, our BMW 4S dealership located in the north added 2,200 external customers in the first half of the year, and the number of customers under our management increased by 14.8% compared with the corresponding period of last year. Through the above means, we ensured that the number of customers under our management keeps increasing to alleviate the impact of consumption downgrading and the decline in average transaction value on revenue.

In terms of insurance business, to cope with the impact of the decline in new vehicles sales volume on the premium scale, while ensuring the quality of new insurance policies, we focused on strengthening the process control of renewal business. While effectively controlling marketing costs, we ensured that the number of renewal vehicles and the premium scale increased by more than 5% year-on-year, thereby ensuring that the overall premium scale also increased year-on-year.

In terms of accident vehicle business, in the market environment where insurance companies were tightening their claims and loss assessment policies, we insisted on continuously improving the quality of our accident vehicle business operations through full marketing of accident claims, vehicle related insurance products and the application of digital management tools. In the first half of 2025, the number of our repair & paint units increased by 4.8% year-on-year. Meanwhile, we further deepened our strategic partnership by cooperating with insurance companies to develop businesses such as “maintenance instead of replacement”.

In terms of inventory control, we strictly controlled use of prepayments and the procurement of non-recurring spare parts and supplies by continuously optimizing inventory structure and adjusting procurement strategy, which resulted in a decrease of 6.8% in the amount of spare parts and supplies in stock at the end of the first half of 2025 as compared with the end of 2024.

Pre-owned Vehicle Business

In the first half of 2025, we adopted the business strategy of “stable operation, efficient turnover, strict risk control and transformation and development”, proactively responded to the impact of rapid decline in the new vehicle sales scale and market conditions on the pre-owned vehicle business, and seized the opportunities and challenges brought by new energy pre-owned vehicles. In the first half of 2025, our transaction volume of pre-owned vehicles was 30,427 units, and the revenue from pre-owned vehicles calculated based on the selling price of pre-owned vehicles was RMB2,164 million; while maintaining a stable new-to-pre-owned ratio, we ensured the business profitability by strengthening inventory turnover and controlling the risk of price declines; the gross profit margin of pre-owned vehicles calculated based on the selling price of pre-owned vehicles was 5.21%, representing an increase of 0.81 percentage points compared with the previous period; the gross profit of pre-owned vehicles was RMB113 million, representing an increase of 8.2% compared with the previous period; the turnover days were 17.7 days, representing a decrease of 2.5 days year-on-year and a decrease of 4.0 days compared with the previous period.



Management Discussion & Analysis

We actively utilized various subsidy policies to carry out replacement business, and boosted new vehicle sales with a stable high replacement rate. We continued to deepen the new retail model of pre-owned vehicles that integrates OEM and Yongda dual brand channels with online platforms. By strengthening digital operation capabilities, we created a marketing matrix that combines the official website, new media and vertical media to promote online transactions. Meanwhile, we integrated cross-brand and cross-regional vehicle source information through standardized data to break down barriers of vehicle conditions and regions, helped the offline end quickly and accurately match vehicle sources to meet consumer demands and increase transaction rates, and activated the overall inventory to accelerate turnover efficiency and reduce warehousing and capital costs. We have established a regionally centralized pre-owned vehicles renovation center and efficiently streamlined the process to reduce intermediate costs and retain profits for the channels, forming a positive cycle of vehicle source flow and profit improvement. Moreover, we developed the pre-owned vehicles retail business to drive the growth of extended businesses such as finance and insurance, and promoted comprehensive profitability and expansion of customer retention scale of pre-owned vehicles. Besides, we actively explored incremental opportunities in the existing market, and innovated business models: cooperating with many brand manufacturers on bulk vehicle sources to assist manufacturers carry out subscription, leasing and sale, vehicle disposal and residual value management, as well as to bring stable and high-quality retail vehicle sources to our own channels; accelerating the deployment of new channels for new energy pre-owned vehicles, and cooperating with a number of new energy manufacturers on new channels for pre-owned vehicle replacement and retailing; implementing centralized pricing and disposal models, and exploring open, market-oriented and platform-based operations; actively promoting the export of pre-owned vehicles to establish a diversified sales strategy.

Changes of Outlets

In the first half of 2025, we actively adjusted our outlets, accelerated the closure and transformation of outlets of non-core brands and in non-core areas, and concentrated our efforts on developing the leading domestic new energy brands with greater potential. Through outlet adjustments, brand concentration continued to strengthen, effectively improving the operational efficiency and output of a single outlet. Besides, we actively communicated with brands to accelerate the diversified utilization of existing showrooms and after-sales properties, thereby further reducing operating costs.

In the first half of the year, we built and newly opened 7 outlets of leading new energy brands, including 5 outlets of HIMA. In addition, in the first half of the year, we were newly authorized by 30 new energy brands and had 14 new energy outlets under construction, 13 of which are under the brand of HIMA. In the first half of the year, we closed and transferred 19 outlets, including 12 outlets of traditional brands and 7 outlets of new energy brands.

As at the end of the first half of 2025, we operated a total of 209 outlets, and we have 17 outlets authorized to open. Based on the analysis of brand structure, luxury brands account for 64.6%, independent new energy brands account for 16.7%, and mid-to-high-end brands account for 12.5%, and Yongda Pre-owned Vehicle Malls account for 6.2%.

Management Discussion & Analysis

Set out below are the details and changes of our opened outlets as of June 30, 2025:

	Outlets opened as of December 31, 2024	Outlets opened as of June 30, 2025	Changes of outlets
4S dealerships of luxury and ultra-luxury brands	129	119	-10
City showrooms of luxury brands	16	16	0
Sub-total of luxury and ultra-luxury brands outlets	145	135	-10
4S dealerships of mid-to-high-end brands	27	25	-2
City showrooms of mid-to-high-end brands	1	1	0
Sub-total of mid-to-high-end brands outlets	28	26	-2
4S dealerships of independent new energy brands	29	29	0
Authorized maintenance centers of independent new energy brands	6	6	0
Sub-total of independent new energy brands outlets	35	35	0
Outlets of Yongda Pre-owned Vehicle Malls	13	13	0
Total outlets	221	209	-12

Management Discussion & Analysis

FINANCIAL REVIEW

Revenue

Revenue was RMB27,071.9 million for the six months ended June 30, 2025, representing a 12.8% decrease from RMB31,035.8 million for the six months ended June 30, 2024. The decrease in revenue was mainly due to the year-on-year decrease in new vehicles sales volume and average selling price of luxury and ultra-luxury brands. The table below sets forth a breakdown of our revenue and relevant information of various business segments for the periods indicated:

	First half of 2025			First half of 2024		
	Amount (RMB'000)	Sales Volume (Unit)	Average Selling Price (RMB'000)	Amount (RMB'000)	Sales Volume (Unit)	Average Selling Price (RMB'000)
Revenue from sales of new vehicles						
Luxury and ultra-luxury brands	15,667,841	48,959	320	19,106,328	55,268	346
Mid- to high-end brands	1,890,174	13,230	143	2,714,040	21,507	126
Independent new energy brands (distribution model)	1,219,443	4,455	274	1,090,529	4,298	254
Sub-total	18,777,458	66,644	282	22,910,897	81,073	283
Commission income related to new vehicle sales	1,511,678			747,761		
Others	242,442			325,227		
Sub-total revenue from sales of new vehicles and related services	20,531,578			23,983,885		
Sales of pre-owned vehicles	1,560,655	15,496	101	2,063,813	17,025	121
Brokerage income related to sales of pre-owned vehicles	15,695			23,605		
Sub-total revenue from sales of pre-owned vehicles and related services	1,576,350			2,087,418		
Repair and maintenance related services	4,659,958			4,653,952		
Commission income	124,521			124,015		
Sub-total revenue from after-sales services	4,784,479			4,777,967		
Automobile operating lease services	196,795			221,028		
Less: inter-segment eliminations	(17,268)			(34,464)		
Total	27,071,934			31,035,834		



Management Discussion & Analysis

The distribution sales volume of new vehicles of the passenger vehicle sales and services segment was 66,644 units for the six months ended June 30, 2025, representing a 17.8% decrease from 81,073 units for the six months ended June 30, 2024.

Among them, the distribution sales volume of luxury and ultra-luxury brand new vehicles was 48,959 units for the six months ended June 30, 2025, representing an 11.4% decrease from 55,268 units for the six months ended June 30, 2024.

Revenue from sales of new vehicles of the passenger vehicle sales and services segment was RMB18,777.5 million for the six months ended June 30, 2025, representing an 18.0% decrease from RMB22,910.9 million for the six months ended June 30, 2024.

Among them, revenue from sales of luxury and ultra-luxury brand new vehicles was RMB15,667.8 million for the six months ended June 30, 2025, representing an 18.0% decrease from RMB19,106.3 million for the six months ended June 30, 2024.

Commission income related to the sales of new vehicles of the passenger vehicle sales and services segment was RMB1,511.7 million for the six months ended June 30, 2025, representing a 102.2% increase from RMB747.8 million for the six months ended June 30, 2024.

The sales volume of direct agency sales of independent new energy brand vehicles was 5,857 units for the six months ended June 30, 2025, representing a 123.1% increase from 2,625 units for the six months ended June 30, 2024.

Other revenue related to new vehicles of the passenger vehicle sales and services segment was RMB242.4 million for the six months ended June 30, 2025, representing a 25.5% decrease from RMB325.2 million for the six months ended June 30, 2024.

Total revenue from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB20,531.6 million for the six months ended June 30, 2025, representing a 14.4% decrease from RMB23,983.9 million for the six months ended June 30, 2024.

The distribution volume of pre-owned vehicles was 15,496 units for the six months ended June 30, 2025, representing a 9.0% decrease from 17,025 units for the six months ended June 30, 2024.

Revenue from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB1,560.7 million for the six months ended June 30, 2025, representing a 24.4% decrease from RMB2,063.8 million for the six months ended June 30, 2024.

Brokerage income from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB15.7 million for the six months ended June 30, 2025, representing a 33.5% decrease from RMB23.6 million for the six months ended June 30, 2024.



Management Discussion & Analysis

Revenue from after-sales services for the passenger vehicle sales and services segment was RMB4,784.5 million for the six months ended June 30, 2025, which remained flat as compared to RMB4,778.0 million for the six months ended June 30, 2024.

Among them, the revenue from repair and maintenance related services was RMB4,660.0 million for the six months ended June 30, 2025, which remained flat as compared to RMB4,654.0 million for the six months ended June 30, 2024.

Among them, the commission income was RMB124.5 million for the six months ended June 30, 2025, which remained flat as compared to RMB124.0 million for the six months ended June 30, 2024.

Revenue from the automobile operating lease services segment was RMB196.8 million for the six months ended June 30, 2025, representing an 11.0% decrease from RMB221.0 million for the six months ended June 30, 2024.

Cost of Sales and Services

Cost of sales and services was RMB24,701.6 million for the six months ended June 30, 2025, representing a 13.2% decrease from RMB28,451.6 million for the six months ended June 30, 2024.

Cost of sales of new vehicles and cost of related services of the passenger vehicle sales and services segment was RMB20,320.5 million for the six months ended June 30, 2025, representing a 13.9% decrease from RMB23,590.1 million for the six months ended June 30, 2024.

Cost of sales of pre-owned vehicles and cost of related services was RMB1,463.6 million for the six months ended June 30, 2025, representing a 24.9% decrease from RMB1,948.0 million for the six months ended June 30, 2024.

Cost of after-sales services for the passenger vehicle sales and services segment was RMB2,779.5 million for the six months ended June 30, 2025, which remained flat as compared to RMB2,760.3 million for the six months ended June 30, 2024.

Cost of services for the automobile operating lease services segment was RMB151.2 million for the six months ended June 30, 2025, representing a 17.0% decrease from RMB182.2 million for the six months ended June 30, 2024.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit was RMB2,370.4 million for the six months ended June 30, 2025, representing an 8.3% decrease from RMB2,584.2 million for the six months ended June 30, 2024.

Gross profit margin was 8.76% for the six months ended June 30, 2025, representing an increase of 0.43 percentage points from the gross profit margin of 8.33% for the six months ended June 30, 2024.



Management Discussion & Analysis

Gross profit from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB211.1 million for the six months ended June 30, 2025, representing a 46.4% decrease from RMB393.8 million for the six months ended June 30, 2024.

Gross profit margin for sales of new vehicles and related services decreased to 1.03% for the six months ended June 30, 2025 from 1.64% for the six months ended June 30, 2024.

Gross profit from sales of pre-owned vehicles and related services of the passenger vehicle sales and services segment was RMB112.8 million for the six months ended June 30, 2025, representing a 19.1% decrease from RMB139.4 million for the six months ended June 30, 2024.

Gross profit margin for distribution of pre-owned vehicles of the passenger vehicle sales and services segment increased to 6.22% for the six months ended June 30, 2025 from 5.61% for the six months ended June 30, 2024.

Gross profit from after-sales services for the passenger vehicle sales and services segment was RMB2,005.0 million for the six months ended June 30, 2025, which remained flat as compared to RMB2,017.6 million for the six months ended June 30, 2024.

Gross profit margin for repair and maintenance was 40.35% for the six months ended June 30, 2025, which remained flat as compared to 40.69% for the six months ended June 30, 2024.

Gross profit from the automobile operating lease services segment was RMB45.6 million for the six months ended June 30, 2025, representing a 17.4% increase from RMB38.8 million for the six months ended June 30, 2024.

Gross profit margin for the automobile operating lease services segment was 23.15% for the six months ended June 30, 2025, representing an increase of 5.59 percentage points from 17.56% for the six months ended June 30, 2024.

Other Income, Other Gains and Losses

Other income, other gains and losses were net gains of RMB22.0 million for the six months ended June 30, 2025, representing a 63.5% decrease from RMB60.1 million for the six months ended June 30, 2024.

Distribution and Selling Expenses and Administrative Expenses

Distribution and selling expenses and administrative expenses were RMB2,263.9 million for the six months ended June 30, 2025, representing a 6.5% decrease from RMB2,420.2 million for the six months ended June 30, 2024.

The ratio of distribution, selling and administrative expenses over revenue was 8.36% for the six months ended June 30, 2025, representing an increase of 0.56 percentage points from 7.80% for the six months ended June 30, 2024.

Management Discussion & Analysis

Finance Costs

Finance costs were RMB117.6 million for the six months ended June 30, 2025, representing a 20.5% decrease from RMB148.0 million for the six months ended June 30, 2024.

The percentage of the finance costs to revenue for the six months ended June 30, 2025 was 0.43%, representing a 0.05 percentage points decrease from 0.48% for the six months ended June 30, 2024.

Adjustments on Non-IFRSs Measurement

To provide useful information to investors and others, enabling them to understand and evaluate our consolidated results of operations in the same manner as the management, the Impairment of Related Assets and the resulting income tax and non-controlling interest impacts should be supplemented as adjustments on non-IFRSs measurement to the condensed consolidated statement of profit or loss presented in accordance with IFRSs, as set out in this interim report. We made these adjustments as they are not related to the Group's daily operations and operating income, and do not involve any cash outflows.

The following table sets out the reconciliation between the Group's adjusted consolidated profit and adjusted profit attributable to owners of the Company for the reporting period and the consolidated loss and loss attributable to owners of the Company for the six months ended June 30, 2025 calculated and presented in accordance with IFRSs:

	For the six months ended June 30, 2025 RMB million
Reconciliation between loss and adjusted profit for the period (under non-IFRSs measurement):	
Loss for the period	(3,484.6)
Including: Loss attributable to owners of the Company	(3,331.4)
Adjustments for:	
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill	3,552.8
Reversal of related deferred income tax liabilities	(314.3)
Reversal of tax losses recognized as deferred tax assets in prior years	300.5
Subtotal of adjustments	3,539.0
Including: Subtotal of adjustments attributable to owners of the Company	3,394.1
Adjusted profit for the period (under non-IFRSs measurement)	54.4
Including: Adjusted profit for the period attributable to owners of the Company	62.7



Management Discussion & Analysis

Adjusted Income Tax Expense

Adjusted income tax expense (under non-IFRSs measurement) was RMB7.0 million for the six months ended June 30, 2025, representing a 71.7% decrease from RMB24.7 million (without impact from Impairment of Related Assets) for the six months ended June 30, 2024.

Adjusted Profit

As a result of the foregoing, the adjusted profit (under non-IFRSs measurement) was RMB54.4 million for the six months ended June 30, 2025, representing a 46.3% decrease from RMB101.5 million (without impact from Impairment of Related Assets) for the six months ended June 30, 2024.

Adjusted Profit Attributable to Owners of the Company

As a result of the foregoing, the adjusted profit (under non-IFRSs measurement) attributable to owners of the Company was RMB62.7 million for the six months ended June 30, 2025, representing a 43.8% decrease from RMB111.5 million (without impact from Impairment of Related Assets) for the six months ended June 30, 2024.

The adjusted profit attributable to owners of the Company (under non-IFRSs measurement) is not required by or presented in accordance with International Financial Reporting Standards Accounting Standards (“**IFRSs**”). The adjusted profit attributable to owners of the Company (under non-IFRSs measurement) is defined by the Group as profit attributable to owners of the Company, excluding the impact of the Impairment of Related Assets and the resulting income tax and non-controlling interest impacts. The use of the non-IFRSs measurement criteria has limitations as an analytical tool. Shareholders and potential investors of the Company should not consider these measures in isolation or as a substitute for analysing the results of operations or financial condition of the Company as reported under IFRSs. In addition, the non-IFRSs measurement criteria may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.



Management Discussion & Analysis

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Our primary uses of cash are payment for purchases of passenger vehicles, spare parts and accessories, funding of our working capital and ordinary recurring expenses, funding of the capital expenditures in connection with the establishment of new outlets, and repayment of our indebtedness. We maintain our liquidity through a combination of cash flows generated from operating activities, capital injections, bank loans and other borrowings. In the future, we believe that our capital expenditures and liquidity requirements are expected to be satisfied by using a combination of cash flows generated from our operating activities, bank loans and other borrowings, as well as funds raised from the capital markets from time to time.

For the six months ended June 30, 2025, our net cash generated from operating activities was RMB1,166.7 million, which included cash generated from non-cash items such as profit before tax and depreciation and amortization of RMB721.9 million, cash generated from working capital changes of RMB589.0 million and the payment of income tax of RMB144.2 million. For the six months ended June 30, 2024, our net cash generated from operating activities was RMB699.2 million, which included cash generated from non-cash items such as profit before tax and depreciation and amortization of RMB807.4 million, cash generated before working capital changes of RMB18.1 million and the payment of income tax of RMB126.3 million.

For the six months ended June 30, 2025, our net cash used in investing activities was RMB260.3 million, which mainly included the amounts for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB656.3 million, which was partially offset by the proceeds of RMB365.2 million from the disposal of property, plant and equipment, intangible assets and right-to-use assets. For the six months ended June 30, 2024, our net cash used in investing activities was RMB229.9 million, which mainly included the amounts for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB824.8 million, which was partially offset by the proceeds of RMB494.2 million from the disposal of property, plant and equipment, intangible assets and right-to-use assets, the proceeds of RMB16.6 million from the disposal of financial assets at fair value through profit or loss, the proceeds of RMB35.0 million from the disposal of subsidiaries and dividends of RMB25.8 million received from joint ventures and associates.

For the six months ended June 30, 2025, our net cash used in financing activities was RMB5.1 million, which mainly included the net borrowings of RMB483.0 million, the payment of dividends to the Shareholders of RMB128.8 million, the payment of dividends to minority shareholders of subsidiaries of RMB41.6 million, the payment of interest of RMB117.6 million, the repayment of lease liabilities of RMB172.7 million and the payment for repurchase of shares of the Company of RMB70.0 million. For the six months ended June 30, 2024, net cash used in financing activities was RMB1,045.5 million, which mainly included the net repayment of borrowings of RMB542.4 million, the payment of dividends to the Shareholders of RMB102.5 million, the payment of dividends to minority shareholders of subsidiaries of RMB30.4 million, the payment of interest of RMB149.4 million, the repayment of lease liabilities of RMB176.4 million and the payment for repurchase of shares of the Company of RMB41.8 million.

Management Discussion & Analysis

Inventories

Our inventories mainly include passenger vehicles, spare parts and accessories. Our inventories balance was RMB2,971.7 million as of June 30, 2025, a 28.4% decrease from RMB4,149.9 million as of December 31, 2024. The following table sets forth our average inventory turnover days for the periods indicated:

	As of June 30,	
	2025	2024
Average inventory turnover days	26.3	26.7

Capital Expenditures and Investment

Our capital expenditures primarily included expenditures on purchase of property, plant and equipment, right-of-use assets and intangible assets, which were partially offset by the proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets. For the six months ended June 30, 2025, our total capital expenditures were RMB291.1 million. The following table sets forth a breakdown of our capital expenditures for the period indicated:

	For the six months ended June 30, 2025 (RMB million)
Expenditures on purchase of property, plant and equipment – test-drive automobiles and vehicles for operating lease purposes	382.8
Expenditures on purchase of property, plant and equipment and right-of-use assets – primarily used for establishing and upgrading automobile sales and service outlets	241.5
Expenditures on purchase of intangible assets (vehicle licences and softwares)	32.0
Proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets (mainly test-drive automobiles and vehicles for operating lease purposes)	(365.2)
Total	291.1



Management Discussion & Analysis

Borrowings

We obtained borrowings (consisting of bank loans and other borrowings from designated automobile finance companies of automobile manufacturers) to fund our working capital and network expansion. As of June 30, 2025, the outstanding amount of our borrowings amounted to RMB3,397.1 million, representing an increase of 16.6% from RMB2,914.1 million as of December 31, 2024. The following table sets forth the maturity profile of our borrowings as of June 30, 2025:

	As of June 30, 2025 (RMB million)
Within one year	1,591.7
One to two years	845.4
Two to five years	960.0
Total	3,397.1

As of June 30, 2025, our net liabilities amounted to RMB1,027.6 million, representing a decrease of 29.0% from RMB1,448.4 million as of December 31, 2024, and our net gearing ratio (being net liabilities divided by total equity) was 9.8% (as of December 31, 2024: 10.2%). Net liabilities represent borrowings minus cash and cash equivalents and time deposits.

As of June 30, 2025, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of June 30, 2025 consisted of (i) inventories of RMB746.7 million; (ii) property, plant and equipment of RMB53.4 million; (iii) land use rights of RMB39.5 million; and (iv) interests in subsidiaries of RMB455.3 million.

Contingent Liabilities

As of June 30, 2025, the Group provided guarantees of RMB125 million to Shanghai Yongda Finance Leasing Co., Ltd. in respect of its borrowing principal balance on normal commercial terms and on several basis in proportion to the Group's shareholding in Shanghai Yongda Finance Leasing Co., Ltd., save for which we did not have any material contingent liabilities.

Interest Rate Risk and Foreign Exchange Risk

We are exposed to interest rate risk resulting from fluctuations in the interest rate on our borrowings. Certain of our borrowings were floating rate borrowings that are linked to the loan prime rate (LPR). Increases in interest rates could result in an increase in our borrowing costs, which in turn could adversely affect our finance costs, profit and our financial condition.

Substantially all of our revenue, costs and expenses are denominated in Renminbi. We also use Renminbi as our reporting currency. As of June 30, 2025, we had no financial borrowings denominated in foreign currencies.



Management Discussion & Analysis

FUTURE OUTLOOK AND STRATEGIES

As China's automobile market enters a new stage of restructuring and iteration, the rapid development of new energy vehicles is becoming the core driving force, and the continuous increase in its penetration rate is reshaping the industry pattern while also nurturing new challenges and opportunities. The traditional fuel vehicles, with their large customer base and market recognition, are also showing strong resilience.

With the increasingly fierce "price war" highlighting its erosion of the overall profitability and the harm to long-term healthy development of the industry, the "anti internal competition" wave in the industry has been heating up, accompanied by implementation of the State Council's policy of "Practically Regulate the Order of Competition in the New Energy Vehicle Industry", the industry is accelerating its shift from price war to technological competition and compliant operation. In the first quarter of 2025, industry profit margins were already at historic lows, and corrections measures from policy side were expected to promote profitability recovery. Meanwhile, traditional fuel car brands were also actively promoting the optimization of the production capacity structure and channel network, which has, to a certain extent, promoted the dealers to accelerate the elimination of inefficient outlets. Although this process was accompanied by the pain of adjustment, it was essentially a necessary stage for the industry to transform towards high-quality development. The competition pattern of new energy brands was also becoming clearer, with a gradual shift from the rapid expansion of network scale at the early stage to a focus on the continuous improvement of network efficiency.

Overall, the market is returning to rational competition, gradually transforming into a high-quality development centered on technological innovation and user experience, and the industry pattern will also enter a new phase in dynamic adjustment.

In light of the development trend and changes in the automobile market, we will actively respond by continuing to strengthen and expand our key new energy brands, focusing on optimization and refinement of our luxury pillar brands, ensuring the stability of our after-sales business, and continuing to develop and upgrade our pre-owned vehicles business, in order to improve the structure of our main business and enhance profitability; we will also focus on various types of cost reduction and control work, and pay attention to the continuous improvement of our operational efficiency, so as to ensure that our core financial indicators and the level of our operating cash flow are healthy; we will also continue to invest in the battery recycling and intelligent robot industries, and conduct research AI technology empowerment to realize efficiency gains against the trend on the basis of safeguarding the overall stable operation.

Proactively optimize our network structure to enhance the performance of our new energy and luxury vehicle business

We will increase our investment and focus our efforts on strengthening our new energy business. We will deepen our cooperation with key new energy brands, such as HIMA, which have leading intelligence, good market reputation and profitability in China, so as to create a scale advantage in the network of new energy brands, and to rapidly increase the proportion of our new energy business and its profit contribution.

We will also continue to optimize and refine our traditional luxury brands business, proactively optimize the existing layout of luxury vehicle brands, accelerate the closure and transformation of outlets with weak profitability, focus on retaining high-quality outlets in core areas, and enhance the operation quality and overall profitability of each outlet, thereby consolidating our leading position.



Management Discussion & Analysis

Enhance the business quality and efficiency, and simultaneous focus on cost reduction and control and efficient management and empowerment

We will also continue to improve the profitability of our new vehicle business, maintain the long-term steady development of our after-sales maintenance business, and develop and upgrade our pre-owned vehicles business. We will continue to enhance customer retention and satisfaction through diversified services, and create steady growth in customer scale to strengthen our customer base, so as to ensure the synergistic development of both businesses.

Meanwhile, we will implement various cost and expense control measures, continue to make management adjustments around labor costs and other major distribution, selling and administrative expenses, strengthen the dynamic correlation and control between expenses and performance, and further streamline our organization and structure as well as optimize the staffing effectiveness. Besides, we will accelerate the promotion of a shared management model of business, finance and human resources, enhance management efficiency, empower business development so as to reduce management costs.

Safeguard the cash flow and financial health, continuously enhance cross-cycle risk resilience

We will effectively guarantee the Group's cash flow, further strengthen cash flow management, pay attention to the utilization rate of funds, ensure that the efficiency of inventory turnover is maintained at a higher level, collect all types of receivables as much as possible, and shorten the receivable payment cycle while compressing the amount of receivables, so as to ensure the Group's operating cash flow is healthy and stable under a stringent control strategy in general; meanwhile, we will strictly control capital expenditure and continue to optimize and co-ordinate the management of the channels and structure on the financing side, continuously improve our ability to resist risks in turbulent market environments and ensure stable operations.

In terms of core financial indicators, such as gearing ratio, current assets covering liabilities and net assets covering long-term assets, we will ensure that they are maintained at a healthy level to provide the Company with a solid financial foundation.

Proactively promote talent training, new business deployment and new technology empowerment

We will strengthen the cultivation and reserve of talents in related fields to help us realize rapid business transformation. Meanwhile, we will continue to lay out our business in the fields of "battery recycling industry" and "intelligent robots" to accelerate the cultivation and development of new industries.

With the gradual enrichment of AI and other new technologies, we will also accelerate the pace of digital transformation, embrace AI technology, and use AI to inject new vitality into our development and empower our business development.

Looking ahead, the trend of industry consolidation is becoming more and more evident against the backdrop of intensified competition in the market as a whole, and the market share of major brands will continue to be concentrated in high-quality top distributors, which will also help us to further capitalize on the value of the distributor channel in terms of brand communication and after-market service capabilities. We will be fully prepared to face the challenges of the industry with confidence, and navigate through the current market transformation cycle. We will also actively participate in and continue to respond to the national "low carbon" strategy and fulfill our ESG-related corporate social responsibilities. Besides, we will adopt a more proactive and sustainable dividend and buyback policy to reward our shareholders and investors with more solid performance and achieve sustainable and healthy development.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)), which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

(A) Long positions in the Company's Shares

Name of Directors	Capacity/Nature of Interest	Total number of Shares	Approximate Percentage of Shareholding (%)
Mr. CHEUNG Tak On ⁽¹⁾	Founder of a discretionary trust	405,509,500	21.614
	Interest of controlled corporation	167,080,000	8.905
	Beneficial owner	9,303,000	0.496
Mr. CAI Yingjie ⁽²⁾	Interest of controlled corporation	45,788,000	2.441
	Beneficial owner	674,500	0.036
Mr. WANG Zhigao ⁽³⁾	Interest of controlled corporation	8,660,000	0.462
	Beneficial owner	910,500	0.049
Mr. XU Yue ⁽⁴⁾	Beneficial owner	3,158,000	0.168
	Interest of spouse	2,350,000	0.125
Ms. CHEN Yi	Beneficial owner	537,000	0.029
Mr. TANG Liang	Beneficial owner	1,005,000	0.054

Corporate Governance and Other Information

Notes:

- (1) (i) Mr. CHEUNG Tak On is the settlor and protector of a discretionary trust of which HSBC International Trustee Limited acts as its trustee and the beneficiaries of which are Mr. CHEUNG Tak On and certain of his family members (the **"Family Trust"**). Palace Wonder Company Limited (柏麗萬得有限公司) (**"Palace Wonder"**) is wholly-owned by Regency Valley Company Limited (麗晶萬利有限公司) (**"Regency Valley"**), which is in turn wholly-owned by HSBC International Trustee Limited, as the trustee of the Family Trust. Mr. CHEUNG Tak On (as founder of the Family Trust), HSBC International Trustee Limited and Regency Valley are deemed to be interested in the 405,509,500 Shares held by Palace Wonder.
- (ii) Asset Link Investment Limited (**"Asset Link"**) is wholly-owned by Mr. CHEUNG Tak On and he is deemed to be interested in the 167,080,000 Shares held by Asset Link.
- (iii) Mr. CHEUNG Tak On also holds 9,303,000 Shares as beneficial owner.
- (2) Mr. CAI Yingjie holds 100% of the issued share capital of Ample Glory International Investment Company Limited (**"Ample Glory"**) and he is deemed to be interested in the 45,788,000 Shares held by Ample Glory. He also holds 674,500 Shares as beneficial owner.
- (3) Mr. WANG Zhigao holds 100% of the issued share capital of Golden Rock Global Investment Company Limited (**"Golden Rock"**) and he is deemed to be interested in the 8,660,000 Shares held by Golden Rock. He also holds 910,500 Shares as beneficial owner.
- (4) Mr. XU Yue holds 3,158,000 Shares as beneficial owner. In addition, he is deemed to be interested in the 2,350,000 Shares held by his spouse, Ms. ZHANG Yanyu.

(B) Long positions in underlying Shares

Name of Directors	Capacity	Number of underlying Shares in respect of the share options granted	Approximate Percentage of Shareholding (%)
Mr. XU Yue	Beneficial owner	7,200,000	0.384
Ms. CHEN Yi	Beneficial owner	864,000	0.046
Mr. TANG Liang	Beneficial owner	3,825,000	0.204

Save as disclosed above, as at June 30, 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or 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 and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2025, to the best of knowledge of the Company and the Directors, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the Shares and underlying Shares

Name of Substantial Shareholders	Capacity/Nature of Interest	Total number of Shares	Approximate Percentage of Shareholding (%)
Palace Wonder ⁽¹⁾	Beneficial owner	405,509,500	21.614
Regency Valley ⁽¹⁾	Interest of controlled corporation	405,509,500	21.614
HSBC International Trustee Limited ⁽¹⁾	Trustee	405,509,500	21.614
Asset Link ⁽²⁾	Beneficial owner	167,080,000	8.905
FIL Limited ⁽³⁾	Interest of controlled corporation	130,281,970	6.944
Pandanus Partners L.P. ⁽³⁾	Interest of controlled corporation	130,281,970	6.944
Pandanus Associates Inc. ⁽³⁾	Interest of controlled corporation	130,281,970	6.944
FIDELITY FUNDS	Beneficial owner	131,237,470	6.995

Notes:

- (1) Palace Wonder is wholly-owned by Regency Valley, which is in turn wholly-owned by HSBC International Trustee Limited as the trustee of the Family Trust. The Family Trust is a discretionary trust established by Mr. CHEUNG Tak On as settlor and protector with HSBC International Trustee Limited appointed as trustee on April 5, 2012. The beneficiaries of the Family Trust are Mr. CHEUNG Tak On and certain of his family members. Mr. CHEUNG Tak On (as founder of the Family Trust), HSBC International Trustee Limited and Regency Valley are deemed to be interested in the 405,509,500 Shares held by Palace Wonder.
- (2) Asset Link is wholly-owned by Mr. CHEUNG Tak On and he is deemed to be interested in the 167,080,000 Shares held by Asset Link.
- (3) Pandanus Associates Inc. is a general partner of Pandanus Partners L.P., which in turn holds as to 48.83% shareholding interest in FIL Limited. FIL Limited was deemed to be interested in the 130,281,970 Shares through a series of its subsidiaries.



Corporate Governance and Other Information

Save as disclosed above, as at June 30, 2025, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above or otherwise disclosed in this interim report, at no time during the reporting period and up to the date of this interim report was the Company, or any of its subsidiaries, a party to any arrangement that would enable the Company's Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Company's Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at June 30, 2025, the Group had 12,208 employees (including employees in all regions of the Group). The remuneration of the Group's employees includes salaries and allowances. Details of the staff costs during the six months ended June 30, 2025 are set out in note 6 to the Condensed Consolidated Financial Statements in this interim report. The Group also provides training to its staff to enhance technical and product knowledge. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. The Group offers competitive remuneration packages to the Directors, and the Board is delegated by the Shareholders at general meeting to fix the Directors' remuneration. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**2013 Share Option Scheme**") pursuant to Chapter 17 of the Listing Rules on October 10, 2013, which was terminated on June 1, 2023. No further share option has been or will be granted under the 2013 Share Option Scheme since its termination, while the share options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2013 Share Option Scheme. For further details of the termination of the 2013 Share Option Scheme, please refer to the announcement of the Company dated March 24, 2023 and the circular of the Company dated April 26, 2023.



Corporate Governance and Other Information

The Company has adopted a new share option scheme pursuant to Chapter 17 of the Listing Rules on June 1, 2023 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons (“**Eligible Persons**”) for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time. Eligible Persons include (a) any Director of the Company or employee of the Group (including persons who are granted share options under the Share Option Scheme as an inducement to enter into employment contracts with the Group); and (b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company. The basis of eligibility of any of the above classes of Eligible Persons to the grant of any share options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing from June 1, 2023, after which period no further share option shall be granted. Therefore, as at the date of this interim report, the remaining life of the Share Option Scheme was approximately seven years and nine months.

Under the Share Option Scheme, the Board shall be entitled to determine the grant of share options and the number of share options to be granted to the relevant grantees taking into account such factors as the Board may consider appropriate. The Company shall not make any further grant of share options which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Option Scheme and all other share schemes existing at such time of the Company to exceed 194,502,551 Shares, being 10% of the total number of Shares in issue as at June 1, 2023, excluding the share awards and/or share options lapsed under the share schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time (the “**Share Incentive Schemes**”). The Company may seek the approval of its Shareholders in general meeting to refresh the aforesaid scheme mandate limit pursuant to the Share Option Scheme and the Listing Rules.

No share option shall be granted to any Eligible Person if, at the relevant time of grant, the number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any share options or awards lapsed in accordance with any share scheme(s) of the Company) to the relevant Eligible Person in the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at such time. Any grant or further grant of share options in excess of this limit is subject to Shareholders’ approval in a general meeting of the Company.



Corporate Governance and Other Information

The exercise price of share options is determined by the Board and shall be at least the highest of (i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the share options, which must be a business day; (ii) the average of the closing prices of the Company's Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of offer of the share options; and (iii) the nominal value of a Share.

The vesting period is determined at the Company's discretion and is set out in the offer letters to the grantees. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of a grant. An share option must be held by the grantee for at least 12 months before the share option can be exercised, unless a shorter vesting period is granted at the discretion of the Board and/or the remuneration committee of the Company (the "**Remuneration Committee**") as deemed appropriate under circumstances prescribed by the Share Option Scheme. The Board shall specify in an offer letter a date by which a grantee must accept an offer, being a date no later than 28 days after the date on which the share option is offered or the date on which the conditions for the offer are satisfied, if any. No payment shall be made upon acceptance of the offer.

The maximum number of share options and awards available for grant under the Share Incentive Schemes, including the Share Option Scheme, was 179,502,551 as at January 1, 2025, and 179,502,551 as at June 30, 2025. No option shall be granted to any service provider under the Share Option Scheme, and thus there is no service provider sublimit under the Share Option Scheme. As at the date of this interim report, the number of Shares available for issue under the Share Incentive Schemes, including the Share Option Scheme, amounted to 197,862,551 Shares, representing approximately 10.67% of the total number of issued Shares.

Corporate Governance and Other Information

Details of movements during the six months ended June 30, 2025 in the share options granted under the 2013 Share Option Scheme are as follows:

Category and name of grantee	As at January 1, 2025	Number of Share Options				As at June 30, 2025	Date of grant of share options	Vesting period of share options ⁽¹⁾	Exercise period of share options	Exercise price of share options HK\$ per share	Closing price of the Company's Shares immediately before the grant date of share options HK\$ per share	Weighted average closing price of the Company's Shares	
		Granted during the six months ended June 30, 2025	Cancelled during the six months ended June 30, 2025	Exercised during the six months ended June 30, 2025	Lapsed during the six months ended June 30, 2025							Immediately before the exercise dates HK\$ per share	At the exercise dates HK\$ per share
<i>Executive Director</i>													
XU Yue	1,000,000	-	-	-	-	1,000,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	-	-
CHEN Yi	264,000	-	-	-	-	264,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	-	-
TANG Liang	825,000	-	-	-	-	825,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	-	-
<i>Other employees in aggregate</i>	1,721,000	-	-	-	-	1,721,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	-	-

Note:

- (1) The vesting of share options granted under the 2013 Share Option Scheme would be subject to the performance criteria to be satisfied by the grantees as determined by the Board and/or the Remuneration Committee and specified in the respective offer letters, which may comprise a mixture of attaining a satisfactory key performance indicators components (including, without limitation, the business performance and financial performance of the Group and/or department by reference to annual corporate targets and/or goals attained, market capitalization milestones and individual performance based on the periodic performance assessment and annual review results).

Corporate Governance and Other Information

Details of movements during the six months ended June 30, 2025 in the share options granted under the Share Option Scheme are as follows:

Category and name of grantee	As at January 1, 2025	Number of Share Options				As at June 30, 2025	Date of grant of share options	Vesting period of share options ⁽¹⁾	Exercise period of share options	Exercise price of share options HK\$ per share	Closing price of the Company's Shares immediately before the grant date of share options	Weighted average closing price of the Company's Shares	
		Granted during the six months ended June 30, 2025	Cancelled during the six months ended June 30, 2025	Exercised during the six months ended June 30, 2025	Lapsed during the six months ended June 30, 2025						Immediately before the grant date of share options	Immediately before the exercise dates	At the exercise dates
											HK\$ per share	HK\$ per share	HK\$ per share
<i>Executive Director</i>													
XU Yue	6,200,000	-	-	-	-	6,200,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	-	-
CHEN Yi	600,000	-	-	-	-	600,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	-	-
TANG Liang	3,000,000	-	-	-	-	3,000,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	-	-
<i>Other employees in aggregate⁽²⁾</i>													
	4,800,000	-	-	-	-	4,800,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	-	-

Notes:

- (1) The vesting of share options granted is subject to the performance criteria to be satisfied by the grantees as specified in the respective offer letters of the share options, which comprise a mixture of attaining a satisfactory key performance indicators components (including, without limitation, the business performance and financial performance of the Group and/or department by reference to annual corporate targets and/or goals attained, market capitalization milestones and individual performance based on the periodic performance assessment and annual review results).
- (2) Employee participants include employees of the Group.



Corporate Governance and Other Information

AMENDED EMPLOYEE PRE-IPO INCENTIVE SCHEME

The Company's employee pre-IPO incentive scheme (the "**Employee Pre-IPO Incentive Scheme**"), the details of which are set out in the paragraph headed "Employee Pre-IPO Incentive Scheme" in Appendix IV to the Company's prospectus dated June 29, 2012, was conditionally approved and adopted by a resolution of the Directors on April 3, 2012. The purpose of the Employee Pre-IPO Incentive Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time. Any employees, Directors (other than independent non-executive Directors) and members of the senior management of the Company, but excluding (a) any person who has given or been given notice terminating his or her office or directorship, as the case may be; and (b) any other person that the Board may determine from time to time, may participate in this scheme. The Company adopted the Employee Pre-IPO Incentive Scheme mainly to provide incentive or reward with its existing Shares to the employees, directors and members of senior management of the Group for their contribution to, and continuing efforts to promote the interest of, the Group.

The Remuneration Committee has full power and authority to (a) propose, select or determine which beneficiary is entitled to an award; (b) determine the amount of the award for each selected beneficiary; and (c) make the relevant award to the beneficiaries under the Employee Pre-IPO Incentive Scheme. Only the dividend payments on the Shares held by BOCI Trustee (Hong Kong) Limited ("**BOCI HK Trustee**") via special purpose vehicle under the Employee Pre-IPO Incentive Scheme (the "**Scheme Shares**") will be distributed to the beneficiaries, and the Scheme Shares themselves will not be vested in the beneficiaries of the Employee Pre-IPO Incentive Scheme. The BOCI HK Trustee, as the trustee holding unvested Shares of the Employee Pre-IPO Incentive Scheme, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Under the Pre-IPO Employee Incentive Scheme, the total number of Shares underlying the restricted Shares to be granted from time to time must not, in any event, exceed 5% of the number of the Shares in issue on such date without the Board's prior approval. There is no maximum entitlement of each participant under the Employee Pre-IPO Incentive Scheme.

Subject to the terms of the Employee Pre-IPO Incentive Scheme and the specific terms and conditions applicable to each grant of the award, the restricted Shares awarded shall be subject to a vesting period as determined by the Board or the Remuneration Committee, and to the satisfaction of performance and/or other conditions to be determined by the Board or the Remuneration Committee as specified in the notice of grant of award under the Employee Pre-IPO Incentive Scheme. There is no consideration for application or acceptance of the award granted nor purchase price of restricted Shares awarded.



Corporate Governance and Other Information

Unless terminated earlier by a resolution of the Board made in accordance with the terms of the trust deed, the Employee Pre-IPO Incentive Scheme has a term of 80 years from the listing date of the Company. Therefore, as at the date of this interim report, the remaining life of the Employee Pre-IPO Incentive Scheme was approximately 66 years and 10 months. On termination of the Employee Pre-IPO Incentive Scheme, BOCI HK Trustee will transfer the Scheme Shares to Shanghai Yongda Holding (Group) Limited (“**Yongda Holding**”), unless the board of directors of Yongda Holding requests the Scheme Shares to be transferred to such other employee incentive scheme trust as may be selected by the board of directors of Yongda Holding, provided that such other employee award scheme trust selected by the board of directors of Yongda Holding satisfies the reasonable requirements for the time being of BOCI HK Trustee, the articles of association of the Company and all applicable laws, failing which the Scheme Shares will be transferred directly to Yongda Holding.

On August 30, 2013, the Board resolved to amend the Employee Pre-IPO Incentive Scheme (the “**Amended Scheme**”) to the effect that, in addition to the previously allowed cash awards, awards of restricted share awards could be granted to eligible persons pursuant to the terms of the Amended Scheme. The scope of the eligible persons under the Amended Scheme was amended to include any director (whether executive or non-executive, including any independent non-executive director), employee (whether full time or part time) and members of the senior management of the Group, but excluding (i) any person who has given or been given notice terminating his or her office or directorship, as the case may be; and (ii) any other person that the Board may determine from time to time. For further details of the amendments to the Employee Pre-IPO Incentive Scheme, please refer to the announcement of the Company dated August 30, 2013.

On June 18, 2020, the Board resolved to amend the Amended Scheme (the “**2020 Amended Scheme**”) to the effect that, and any reference in Amended Scheme to the previous trustee namely HSBC Trustee (Hong Kong) Limited shall be changed to the new trustee namely BOCI Trustee (Hong Kong) Limited. The 2020 Amended Scheme is funded purely by existing Shares of the Company. As at the date of this interim report, the number of Shares available for issue under the 2020 Amended Scheme amounted to 30,629,205 Shares, representing approximately 1.65% of the total number of issued Shares.

During the six months ended June 30, 2025, no awards have been granted, vested, cancelled or lapsed under the 2020 Amended Scheme. There were no unvested awards as at January 1, 2025 or June 30, 2025 under the 2020 Amended Scheme.



Corporate Governance and Other Information

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the “**Share Award Scheme**”) on June 1, 2022, which was amended pursuant to Chapter 17 of the Listing Rules on June 1, 2023 (the “**Amendment Date**”). The specific objectives of the Share Award Scheme are (i) to recognize the contributions by certain participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The eligible participants (the “**Eligible Participants**”) of the Share Award Scheme include (a) any Director of the Company or employee of the Group (including persons who are granted awards (the “**Award(s)**”) under the Share Award Scheme as an inducement to enter into employment contracts with the Group); and (b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company. The basis of eligibility of any of the above classes of Eligible Participants to the grant of any awards shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Unless terminated earlier by the Board pursuant to the provisions of the Share Award Scheme, the Share Award Scheme shall be valid and effective for ten years commencing from June 1, 2022 (the “**Trust Period**”), being the date on which the Share Award Scheme was adopted, after which period no further Awards will be granted under the Share Award Scheme. Therefore, as at the date of this interim report, the remaining life of the Share Award Scheme was approximately six years and nine months.

Subject to the provisions of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than those being excluded pursuant to the provisions of the Share Award Scheme) for participation in the Share Award Scheme as a selected participant (the “**Selected Participant**”). Where any grant of Award is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director) or senior management of the Group, such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

Subject to the provisions of the Share Award Scheme, the Board may grant such number of Awards to any Selected Participant at such consideration and on and subject to such terms and conditions as it may in its absolute discretion determine. The consideration shall be determined by the Company with reference to other cases of listed companies, taking into account factors such as the implementation effect of the Company’s historical share-based incentive scheme, the trend of the Company’s Share price in recent years and the actual situation of the Company. Except for such consideration which shall be paid in such manner and on or before such deadline(s) as prescribed in the grant notice by the Selected Participant who accepts the Award (the “**Awardee**”) to the Company where applicable, no other purchase price shall be paid for the Awards.



Corporate Governance and Other Information

The Awards granted shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from the date of the grant notice, unless a shorter vesting period is granted at the discretion of the Board and/or the Remuneration Committee as deemed appropriated under circumstances prescribed by the Share Award Scheme. Subject to the terms and condition of the Share Award Scheme and the fulfillment of all vesting conditions and vesting period applicable to the vesting of the Awards on such Awardee and all requirements applicable to such Awardee as specified in the Share Award Scheme and the relevant grant notice (unless waived by the Board), the respective Awards granted to the Awardee pursuant to the provision of the Share Award Scheme shall vest in such Awardee in accordance with the vesting schedule as set out in the grant notice. In the event that the Board does not receive the required transfer documents from the Selected Participant at least 10 business days prior to the vesting date, the Awards which would have otherwise vested in such Selected Participant shall automatically lapse.

The Company shall not make any further grant of Awards which will results in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme after the Amendment Date and all other share schemes existing at such time of the Company to exceed 194,502,551 Shares, being 10% of the total number of Shares in issue as at the Amendment Date, excluding the share awards and/or share options lapsed under the Share Incentive Schemes. The Company may seek the approval of its Shareholders in general meeting to refresh the aforesaid scheme mandate limit pursuant to the Share Award Scheme and the Listing Rules.

The maximum number of share options and awards available for grant under the Share Incentive Schemes, including the Share Award Scheme, was 179,502,551 as at January 1, 2025, and 179,502,551 as at June 30, 2025. No Award shall be granted to any service provider under the Share Award Scheme, and thus there is no service provider sublimit under the Share Award Scheme. As at the date of this interim report, the number of Shares available for issue under the Share Incentive Schemes, including the Share Award Scheme, amounted to 197,862,551 Shares, representing approximately 10.67% of the total number of issued Shares.



Corporate Governance and Other Information

The maximum number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding share options or awards lapsed in accordance with any share scheme(s) of the Company) to a Selected Participant in the 12-month period up to and including the date of grant of the relevant Awards shall not exceed 1% of the total number of Shares in issue, unless separately approved by the Shareholders in a general meeting of the Company. The approval of independent non-executive Directors (excluding any independent non-executive Directors who is a proposed Selected Participant) is required for each grant of Awards to a Director, chief executive, or a substantial Shareholder or any of their respective associates. Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the total number of Shares issued and to be issued in respect of all awards granted under any share award scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any awards lapsed in accordance with respective award share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by Shareholders in general meeting in compliance with the requirements of Rule 17.04 of the Listing Rules. Where any grant of Awards to a substantial Shareholder or an independent non-executive Director, or their respective associates would result in the total number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding options or awards lapsed in accordance with any share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting in compliance with the requirements of Rule 17.04 of the Listing Rules.

During the six months ended June 30, 2025, no awards have been granted, vested, cancelled or lapsed under the Share Award Scheme. There were no unvested awards as at January 1, 2025 or June 30, 2025 under the Share Award Scheme.



Corporate Governance and Other Information

During the six months ended June 30, 2025, there was (i) no Director, chief executive or substantial shareholder of the Company or their respective associates, or other employees with options and awards granted or to be granted, (ii) no participant with options and awards granted and to be granted in any 12-month period exceeding 1% of the Shares of the Company in issue (excluding treasury shares, if any), and (iii) no related entity participant and service provider with options and awards granted, and no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares of the Company in issue (excluding treasury shares, if any), under the share schemes of the Company and shall be disclosed in this interim report.

As no options and awards were granted under the 2013 Share Option Scheme, the Share Option Scheme and the Share Award Scheme during the six months ended June 30, 2025, the disclosure requirement under Rule 17.07(3) of the Listing Rules is not applicable to the Company for the purpose of this interim report.

MATERIAL ACQUISITIONS AND DISPOSALS

The Company did not have any material acquisitions or disposals in relation to subsidiaries, associates and joint ventures during the six months ended June 30, 2025.

SIGNIFICANT INVESTMENTS

As at June 30, 2025, the Company did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2025). During the six months ended June 30, 2025 and up to the date of this interim report, the Company had no plans to make significant investments or purchase capital assets in the future.



Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended June 30, 2025, the Company repurchased a total of 30,860,000 ordinary shares (the “**Shares Repurchased**”) of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$74,825,230.80. Particulars of the Shares Repurchased are as follows:

Month/Year	Number of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	10,751,000	2.59	2.09	25,489,695.00
March 2025	2,000,000	2.69	2.59	5,329,000.00
April 2025	5,959,000	2.73	2.30	14,930,720.80
May 2025	7,150,000	2.59	2.38	17,874,485.00
June 2025	5,000,000	2.33	2.18	11,201,330.00
Total	30,860,000			74,825,230.80

A total of 10,751,000 shares repurchased from January 14, 2025 to January 24, 2025 and a total of 20,109,000 shares repurchased from March 31, 2025 to June 13, 2025 were cancelled on April 10, 2025 and August 18, 2025, respectively. The repurchase of the Company’s shares during six months ended June 30, 2025 was effected by the Directors pursuant to the general mandates granted to the Directors at the annual general meetings dated June 5, 2024 and May 30, 2025, with a view to benefiting the Company and the Shareholders by enhancing the net asset value per share and/or earnings per share. As at the date of this interim report, the Company did not hold any shares repurchased pending cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (or sale of treasury shares, if any) during the six months ended June 30, 2025. As at June 30, 2025, the Company did not hold any treasury shares.

CHANGES IN DIRECTORATE AND INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Save as Ms. Zhu Anna Dezhen, an independent non-executive Director, has been appointed as a member of the nomination committee of the Company, with effect from May 30, 2025, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, and that there were no changes to the senior management during the six months ended June 30, 2025.



Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Listing Rules and has complied with the code provisions in the CG Code during the six months ended June 30, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2025.

The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

AUDIT AND COMPLIANCE COMMITTEE

The audit and compliance committee of the Company (the “**Audit and Compliance Committee**”) has three members comprising three independent non-executive directors, being Ms. ZHU Anna Dezhen (chairlady), Mr. LYU Wei and Mr. MU Binrui, with terms of reference in compliance with the Listing Rules.

The Audit and Compliance Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit and Compliance Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditors of the Company, Deloitte Touche Tohmatsu, have carried out a review of the condensed consolidated financial statements of the Group for the six months ended June 30, 2025 in accordance with the Hong Kong Standard on Review Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this interim report, no significant events after the reporting period need to be brought to the attention of the Shareholders.



Corporate Governance and Other Information

INTERIM DIVIDEND

The Board resolved to distribute an interim dividend of RMB0.070 per share for the six months ended June 30, 2025 (for the six months ended June 30, 2024: RMB0.059 per Share) after considering the Group's business, financial and cash flow condition. The interim dividend will be paid in Hong Kong dollars on or around October 30, 2025 (Thursday) to the Shareholders whose names are listed on the register of members of the Company on September 15, 2025 (Monday), based on the medium exchange rate between Renminbi and Hong Kong dollars as announced by the People's Bank of China on August 26, 2025 (HK\$1.00 to RMB0.91164). The dividend payable per share is HK\$0.07678. On the basis of the total number of the Company's issued share capital of 1,854,906,513 shares as at September 15, 2025, being the record date for determining the entitlement of Shareholders to the interim dividend, it is estimated that the aggregate amount of interim dividend would be approximately HK\$142 million. There is no arrangement that a Shareholder has waived or agreed to waive any dividend. The dividend warrants will be posted by ordinary mail to Shareholders who are entitled to receive the dividend at their own risk on or around October 30, 2025 (Thursday). The Board believes that, after the payment of interim dividend, the Company will still have adequate cash to continue as a going concern.

CLOSURE OF REGISTER OF MEMBERS FOR THE INTERIM DIVIDEND

The register of members of the Company shall be closed from September 10, 2025 (Wednesday) to September 15, 2025 (Monday), both days inclusive, in order to determine the entitlement of the Shareholders to the interim dividend. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on September 9, 2025 (Tuesday).

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

PRC, August 26, 2025



Report on Review of Condensed Consolidated Financial Statements

**TO THE BOARD OF DIRECTORS OF
CHINA YONGDA AUTOMOBILES SERVICES HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Yongda Automobiles Services Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 47 to 88, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

August 26, 2025

Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2025

	NOTES	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue			
Goods and services	3A	26,879,212	30,820,150
Rental		192,722	215,684
Total revenue	3B	27,071,934	31,035,834
Cost of sales and services		(24,701,567)	(28,451,590)
Gross profit		2,370,367	2,584,244
Other income and other gains and losses	4	21,971	60,143
Distribution and selling expenses		(1,487,725)	(1,571,260)
Administrative expenses		(776,204)	(848,949)
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill	6	(3,552,837)	–
Share of profits of joint ventures		682	2,239
Share of profits of associates		49,959	47,779
Finance costs	5	(117,618)	(148,020)
(Loss) profit before tax	6	(3,491,405)	126,176
Income tax benefit (expense)	7	6,776	(24,725)
(Loss) profit for the period		(3,484,629)	101,451
(Loss) profit for the period attributable to:			
Owners of the Company		(3,331,377)	111,450
Non-controlling interests		(153,252)	(9,999)
		(3,484,629)	101,451
(Loss) earnings per share – basic	9	RMB(1.78)	RMB0.06
(Loss) earnings per share – diluted	9	RMB(1.78)	RMB0.06

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(Loss) profit for the period	(3,484,629)	101,451
Other comprehensive income (expense)		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	2,441	(1,603)
Total comprehensive (expense) income for the period	(3,482,188)	99,848
Total comprehensive (expense) income for the period attributable to:		
Owners of the Company	(3,328,936)	109,847
Non-controlling interests	(153,252)	(9,999)
	(3,482,188)	99,848

Condensed Consolidated Statement of Financial Position

At June 30, 2025

	NOTES	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	4,258,161	5,336,096
Right-of-use assets	10	3,006,326	2,987,842
Goodwill	10	314,428	1,590,421
Other intangible assets	10	1,609,902	2,902,044
Deposits paid for acquisition of property, plant and equipment		27,153	19,950
Deposits paid for acquisition of right-of-use assets		–	177,053
Equity instruments at FVTOCI	21	6,951	4,510
Financial assets at fair value through profit or loss ("FVTPL")	21	344,430	345,746
Interests in joint ventures		48,302	47,620
Interests in associates	15	939,949	930,310
Deferred tax assets		230,972	463,512
Other assets		83,648	83,648
		10,870,222	14,888,752
Current assets			
Inventories	11	2,971,698	4,149,925
Trade and other receivables	12	6,224,309	6,218,622
Amounts due from related parties	22	79,786	58,697
Cash in transit		36,692	26,113
Time deposits		10,500	8,100
Restricted bank balances		3,416,850	8,238,387
Bank balances and cash		2,358,967	1,457,667
		15,098,802	20,157,511
Current liabilities			
Trade and other payables	13	7,770,683	12,934,471
Amounts due to related parties	22	40,244	33,398
Tax liabilities		792,655	840,420
Borrowings	14	1,591,702	1,565,963
Contract liabilities		1,308,425	1,524,387
Lease liabilities		252,708	239,918
		11,756,417	17,138,557
Net current assets		3,342,385	3,018,954
Total assets less current liabilities		14,212,607	17,907,706

Condensed Consolidated Statement of Financial Position

At June 30, 2025

	NOTES	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Non-current liabilities			
Borrowings	14	1,805,396	1,348,160
Lease liabilities		1,486,168	1,597,464
Deferred tax liabilities		408,934	745,404
		3,700,498	3,691,028
Net assets		10,512,109	14,216,678
Capital and reserves			
Share capital	16	15,418	15,564
Treasury shares		(46,185)	(7,342)
Reserves		10,402,332	13,873,055
Equity attributable to owners of the Company		10,371,565	13,881,277
Non-controlling interests		140,544	335,401
Total equity		10,512,109	14,216,678

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to owners of the Company										
	Statutory			Share-based			Non-				
	Share capital	Share premium	surplus reserve	Treasury shares	Special reserve	payments reserve	FVTOCI reserve	Retained profits	Subtotal	controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(note a)		(note b)							
At January 1, 2025 (Audited)	15,564	483,292	3,089,508	(7,342)	34,551	309,445	(14,063)	9,970,322	13,881,277	335,401	14,216,678
Loss for the period	-	-	-	-	-	-	-	(3,331,377)	(3,331,377)	(153,252)	(3,484,629)
Other comprehensive income for the period	-	-	-	-	-	-	2,441	-	2,441	-	2,441
Total comprehensive income (expense) for the period	-	-	-	-	-	-	2,441	(3,331,377)	(3,328,936)	(153,252)	(3,482,188)
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	1,228	1,228
Acquisition of non-controlling interests	-	-	-	-	(156)	-	-	-	(156)	(312)	(468)
Repurchase and cancellation of shares (Note 16)	(146)	(31,049)	-	(38,843)	-	-	-	-	(70,038)	-	(70,038)
Recognition of equity-settled share-based payments (Note 17)	-	-	-	-	-	18,231	-	-	18,231	-	18,231
Disposal of subsidiaries (Note 18)	-	-	-	-	-	-	-	-	-	(883)	(883)
Transfer to statutory reserve	-	-	8,940	-	-	-	-	(8,940)	-	-	-
Dividends recognized as distributions (Note 8)	-	-	-	-	-	-	-	(128,813)	(128,813)	-	(128,813)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(41,638)	(41,638)
At June 30, 2025 (Unaudited)	15,418	452,243	3,098,448	(46,185)	34,395	327,676	(11,622)	6,501,192	10,371,565	140,544	10,512,109

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to owners of the Company										Total
	Share capital	Share premium	Statutory surplus reserve	Treasury shares	Special reserve	Share-based payments reserve	FVTOCI reserve	Retained profits	Subtotal	Non-controlling interests	
	RMB'000	RMB'000	RMB'000 (note a)	RMB'000	RMB'000 (note b)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024 (Audited)	15,963	559,923	2,977,824	(12,269)	34,593	280,595	(11,829)	10,095,320	13,940,120	458,331	14,398,451
Profit (loss) for the period	-	-	-	-	-	-	-	111,450	111,450	(9,999)	101,451
Other comprehensive expense for the period	-	-	-	-	-	-	(1,603)	-	(1,603)	-	(1,603)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(1,603)	111,450	109,847	(9,999)	99,848
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	100	100
Acquisition of non-controlling interests	-	-	-	-	(42)	-	-	-	(42)	(18)	(60)
Repurchase and cancellation of shares	(73)	(19,545)	-	(22,171)	-	-	-	-	(41,789)	-	(41,789)
Recognition of equity-settled share-based payments	-	-	-	-	-	8,968	-	-	8,968	-	8,968
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(25,202)	(25,202)
Transfer to statutory reserve	-	-	4,591	-	-	-	-	(4,591)	-	-	-
Dividends recognized as distributions (Note 8)	-	-	-	-	-	-	-	(102,493)	(102,493)	-	(102,493)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(30,370)	(30,370)
At June 30, 2024 (Unaudited)	15,890	540,378	2,982,415	(34,440)	34,551	289,563	(13,432)	10,099,686	13,914,611	392,842	14,307,453

Notes:

- As stipulated by the relevant laws and regulations in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve. An appropriation to such reserve is made out of net profit after tax as reflected in the statutory financial statements of the PRC subsidiaries with the amount and allocation basis to be decided by the respective boards of directors annually. The appropriation is 10% of profit after tax at a minimum and should cease when it reaches into 50% of the registered capital of the relevant PRC subsidiaries. The statutory surplus reserve, which is non-distributable, can be used (i) to make up for prior year losses, if any, and/or (ii) in capital conversion.
- The special reserve at June 30, 2025 mainly consisted of:
 - an amount of RMB333,647,000 representing deemed distribution to the owners of the subsidiaries of the Group pursuant to a group reorganization which was effected in 2011; and
 - a reduction of reserve of approximately RMB299,252,000 (2024: RMB299,096,000) representing the accumulated difference between the consideration paid/received and the carrying amount of the non-controlling interests upon acquisition or disposal of partial interests in subsidiaries.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
OPERATING ACTIVITIES		
(Loss) profit before tax	(3,491,405)	126,176
Adjustments for:		
Finance costs	117,618	148,020
Interest income on bank deposits	(24,729)	(21,982)
Loss on disposal of subsidiaries	101	7,957
Depreciation of property, plant and equipment	338,915	359,705
Gain on compensation income	–	(28,707)
Depreciation of right-of-use assets	186,274	189,921
Amortization of other intangible assets	66,506	59,780
Impairment loss on:		
– property, plant and equipment	964,791	–
– right-of-use assets	54,907	–
– goodwill	1,275,992	–
– other intangible assets	1,257,147	–
Share-based payment expenses	18,231	8,968
Loss (gain) on disposal of property, plant and equipment and other intangible assets	11,796	(3,655)
(Gain) loss on fair value change of financial assets at FVTPL	(297)	11,278
Investment income of financial assets at FVTPL	(3,287)	–
Share of profits of associates	(49,959)	(47,779)
Share of profits of joint ventures	(682)	(2,239)
Operating cash flows before movements in working capital	721,919	807,443
Decrease in inventories	1,178,227	386,699
Decrease (increase) in trade and other receivables	2,246	(282,958)
Increase in cash in transit	(10,579)	(66,643)
Decrease in contract liabilities	(214,962)	(162,487)
Decrease in trade and other payables	(5,184,337)	(1,327,073)
Increase in amounts due from related parties	(262)	(7,480)
(Decrease) increase in amounts due to related parties	(2,882)	7,101
Withdrawal of restricted bank balances	8,238,387	3,571,349
Placement of restricted bank balances	(3,416,850)	(2,100,462)
Cash generated from operations	1,310,907	825,489
Income taxes paid	(144,192)	(126,278)
NET CASH FROM OPERATING ACTIVITIES	1,166,715	699,211

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
INVESTING ACTIVITIES		
Additions to and deposits paid for property, plant and equipment	(624,321)	(680,060)
Purchase of other intangible assets	(31,985)	(53,577)
Payments for right-of-use assets	–	(91,113)
Purchase of financial assets at FVTPL	–	(288)
Refund of financial assets at FVTPL	1,613	16,599
Proceeds on disposal of property, plant, equipment and intangible assets	365,249	494,178
Advance to related parties	(7,013)	(6,713)
Collection of advances to related parties	10,451	1,156
Collection of advances to independent third parties	–	100
Payment for prior year acquisition of subsidiaries	–	(789)
Proceeds on disposal of subsidiaries	6,494	16,981
Deposits received from disposal of subsidiaries	–	18,000
Dividends received from associates	17,375	25,798
Dividends received from financial assets at FVTPL	3,287	–
Investment in an associate	(1,320)	–
Placement of time deposits	(2,400)	(7,500)
Withdrawal of time deposits	–	7,500
Interest received	25,005	21,982
Withdrawal of rental deposits	3,301	18,212
Payments of rental deposits	(26,043)	(10,401)
NET CASH USED IN INVESTING ACTIVITIES	(260,307)	(229,935)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
FINANCING ACTIVITIES		
New borrowings raised	6,317,186	9,977,647
Repayment of borrowings	(5,834,211)	(10,520,007)
Repayment of advance from a third party	(1,050)	(1,219)
Repayments of lease liabilities	(172,702)	(176,419)
Advance from related parties	14,788	1,094
Repayments of advance from related parties	(5,060)	(14,799)
Capital injection by non-controlling interests	1,228	100
Acquisition of non-controlling interests	(468)	(60)
Advance from non-controlling interests	28,800	835
Repayment of advance from non-controlling interests	–	(2,878)
Interest paid	(117,571)	(149,436)
Placement of deposits to entities controlled by suppliers for borrowings	(18,194)	(19,707)
Withdrawal of deposits to entities controlled by suppliers for borrowings	22,635	33,991
Dividends paid as distribution	(128,813)	(102,493)
Dividends paid to non-controlling interests	(41,638)	(30,370)
Repurchase and cancellation of shares	(70,038)	(41,789)
NET CASH USED IN FINANCING ACTIVITIES	(5,108)	(1,045,510)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	901,300	(576,234)
CASH AND CASH EQUIVALENTS AT JANUARY 1	1,457,667	2,201,077
CASH AND CASH EQUIVALENTS AT JUNE 30	2,358,967	1,624,843



Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

1. GENERAL INFORMATION

China Yongda Automobiles Services Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands on November 7, 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the sale of automobiles and provision of after-sales services, provision of automobile operating lease services, and distribution of automobile insurance products and automobile financial products in the PRC. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The condensed consolidated financial statements are presented in Renminbi (the “**RMB**”), which is the same as the functional currency of the Company.

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (the “**IASB**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to a IFRS Accounting Standard 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Sale of new vehicles and related services income:		
– Sale of new vehicles of luxury and ultra-luxury brands (<i>note a</i>)	15,663,412	19,100,028
– Sale of new vehicles of mid-to high-end brands (<i>note a</i>)	1,883,519	2,692,713
– Sale of new vehicles of independent new energy brands (<i>note a</i>)	1,219,111	1,090,529
– Commission income related to sale of new vehicles (<i>notes b</i>)	1,511,678	747,761
– Others (<i>notes c</i>)	242,442	325,227
	20,520,162	23,956,258
Sale of pre-owned vehicles and related services income:		
– Sale of pre-owned vehicles (<i>note d</i>)	1,560,655	2,063,813
– Brokerage income related to sale of pre-owned vehicles (<i>notes d</i>)	15,695	23,605
	1,576,350	2,087,418
After-sales services:		
– Repair and maintenance related services (<i>note e</i>)	4,658,179	4,652,459
– Commission income (<i>notes b</i>)	124,521	124,015
	4,782,700	4,776,474
	26,879,212	30,820,150
Geographical markets		
Mainland China	26,879,212	30,820,150
Timing of revenue recognition		
A point in time	22,221,033	26,167,691
Over time	4,658,179	4,652,459
	26,879,212	30,820,150



Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers (continued)

Notes:

- a. The Group sells passenger vehicles directly to customers through its own 4S outlets. Revenue on sale of new passenger vehicles is recognized when (or as) the passenger vehicles are transferred to the customers and the customers obtain control of the vehicles. On the other hand, new vehicles sold by the Group could be divided into three categories according to their brands.

Luxury and ultra-luxury brands include BMW, MINI, Audi, Porsche, Jaguar, Land Rover, Bentley, Aston Martin, Lincoln, Cadillac, Volvo, Mercedes-Benz, Lexus and others..

Mid-to high-end brands include Buick, Volkswagen, Toyota, Honda and others.

Under the dealership business model, independent new energy brands include HIMA, IM and others.

- b. Commission income related to sale of new vehicles primarily relates to agency income derives from distribution of automobile financial products and brokerage of new vehicles. On the other hand, commission income under after-sales services primarily relates to agency income derives from distribution of automobile insurance products. These revenues are recognized when the agency services have been completed, which is the point of time when the services are accepted by the customers. The normal credit term is 30 to 60 days upon invoice.
- c. Other revenues mainly include sales of decoration products and license plate services related to sale of new vehicles. Revenue on sale of decoration products is recognized when control of the decoration products has been transferred to the customers. For license plate services related to sale of new vehicles, revenue is recognized when the license plate services have been completed, which is the point of time when the vehicle license installation is completed.
- d. The Group also carries out pre-owned vehicles sales business. Under the dealership business model, the Group acts as a principal and is responsible for fulfilling the primary obligations of the pre-owned vehicles sales contract and assumes the risks associated with the pre-owned vehicles. The revenue on sale of pre-owned automobile business under the dealership business model is recognized on a gross basis when the controls of the pre-owned vehicles have been transferred. Under the brokerage business model, however, the Group acts as an agent to assist the principal in completing the sales of pre-owned vehicles and do not assume risks related to the pre-owned vehicles. Revenue from brokerage service related to sale of pre-owned vehicles is recognized on a net basis when the services have been completed, which is the point of time when the services are accepted by the customers.
- e. For repair and maintenance related services, since the Group's performance enhances the vehicle that within the customer's control, revenue is recognized over time.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Sale of new vehicles and related services income RMB'000 (Unaudited)	Sale of pre-owned vehicles and related services income RMB'000 (Unaudited)	After-sales services RMB'000 (Unaudited)	Sale of new vehicles and related services income RMB'000 (Unaudited)	Sale of pre-owned vehicles and related services income RMB'000 (Unaudited)	After-sales services RMB'000 (Unaudited)
Revenue disclosed in segment information						
External customers	20,520,162	1,576,350	4,782,700	23,956,258	2,087,418	4,776,474
Inter-segment	11,416	–	1,779	27,627	–	1,493
Total	20,531,578	1,576,350	4,784,479	23,983,885	2,087,418	4,777,967
Eliminations	(11,416)	–	(1,779)	(27,627)	–	(1,493)
Revenue from contracts with customers	20,520,162	1,576,350	4,782,700	23,956,258	2,087,418	4,776,474

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3B. OPERATING SEGMENTS

The following is an analysis of the Group's revenue and results by reportable segments:

For the six months ended June 30, 2025

	Passenger vehicle sales and services <i>RMB'000</i> (Unaudited)	Automobile operating lease services <i>RMB'000</i> (Unaudited)	Eliminations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External revenue	26,879,212	192,722	–	27,071,934
Inter-segment revenue	13,195	4,073	(17,268)	–
Segment revenue (<i>note a</i>)	26,892,407	196,795	(17,268)	27,071,934
Segment cost (<i>note b</i>)	(24,563,532)	(151,230)	13,195	(24,701,567)
Segment gross profit	2,328,875	45,565	(4,073)	2,370,367
Other income and other gains and losses				21,971
Distribution and selling expenses				(1,487,725)
Administrative expenses				(776,204)
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets, and goodwill				(3,552,837)
Finance costs				(117,618)
Share of profits of joint ventures				682
Share of profits of associates				49,959
Loss before tax				(3,491,405)

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3B. OPERATING SEGMENTS (continued)

The following is an analysis of the Group's revenue and results by reportable segments: (continued)

For the six months ended June 30, 2024

	Passenger vehicle sales and services <i>RMB'000</i> (Unaudited)	Automobile operating lease services <i>RMB'000</i> (Unaudited)	Eliminations <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External revenue	30,820,150	215,684	–	31,035,834
Inter-segment revenue	29,120	5,344	(34,464)	–
Segment revenue (<i>note a</i>)	30,849,270	221,028	(34,464)	31,035,834
Segment cost (<i>note b</i>)	(28,298,499)	(182,211)	29,120	(28,451,590)
Segment gross profit	2,550,771	38,817	(5,344)	2,584,244
Other income and other gains and losses				60,143
Distribution and selling expenses				(1,571,260)
Administrative expenses				(848,949)
Finance costs				(148,020)
Share of profits of joint ventures				2,239
Share of profits of associates				47,779
Profit before tax				126,176

Notes:

- The segment revenue of passenger vehicle sales and services for the six months ended June 30, 2025 was approximately RMB26,892,407,000 (for the six months ended June 30, 2024: RMB30,849,270,000) which included the revenue of sales of new vehicles and related services amounting to approximately RMB20,531,578,000 (for the six months ended June 30, 2024: RMB23,983,885,000), the revenue of sales of pre-owned vehicles and related services amounting to approximately RMB1,576,350,000 (for the six months ended June 30, 2024: RMB2,087,418,000) and the revenue of after-sales services amounting to approximately RMB4,784,479,000 (for the six months ended June 30, 2024: RMB4,777,967,000).
- The segment cost of passenger vehicle sales and services for the six months ended June 30, 2025 was approximately RMB24,563,532,000 (for the six months ended June 30, 2024: RMB28,298,499,000) which included the cost of sales of new vehicles and related services amounting to approximately RMB20,320,504,000 (for the six months ended June 30, 2024: RMB23,590,120,000), the cost of sales of pre-owned vehicles and related services amounting to approximately RMB1,463,577,000 (for the six months ended June 30, 2024: RMB1,948,034,000) and the cost of after-sales services amounting to approximately RMB2,779,451,000 (for the six months ended June 30, 2024: RMB2,760,345,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3B. OPERATING SEGMENTS (continued)

Segment result represents the loss/profit before tax earned by each segment without allocation of other income and other gains and losses, distribution and selling expenses, administrative expenses, impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets, and goodwill, finance costs, share of profits of joint ventures and share of profits of associates. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment. No analysis of segment assets and liabilities is presented as they are not regularly reviewed by the executive directors of the Company.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income comprises:		
Government grants (note a)	7,765	10,077
Interest income on bank deposits	24,729	21,982
	32,494	32,059
Other gains and losses comprise:		
(Loss) gain on disposal of property, plant and equipment and other intangible assets	(11,796)	3,655
Gain (loss) on fair value change of financial assets at FVTPL	297	(11,278)
Dividends from financial assets at FVTPL	3,287	–
Gain on compensation income (note b)	–	28,707
Net foreign exchange (loss) gain	(922)	128
Loss on disposal of subsidiaries	(101)	(7,957)
Others	(1,288)	14,829
	(10,523)	28,084
Total	21,971	60,143

Notes:

- Government grants represent unconditional grants received from local finance bureaus in compensation for expenses incurred by the Group.
- Compensation received related to breach of a lease contract by a counterparty.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

5. FINANCE COSTS

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interests on:		
– bank loans	46,944	66,370
– other borrowings from entities controlled by suppliers	7,212	8,038
– reimbursement to suppliers (<i>note a</i>)	20,145	25,438
– lease liabilities	43,740	48,741
Less: interest capitalized (<i>note b</i>)	(423)	(567)
	117,618	148,020

Notes:

- a. The Group is required to undertake part of the finance costs incurred by suppliers of the Group in relation to discounting bank acceptance notes issued by the Group to the suppliers for the purchase of new passenger vehicles.
- b. Borrowing costs capitalized during the period arose from the general borrowing pool and are calculated by applying a capitalization rate of 4.58% (2024: 4.60%) per annum to expenditure on qualifying assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

6. (LOSS) PROFIT BEFORE TAX

(Loss) profit before tax has been arrived at after charging:

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	865,363	892,911
Retirement benefits scheme contributions	78,174	81,616
Share-based payment expenses	18,231	8,968
Total staff costs	961,768	983,495
Depreciation of property, plant and equipment	338,915	359,705
Depreciation of right-of-use assets	186,274	189,921
Amortization of other intangible assets	66,506	59,780
Cost of inventories recognized as an expense	24,440,383	28,185,327
Impairment losses on:		
– property, plant and equipment (note)	964,791	–
– right-of-use assets (note)	54,907	–
– goodwill	1,275,992	–
– other intangible assets (note)	1,257,147	–

Note: Impairment losses on property, plant and equipment, right-of-use assets, and other intangible assets have been separately disclosed in the condensed consolidated statement of profit or loss to enhance understandability, with RMB701,906,000 attributable to distribution and selling expenses and RMB1,574,939,000 attributable to administrative expenses.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

7. INCOME TAX (BENEFIT) EXPENSE

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	98,111	48,929
Over provision of PRC EIT in prior years	(957)	(3,242)
	97,154	45,687
Deferred tax		
Current period credit	(404,440)	(20,962)
Write-down of previously recognised deferred tax	300,510	–
	(6,776)	24,725

The income tax (benefit) expense for the current interim period can be reconciled to the (loss) profit before tax as follows:

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(Loss) profit before tax	(3,491,405)	126,176
Tax at the PRC EIT rate of 25% (2024: 25%)	(872,851)	31,544
Tax effect of expenses not deductible for tax purpose	576,403	9,501
Tax effect of income not taxable for tax purpose	(822)	–
Tax effect of share of results of associates and joint ventures	(12,660)	(12,505)
Effect of withholding tax associated with distributed earnings of subsidiaries in PRC	11,700	5,900
Tax effect of preferential tax rates for certain subsidiaries	(9,003)	(6,486)
Tax effect of tax loss not recognized	904	13
Over provision of PRC EIT in prior years	(957)	(3,242)
Reversal of tax losses recognized as deferred tax assets in prior years (note)	300,510	–
Income tax (benefit) expense for the period	(6,776)	24,725



Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

7. INCOME TAX (BENEFIT) EXPENSE (continued)

Note: The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. During the current interim period, the amount of reversal of tax losses recognized as deferred tax assets in prior years is RMB300,510,000 and among which the impact on non-controlling interests is RMB30,992,000.

The Company and Sea of Wealth International Investment Company Limited, a subsidiary of the Company, are tax exempted companies incorporated in the Cayman Islands and British Virgin Islands, respectively.

Grouprich International Investment Holdings Limited, a subsidiary of the Company, is incorporated in Hong Kong and had no assessable profits subject to Hong Kong Profits Tax during the six months ended June 30, 2025 and 2024.

Under the Law of the PRC on EIT and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%. The income tax rate of 25% is applicable to all of the Company's PRC subsidiaries, except for some small profit-making PRC subsidiaries which are entitled to a preferential tax rate of 5% with the expiry date on December 31, 2027.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to RMB4,099,142,000 (2024: RMB7,375,189,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. DIVIDENDS

During the current interim period, a final dividend of RMB0.069 per share in respect of the year ended December 31, 2024 (2023: RMB0.052 per share) was declared and paid to the owners of the Company in Hong Kong dollars (the "HK\$"). The aggregate amount of the 2024 final dividend declared and paid in the interim period amounted to approximately RMB128,813,000 (for the six months ended June 30, 2024: RMB102,493,000).

The board of directors of the Company has determined that a dividend of RMB0.070 per share will be paid in respect of the interim period for the six months ended June 30, 2025 (for the six months ended June 30, 2024: RMB0.059 per share).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(Loss) earnings figures are calculated as follows:		
(Loss) profit for the period attributable to owners of the Company	(3,331,377)	111,450
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,871,540	1,927,921
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,871,540	1,927,921

Note: The computation of diluted (loss) earnings per share for the six months ended June 30, 2025 and June 30, 2024 did not assume the exercise of the Company's share options granted in Note 17 as the exercise price of the share options was higher than the average market price for shares for the period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS

Property, plant and equipment

During the current interim period, the Group acquired property, plant and equipment of approximately RMB609,872,000 (for the six months ended June 30, 2024: RMB670,064,000).

During the current interim period, the Group disposed of property, plant and equipment with a carrying amount of approximately RMB376,571,000 (for the six months ended June 30, 2024: RMB471,265,000) for cash proceeds of approximately RMB364,775,000 (for the six months ended June 30, 2024: RMB478,639,000), resulting in a loss on disposal of approximately RMB11,796,000 (for the six months ended June 30, 2024: gain of RMB7,374,000).

Right-of-use assets

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Leased properties	1,812,980	1,911,510
Leasehold land	1,193,346	1,076,332
	3,006,326	2,987,842

During the current interim period, the Group entered into several new lease agreements for the use of operation ranging from 2 years to 10 years (for six months ended June 30, 2024: 2 years to 20 years). On lease commencement, the Group recognized right-of-use assets of approximately RMB107,545,000 (for six months ended June 30, 2024: RMB179,120,000) and lease liabilities of approximately RMB106,364,000 (for six months ended June 30, 2024: RMB178,530,000).

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of RMB177,053,000 (December 31, 2024: RMB nil) in which the Group is in the process of obtaining.



Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Other intangible assets

During the current interim period, the Group acquired other intangible assets at a cash consideration of RMB31,985,000 (for six months ended June 30, 2024: RMB53,577,000) and the Group disposed of other intangible assets with a carrying amount of approximately RMB474,000 (for the six months ended June 30, 2024: RMB18,258,000) for cash proceeds of approximately RMB474,000 (for the six months ended June 30, 2024: RMB14,539,000).

Impairment assessment

In the first half of 2025, the competitive landscape in the automotive industry continued to intensify, compounded by the impact of macroeconomic factors, which put pressure on consumer confidence, and the simultaneous occurrence of production capacity expansion and demand slowdown in the industry. To compete for market share, automakers have made vehicle price cuts the norm, and the price war has intensified further. Independent new energy vehicle brands have leveraged rapid technological advancements to achieve continuous breakthroughs in core areas such as advanced driver-assistance systems, battery range, and technological experiences. In contrast, traditional internal combustion engine vehicle brands have lagged behind in product updates, resulting in ongoing pressure on market share and significant downward pressure on pricing structures. As a result, at certain stores of the Group's traditional fuel-vehicle brands, new-vehicle sales declined, gross margins continued to compress, and operating profit fell materially short of original forecasts.

The Group concluded impairment assessment on carrying amounts of cash generating units ("CGU"). Based on the result of the assessment, the Group recognized impairment loss of RMB1,275,992,000 related to goodwill, RMB964,791,000 related to property, plant and equipment, RMB54,907,000 related to right-of use assets, RMB1,257,147,000 related to other intangible assets generated from acquisition of subsidiaries and reversed the related deferred tax liabilities of RMB314,287,000 during the current interim period, among which the impact of impairment loss and the reversal of deferred tax liabilities on non-controlling interests is RMB114,032,000.

Key assumptions used in the value-in-use calculations include: (i) revenue growth rates during the forecast period, (ii) gross profit margin, and (iii) discount rate.

Given the ongoing intensification of industry competition since the first half of 2025, coupled with the impact of macroeconomic factors, several traditional fuel vehicle brands have seen new vehicle sales gross margins at their outlets fall below expectations, and the timing of recovery is difficult to predict. The Group has prudently lowered its future operational outlook, adjusting downward the expected future revenue growth and profitability levels for cash-generating units with weaker profitability.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Impairment assessment (continued)

For the purpose of impairment testing, goodwill has been allocated to individual cash-generating units, and property, plant and equipment, right-of-use assets and other intangible assets that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for impairment testing. The key inputs and assumptions used for the year of 2024 and interim period of 2025 in the impairment test for those CGUs with impairment indications on goodwill, property, plant and equipment, right-of-use assets and other intangible assets are listed as follows:

Inputs	For the six months ended June 30, 2025		
	2026	2027	2028-2030
Revenue growth rate	0% – 0.3%	0.3% – 0.6%	0.6% – 1.5%
Gross profit margin	3.8% – 11.1%	3.8% – 11.1%	3.8% – 11.1%

Inputs	For the year ended December 31, 2024		
	2025	2026	2027-2029
Revenue growth rate	0% – 2.5%	1.0% – 2.5%	1.5% – 2.5%
Gross profit margin	6.0% – 13.3%	6.0% – 13.3%	6.0% – 13.3%

The estimates and assumptions are based on premises that are derived from the latest information available to the management. In particular, they have taken into account the actual financial performance achieved in the first half of 2025 and the realistic expectations of the future macroeconomic and industry-specific developments given the latest changes to the operating environment.

There have been no changes in the valuation method used compared with those adopted in the year ended December 31, 2024.

The pre-tax discount rates applied to the impairment test were within a range from 11% to 12% (2024: 11% to 12%) which reflected current market assessment of the time value of money and the risk specific to these CGUs.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

11. INVENTORIES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Motor vehicles	2,521,244	3,666,464
Spare parts and accessories	450,454	483,461
	2,971,698	4,149,925

12. TRADE AND OTHER RECEIVABLES

The Group's credit policies towards its customers are as follows:

- In general, deposits and advances are required and no credit period is allowed for sales of vehicles, while after-sales services are typically settled on a cash basis upon completion of the relevant services. However, for certain corporate customers for passenger vehicles sales and after-sales services, a credit period not exceeding 60 days is granted; and
- For automobile operating lease services, the Group typically allows a credit period of 30 to 90 days to its customers.

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Trade receivables	771,369	852,203
Bills receivables	5,089	1,368
	776,458	853,571

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

12. TRADE AND OTHER RECEIVABLES (continued)

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Prepayments and other receivables comprise:		
Prepayments to suppliers	2,014,498	1,197,228
Deposits to suppliers	122,737	150,682
Deposits to entities controlled by suppliers for borrowings	71,625	76,066
Prepayments and rental deposits on properties	208,858	186,116
Rebate receivables from suppliers	2,169,031	2,749,556
Finance and insurance commission receivables	453,114	542,272
Staff advances	7,186	4,554
Value-added tax recoverable	246,577	284,812
Advances to non-controlling interests (note)	5,000	5,000
Consideration receivables from disposal of subsidiaries	12,000	12,667
Others	137,225	156,098
	5,447,851	5,365,051
	6,224,309	6,218,622

Note: The non trade-related balances are unsecured, interest-free and repayable on demand.

The following is an ageing analysis of the Group's trade and bills receivables presented based on the invoice date or the issue date at the end of the reporting period, which approximated the respective revenue recognition dates:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
0 to 90 days	776,458	853,571

None of the trade and bills receivables are past due but not impaired as at the end of the reporting period. The Group does not notice any deterioration in the credit quality of its trade receivables. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customer.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

13. TRADE AND OTHER PAYABLES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Current		
Trade payables	615,504	725,649
Bills payables (note a)	6,635,980	11,622,602
	7,251,484	12,348,251
Other payables		
Other tax payables	77,604	83,290
Payables for acquisition of property, plant and equipment	44,856	52,102
Salary and welfare payables	51,315	102,220
Accrued interest	2,472	2,425
Accrued audit fee	2,200	960
Advance from non-controlling interests (note b)	59,148	30,348
Advance from third parties (note b)	7,152	8,202
Other accrued expenses	113,832	86,035
Others	160,620	220,638
	519,199	586,220
	7,770,683	12,934,471

Notes:

- a. The Group has entered into certain credit revolving bank acceptance bill arrangements with banks. Under these arrangements, the Group issued bank acceptance bills to settle with automobile manufacturers in respect of purchase from manufacturers of motor vehicles or spare parts and the manufacturers can then discount the bank acceptance bills to the banks.

The Group subsequently settles the bills payable with the banks upon the maturity date of the bill payables, up to 180 days after the issue date.

The Group repays the banks the full bill amount on the scheduled payment date as required by the bill payables. As the arrangements do not permit the Group to extend finance from banks by paying banks later than the Group would have paid its manufacturers, the Group classifies amounts payable to banks as "trade and other payables" in the condensed consolidated financial statements.

In the condensed consolidated statement of cash flows, the Group's payments to the banks are included within operating cash flows based on the nature of the arrangements.

- b. The non trade-related balances are unsecured, interest-free and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

13. TRADE AND OTHER PAYABLES (continued)

The Group's trade payables mainly relate to purchase of spare parts and accessories. A credit period not exceeding 90 days is generally granted by manufacturers to the Group for the purchase of spare parts and accessories. Bills payables primarily relate to the Group's use of bank acceptance notes to finance its purchase of passenger vehicles, with a credit period of one to six months.

The following is an ageing analysis of the Group's trade and bills payables presented based on the invoice date at the end of the reporting period:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
0 to 90 days	7,201,847	10,454,358
91 to 180 days	49,637	1,893,893
	7,251,484	12,348,251

14. BORROWINGS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Bank loans	2,707,990	2,357,540
Other borrowings (note)	689,108	556,583
	3,397,098	2,914,123
Secured borrowings, by the Group's assets	1,562,995	1,485,295
Unsecured borrowings	1,834,103	1,428,828
	3,397,098	2,914,123
Unguaranteed borrowings	3,397,098	2,914,123
Fixed-rate borrowings	2,220,098	1,990,123
Variable-rate borrowings	1,177,000	924,000
	3,397,098	2,914,123

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

14. BORROWINGS (continued)

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Carrying amount repayable:		
Within one year	1,591,702	1,565,963
More than one year, but not exceeding two years	845,396	424,160
More than two years, but not exceeding five years	960,000	924,000
	3,397,098	2,914,123
Less: amounts due within one year shown under current liabilities	1,591,702	1,565,963
Amounts shown under non-current liabilities	1,805,396	1,348,160

Note: Other borrowings are mainly obtained from entities controlled by suppliers.

The effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings as at June 30, 2025 ranged from 2.50% to 3.50% (2024: 2.90% to 6.30%) per annum.

At the end of the reporting period, other borrowings (i) are of a term less than one year; (ii) are interest-free from the first 15 days to three months after drawdown; and (iii) carry interest at the People's Bank of China benchmark rate plus a premium as the borrowings are extended beyond the initial interest-free period.

The Group's borrowings were secured against the Group's assets with carrying amounts as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Right-of-use assets (leasehold land)	39,497	64,022
Property, plant and equipment (buildings and motor vehicles)	53,414	56,051
Inventories	745,208	632,973
Total	838,119	753,046

As at June 30, 2025, the Group has also pledged the equity interests of certain subsidiaries in favour of banks in respect of the Group's bank borrowings, the principal balance of which is amounted to RMB455 million (2024: RMB531 million) in total.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

15. INTERESTS IN ASSOCIATES

During the period ended June 30, 2025, the Group invested an associate with 33% equity interests and contributed cash of RMB1,320,000.

16. SHARE CAPITAL

	Number of shares '000	Amount RMB'000
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Ordinary shares of HK\$0.01 each

Authorized:

As at January 1, 2024(audited), June 30, 2024 (unaudited),

January 1, 2025 (audited) and June 30, 2025 (unaudited)	2,500,000	25,000
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	Number of shares '000	Amount HK\$'000	Shown in financial statements as RMB'000
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Issued and fully paid:

At January 1, 2025 (audited)	1,891,909	18,919	15,564
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Repurchase and cancellation of shares (<i>note</i>)	(15,743)	(157)	(146)
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At June 30, 2025 (unaudited)	1,876,166	18,762	15,418
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During the six months ended 30 June 2025, the Company repurchased 30,860,000 (six months ended 30 June 2024: 23,715,000) of its own ordinary shares through the Stock Exchange of Hong Kong Limited with an aggregate consideration of RMB70,038,000 (six months ended June 30, 2024: RMB41,789,000) paid.

10,751,000 (six months ended June 30, 2024: 3,550,000) shares were cancelled upon repurchase and 20,109,000 (six months ended June 30, 2024: 20,165,000) shares were not cancelled and remained as treasury shares at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

17. SHARE-BASED COMPENSATION

(a) Share Option Scheme

The Company's share option scheme was adopted by the Company on October 10, 2013 ("**the Original Share Option Scheme**") and the Company has terminated the Original Share Option Scheme and adopted the 2023 share option scheme ("**the 2023 Share Option Scheme**"), which complies with the Listing Rules on June 1, 2023.

Set out below are details of movements of the outstanding options granted under the Original Share Option Scheme and the 2023 Share Option Scheme during the six months ended June 30, 2025 and 2024:

	Grant date	Exercised price (HK\$)	Outstanding as at January 1, 2025	Granted during the period	Number of options exercised during the period	Cancellation during the period	Lapsed during the period	Outstanding as at June 30, 2025
Directors:								
Mr. Xu Yue	March 17, 2022	8.22	1,000,000	-	-	-	-	1,000,000
	March 28, 2024	2.34	6,200,000	-	-	-	-	6,200,000
Ms. Chen Yi	March 17, 2022	8.22	264,000	-	-	-	-	264,000
	March 28, 2024	2.34	600,000	-	-	-	-	600,000
Mr. Tang Liang	March 17, 2022	8.22	825,000	-	-	-	-	825,000
	March 28, 2024	2.34	3,000,000	-	-	-	-	3,000,000
Employees	March 17, 2022	8.22	1,721,000	-	-	-	-	1,721,000
	March 28, 2024	2.34	4,800,000	-	-	-	-	4,800,000
			18,410,000	-	-	-	-	18,410,000
Weighted average exercise price (HK\$)			3.55	-	-	-	-	3.55

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

17. SHARE-BASED COMPENSATION (continued)

(a) Share Option Scheme (continued)

	Grant date	Exercised price (HK\$)	Outstanding as at January 1, 2024	Granted during the period	Number of options exercised during the period	Cancellation during the period	Lapsed during the period	Outstanding as at June 30, 2024
Directors:								
Mr. Xu Yue	March 17, 2022	8.22	1,000,000	-	-	-	-	1,000,000
	March 28, 2024	2.34	-	6,200,000	-	-	-	6,200,000
Ms. Chen Yi	March 17, 2022	8.22	264,000	-	-	-	-	264,000
	March 28, 2024	2.34	-	600,000	-	-	-	600,000
Mr. Tang Liang	March 17, 2022	8.22	825,000	-	-	-	-	825,000
	March 28, 2024	2.34	-	3,000,000	-	-	-	3,000,000
Employees	March 17, 2022	8.22	1,886,000	-	-	-	-	1,886,000
	March 28, 2024	2.34	-	5,200,000	-	-	-	5,200,000
			3,975,000	15,000,000	-	-	-	18,975,000
Weighted average exercise price (HK\$)			8.22	2.34	-	-	-	3.60

The Group recognized an expense of approximately RMB3,112,000 for the six months ended June 30, 2025 in relation to the share options granted by the Company under the 2023 Share Option Scheme (for the six months ended June 30, 2024: RMB2,525,000).

(b) Employee Pre-IPO Incentive Scheme

The Company's employee pre-IPO incentive scheme was adopted by the Company on April 3, 2012 (the "**Employee Pre-IPO Incentive Scheme**") for the primary purpose of recognition of the contributions of the beneficiaries under the Employee Pre-IPO Incentive Scheme and to incentivize them.

On August 30, 2013, the board of directors resolved to amend the Employee Pre-IPO Incentive Scheme (the "**Amended Scheme**") to the effect that, in addition to the previously allowed cash awards, awards of restricted share could be granted to eligible persons ("**Grantee**") pursuant to the terms of the Amended Scheme. The scope of the eligible persons under the Amended Scheme was amended to include any director, including independent non-executive directors. No Grantee shall be entitled to any dividend, income or any other right for which the record date is prior to the date on which the restricted shares are completed and actually transferred into the Grantee's account. The unvested restricted shares do not carry any right to vote at general meetings of the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

17. SHARE-BASED COMPENSATION (continued)

(b) Employee Pre-IPO Incentive Scheme (continued)

Awards of restricted shares have been made pursuant to the Share Award Scheme. Details are set out as follows:

	Number of shares '000	Vesting period	Total fair value RMB'000
Year 2017	9,413	1-28 years	63,888
Year 2018	10,080	10 years	68,718
Year 2019	2,667	10 years	11,131
Year 2020	4,615	5 years	35,869
Year 2021	3,890	5 years	41,905
Year 2022	2,740	5 years	11,195
Year 2023	200	5 years	562
Year 2024	550	5 years	863

The fair value of the restricted shares awards were determined based on the market value of the Company's shares at the grant date.

The Group recognized an expense of approximately RMB15,119,000 for the six months ended June 30, 2025 in relation to such awards made by the Company (for the six months ended June 30, 2024: RMB16,723,000).

(c) Share Award Scheme

The Company's share award scheme was adopted by the Company on June 1, 2022 (the "**Share Award Scheme**"). On June 1, 2023, amendments made to the Share Award Scheme (the "**Amended Share Award Scheme**") has been approved by the shareholders of the Company which brings it in line with the Listing Rules.

The Group recognized expense of RMB nil for the period ended June 30, 2025 (for the six months ended June 30, 2024: reversed an expense of RMB10,280,000 in relation to award forfeited due to the trustee did not meet the performance conditions) in relation to such awards made by the Company under the Share Award Scheme.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

18. DISPOSAL OF SUBSIDIARIES

In January and April of 2025, the Group disposed of 82% equity interests in Guangzhou South Zhongyue Auto Products Co., Ltd. and 100% equity interests in Changzhou Changxing Automotive Service Co., Ltd. to independent third parties for a total consideration of approximately RMB6,560,000.

	Amount RMB'000
Property, plant and equipment	7,530
Right-of-use assets	10,639
Trade and other receivables	1,814
Bank balances and cash	66
Contract liabilities	(1,000)
Tax liabilities	(727)
Lease liabilities	(10,778)
Total net assets	7,544
Less: non-controlling interests	(883)
Loss on disposal	(101)
Total cash consideration	6,560
Satisfied by:	
Cash	6,560
Net cash inflow arising on disposal:	
Cash received	6,560
Less: bank balances and cash disposed of	(66)
	6,494

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. CAPITAL COMMITMENTS

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided	11,449	10,389

20. CONTINGENT LIABILITIES

Upon the disposal of Shanghai Yongda Finance Leasing Co., Ltd. (“**Yongda Finance Leasing**”), the Group guaranteed the additional credits (the “**Additional Credits**”) and corresponding debts of Yongda Finance Leasing in proportion to the Group’s 20% shareholding in Yongda Finance Leasing. These guarantees were conducted on normal commercial terms and on several basis. As at June 30, 2025, the balance for the borrowings drawn under the Additional Credits of Yongda Finance Leasing was RMB624 million (2024: RMB865 million), of which the guarantee amount provided by the Group was RMB125 million (2024: RMB173 million).

As at June 30, 2025, save for the above, the Group did not have any other material contingent liabilities.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The fair values of the financial assets and financial liabilities of the Group are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can assess at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)		
Financial assets at FVTPL	Listed securities 1,712	Listed securities 1,415	Level 1	Quoted bid prices in an active market
Financial assets at FVTPL	Unquoted equity instruments 342,718	Unquoted equity instruments 344,331	Level 3	Adjusted net asset value method Key inputs: Liquidity discount of comparable company/quoted bid prices in an active market
Equity instruments at FVTOCI	Listed securities 6,951	Listed securities 4,510	Level 1	Quoted bid prices in an active market

There is no transfer among Level 1, 2 and 3 during the current interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial assets at FVTPL RMB'000
At January 1, 2024 (audited)	332,826
Disposal	(16,599)
Fair value change	(11,278)
At June 30, 2024 (unaudited)	304,949
At January 1, 2025 (audited)	344,331
Disposal	(1,613)
At June 30, 2025 (unaudited)	342,718

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. RELATED PARTY DISCLOSURES

I. Amounts due from related parties

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Joint ventures held by the Group		
Shanghai Miaocheng Network Technology Co., Ltd. ("Shanghai Miaocheng")	6,000	–
Shanghai Yinghua Lexus Automobile Sales and Services Co., Ltd. ("Yinghua Lexus")	4,689	9,689
Beijing Miaocheng Network Technology Co., Ltd. ("Beijing Miaocheng")	2,877	2,935
Shanghai Yongda Changrong Automobile Sales and Services Co., Ltd. ("Shanghai Yongda Changrong")	62	12
Associates held by the Group		
Shanghai Baocheng Shenjiang Automobile Sales and Service Co., Ltd ("Shanghai Baocheng Shenjiang")	40,000	45,532
Changjiang United Finance Leasing Co., Ltd. ("Changjiang United")	24,265	–
Yongda Finance Leasing	1,023	59
Guangzhou Xianghe Zhongyue Industrial Development Co., Ltd. ("Guangzhou Xianghe Zhongyue")	470	470
Guandao Network Technology (Shanghai) Co., Ltd. ("Guandao Wangluo Shanghai")	400	–
	79,786	58,697
Analyzed as:		
Trade-related (note a)	457	195
Non trade-related (note b)	79,329	58,502
	79,786	58,697

Notes:

- The Group offers at its discretion certain related parties a credit period up to 90 days and the balances of trade-related are with aging less than 90 days.
- The maximum amount outstanding related to non trade-related balance during the six months ended June 30, 2025 is RMB79,329,000 (2024: RMB92,672,000).

All the above non trade-related balances are interest-free, unsecured and repayable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. RELATED PARTY DISCLOSURES (continued)

II. Amounts due to related parties

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Joint ventures held by the Group		
Shanghai Linheng Automobile Supplies Service Co., Ltd. ("Shanghai Linheng")	1,930	3,414
Beijing Miao Cheng	179	128
Associates held by the Group		
Yongda Finance Leasing	37,046	24,068
Shanghai Yongda Fengdu Automobile Sales and Services Co., Ltd. ("Shanghai Yongda Fengdu Automobile")	1,065	5,000
Guandao Wangluo Shanghai	14	–
Shanghai Oriental Yongda Automobile Sales Co., Ltd. ("Shanghai Oriental Yongda")	10	–
Shanghai Baocheng Shenjiang	–	728
Guangzhou Xianghe Zhongyue	–	60
	40,244	33,398
Analyzed as:		
Trade-related (note a)	1,980	4,862
Non trade-related (note b)	38,264	28,536
	40,244	33,398

Notes:

- A credit period of not exceeding 90 days is granted to the Group by the related parties and the balances are with aging less than 90 days.
- Except the balance of finance lease payables to Yongda Finance Leasing, the remaining balances are interest-free, unsecured and payable on demand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. RELATED PARTY DISCLOSURES (continued)

III. Guarantees issued by the Group

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Bank borrowings of a related party under guarantees issued by the Group:		
Yongda Finance Leasing	124,776	172,968

IV. Related party transactions

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
a) Sales of motor vehicles		
Shanghai Baocheng Shenjiang	1,621	8,018
Shanghai Yongda Fengdu Automobile	718	–
Yinghua Lexus	564	–
Shanghai Oriental Yongda	–	1,705
	2,903	9,723
b) Sales of spare parts		
Shanghai Baocheng Shenjiang	1,059	70
Shanghai Linheng	552	–
Shanghai Yongda Changrong	311	104
Shanghai Yongda Fengdu Automobile	81	–
Beijing Miao Cheng	79	229
Shanghai Shenjiang 296 Automobile Club Co., Ltd. (“Shanghai Shenjiang 296”)	16	–
Yinghua Lexus	3	–
Yongda Finance Leasing	–	25
	2,101	428

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. RELATED PARTY DISCLOSURES (continued)

IV. Related party transactions (continued)

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
c) Purchase of services		
Shanghai Oriental Yongda	480	731
d) Services income from		
Yongda Finance Leasing	26	1,829
e) Finance lease interest expense to		
Yongda Finance Leasing	1,772	1,858
f) Rental expenses paid or payable to:		
Associate held by the Group		
Shanghai Yongda Fengdu Automobile	1,698	1,698
Entities controlled by the shareholders		
Shanghai Yongda Group Company Limited,		
Shanghai Yongda Transportation Equipment Co., Ltd. and		
Shanghai Yongda Property Development Co., Ltd.	21,562	22,210
	23,260	23,908

Based on IFRS 16, the fixed payment by the Group to related parties under the terms of the lease agreements in connection with the use of leased properties had resulted in recognition of a lease liability with the balance of RMB68,191,000 (2024: RMB94,522,000) and a right-of-use asset with the balance of RMB67,763,000 (2024: RMB90,351,000) as at June 30, 2025. In addition, the Group recorded depreciation of right-of-use asset of RMB22,588,000 (for the six months ended June 30, 2024: RMB21,884,000) and interest expense of RMB2,345,000 (for the six months ended June 30, 2024: RMB3,575,000) in the condensed consolidated statement of profit or loss for six months ended June 30, 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. RELATED PARTY DISCLOSURES (continued)

IV. Related party transactions (continued)

	For the six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
g) Compensation of key management personnel:		
Salaries and other benefits	3,550	4,013
Contributions to retirement benefits scheme	405	369
Share-based payments	5,411	5,606
	9,366	9,988

The remuneration of directors and key executives is determined by the board and its remuneration committee having regard to the performance of the individuals and market.