



百得利控股有限公司 BetterLife Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 6909

2025 年度報告 ANNUAL REPORT



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CORPORATE INFORMATION

Board of directors

Executive directors

Mr. Chou Patrick Hsiao-Po (Chairman)
(appointed on 1 January 2025)

Ms. Sun Jing

Ms. Li Dan

Mr. Xu Tao (resigned on 1 January 2026)

Non-executive director

Dr. Chou Som Po (Chairman)
(resigned on 1 January 2025)

Independent non-executive directors

Mr. Liu Dengqing

Mr. Lou Sai Tong

Dr. Chu Fumin

Joint company secretaries

Ms. Tu Jing

Mr. Leung Chi Kit

Authorised representatives

Ms. Sun Jing

Mr. Leung Chi Kit

Audit committee

Mr. Lou Sai Tong (Chairman)

Mr. Liu Dengqing

Dr. Chu Fumin

Remuneration committee

Dr. Chu Fumin (Chairman)

Mr. Chou Patrick Hsiao-Po
(appointed on 1 January 2025)

Dr. Chou Som Po (resigned on 1 January 2025)

Mr. Liu Dengqing

Nomination committee

Mr. Liu Dengqing (Chairman)
(re-designated on 31 March 2025)

Mr. Chou Patrick Hsiao-Po (Chairman)
(appointed on 1 January 2025 and resigned on
31 March 2025)

Dr. Chou Som Po (Chairman)
(resigned on 1 January 2025)

Mr. Lou Sai Tong

Ms. Sun Jing (appointed on 31 March 2025)

Strategic development committee

Mr. Chou Patrick Hsiao-Po (Chairman)
(appointed on 1 January 2025)

Dr. Chou Som Po (Chairman)
(resigned on 1 January 2025)

Ms. Sun Jing

Dr. Chu Fumin

Corporate headquarters

No. 1 Donghuan North Road
Beijing Economic and Technological
Development Area
Beijing
People's Republic of China (the "PRC")

Principal place of business in Hong Kong

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong



Corporate Information

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Cayman Islands share registrar and transfer office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong share registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Legal advisors as to Hong Kong law

Morgan, Lewis & Bockius
19th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Auditor

SHINEWING (HK) CPA Limited
17/F, Chubb Tower
Windsor House
311 Gloucester Road
Causeway Bay
Hong Kong

Stock code

06909

Company website

www.blchina.com

CHAIRMAN STATEMENT

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of BetterLife Holding Limited (the “**Company**”), I am pleased to present the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**” or “**Reporting Period**”).

In 2025, China’s automotive industry underwent profound changes, characterised by a “mature market” and “accelerated growth of new energy vehicles”. According to data from the China Passenger Car Association of China Automobile Dealers Association, the cumulative retail sales volume of the passenger car market for the full year reached 23.744 million units, representing a year-on-year increase of 3.8%. Among them, the retail sales volume of new energy passenger vehicles surpassed that of traditional fuel vehicles for the first time, reaching 12.809 million units, a year-on-year increase of 17.6%. Meanwhile, the pre-owned vehicle market flourished, with the annual transaction volume exceeding 20 million units for the first time, representing a year-on-year increase of 2.52%.

However, the structural transformation of the market has also brought severe challenges. The traditional fuel luxury car market continued to face pressure, with major luxury brands experiencing varying degrees of decline in sales in the China region. According to official data, Porsche delivered 41,900 vehicles in the China region for the full year, representing a year-on-year decrease of 26.3%; BMW delivered 625,500 vehicles in the China region, a year-on-year decrease of 12.5%; Mercedes-Benz delivered 551,900 vehicles in the China region, a year-on-year decrease of 19.0%; and Audi delivered 617,500 vehicles in the China region, a year-on-year decrease of 4.9%. On the other hand, retail discounts on luxury brands continued to widen due to the impact of price wars, with the transaction price per vehicle declining significantly, further squeezing the gross profit margin on new vehicle sales for dealers. Against this backdrop, the dealer industry generally faced significant operational pressure, with industry consolidation and the competition for survival of the fittest accelerating.

Business Review

Against the backdrop of a complex and ever-changing market environment, the Group seized the opportunity of market consolidation, expanded counter-cyclically using its own capital advantages, continued to optimise its brand portfolio and deepen its regional presence, and steadily advanced the strategic adjustment and layout of its network structure. In terms of brand structure, the Group successfully added 3 BMW 4S stores, 1 Porsche Centre, and 1 Mercedes-Benz 4S store during the Year, effectively consolidating its leading position in the luxury automobile dealership sector. At the same time, in response to the wave of “electrification”, the Group actively explored new tracks, successfully opening its first AITO 4S store and becoming a strategic partner of Lotus in the Beijing region. In addition, the Group also timely optimised its non-core stores, continuously improving the overall operational quality and efficiency of the Group. In terms of regional structure, the Group further focused on core economic regions, with a particular emphasis on expanding its network layout in the Beijing-Tianjin-Hebei region to enhance regional synergies and brand influence.

In 2025, under the Group’s counter-cyclical expansion strategy, the Group achieved a total vehicle sales volume of 19,943 units for the full year, representing a year-on-year increase of 5.5%. Revenue amounted to RMB8,624.6 million, a slight year-on-year decrease of 1.4%. Gross profit reached RMB366.5 million, a year-on-year increase of 31.5%. The Group recorded a net profit of RMB8.3 million for the Year, turning losses into profits compared to RMB–16.2 million in 2024.

Leveraging the extensive and loyal customer base accumulated over 28 years of continuous operation, the Group has achieved remarkable results through intensive cultivation in the mature market. During the Year, the volume of pre-owned vehicle transactions reached 6,336 units, a year-on-year increase of 8.75%. Revenue from the after-sales service business amounted to RMB1,549.5 million, a year-on-year increase of 22.7%. The absorption rate of after-sales services (including commission income) reached 131%, maintaining its advantage.



Chairman Statement

As at the end of the Reporting Period, the Group continued to maintain a healthy capital structure, with cash and cash equivalents of RMB909.1 million, net cash flow from operating activities of RMB324.2 million, and a debt-to-asset ratio of 50.5%.

Despite multiple challenges facing the industry, such as narrowing dealer profit margins, pressure on inventory turnover, and declining market sales, the Group, by virtue of its stable operations and healthy cash flow, has demonstrated a strong ability to navigate industry cycles and achieve sustained, stable, high-quality development.

Future Development Strategies

Looking ahead to 2026 and beyond, the structural transformation of China's automotive industry will continue to deepen. This presents both challenges and a critical period of opportunity for the Group's development. We will firmly seize the opportunity presented by the reshaping of the market landscape, turning market volatility into a driving force for development, leveraging digital platforms and AI large models to empower customer experience and operational efficiency, and strive to become most efficient value creator and efficiency leader in China's luxury and ultra-luxury automobile dealership service sector.

- **Accelerating Digital Transformation and Technology Enablement:** We will continue to maintain and upgrade our information technology system, focusing on AI large models to create an exceptional digital after-sales service, thereby enhancing customer satisfaction, meeting customers' personalised needs, reducing customer service costs, and increasing user lifecycle value. At the same time, through our digital intelligence platform, we will continuously empower the Group's centralised strategy, establish a data-driven decision-making hub, improve operational efficiency, standardise execution benchmarks, and enhance management decision-making efficiency.
- **Continuously Optimising the Brand and Regional Portfolio:** We will adhere to a dynamic brand optimisation strategy, pursuing three main paths: adding new leading new energy vehicle brands, selectively acquiring high-quality assets, and strategically adjusting the layout of traditional fuel brands. We will focus on deepening our presence in first-tier and second-tier cities where we have operational advantages, and continue to build a more profitable and risk-resilient automotive dealership network and brand matrix.
- **Deeply Exploring Customer Lifetime Value:** We will continue to strengthen our pre-owned vehicle business, after-sales services, and automobile-related value-added services, and continuously build the brand concept of "BetterLife's premium services". Leveraging our outstanding professional capabilities and service quality, we will meet customers' comprehensive, multi-scenario mobility needs, continuously enhance customer loyalty, and maximise customer success.
- **Maintaining Healthy Cash Flow, Reducing Costs and Improving Efficiency:** We will always adhere to the "cash is king" operating philosophy, ensuring the healthy and stable cash flow of the Group, strictly controlling inventory turnover, improving operational efficiency, and reducing expenses. This will ensure that the Group maintains sufficient financial flexibility and risk resilience in a complex and ever-changing market environment, achieving high-quality and sustainable development.

Amidst the unprecedented and profound transformation of China's automotive industry, dealers are undergoing a process of survival of the fittest. We firmly believe that only those enterprises with a clear strategy, sound finances, excellent operations, and a resilient team can navigate industry cycles and ultimately succeed.



Chairman Statement

On behalf of the Board, I would like to express our sincere gratitude to every customer who has trusted and accompanied us along the way. Your support is our greatest motivation to keep moving forward. We also thank all our partners for standing together and forging ahead with us during these challenging times. At the same time, we extend our highest respect and most heartfelt thanks to all our employees and the management team for their selfless dedication to the Group. Finally, we also express our deep appreciation to all shareholders and stakeholders for your trust-based choice and unwavering support. We have every confidence that we will work together with all of you to overcome difficulties, seize opportunities, and create a more valuable future!

Chou Patrick Hsiao-Po

Chairman

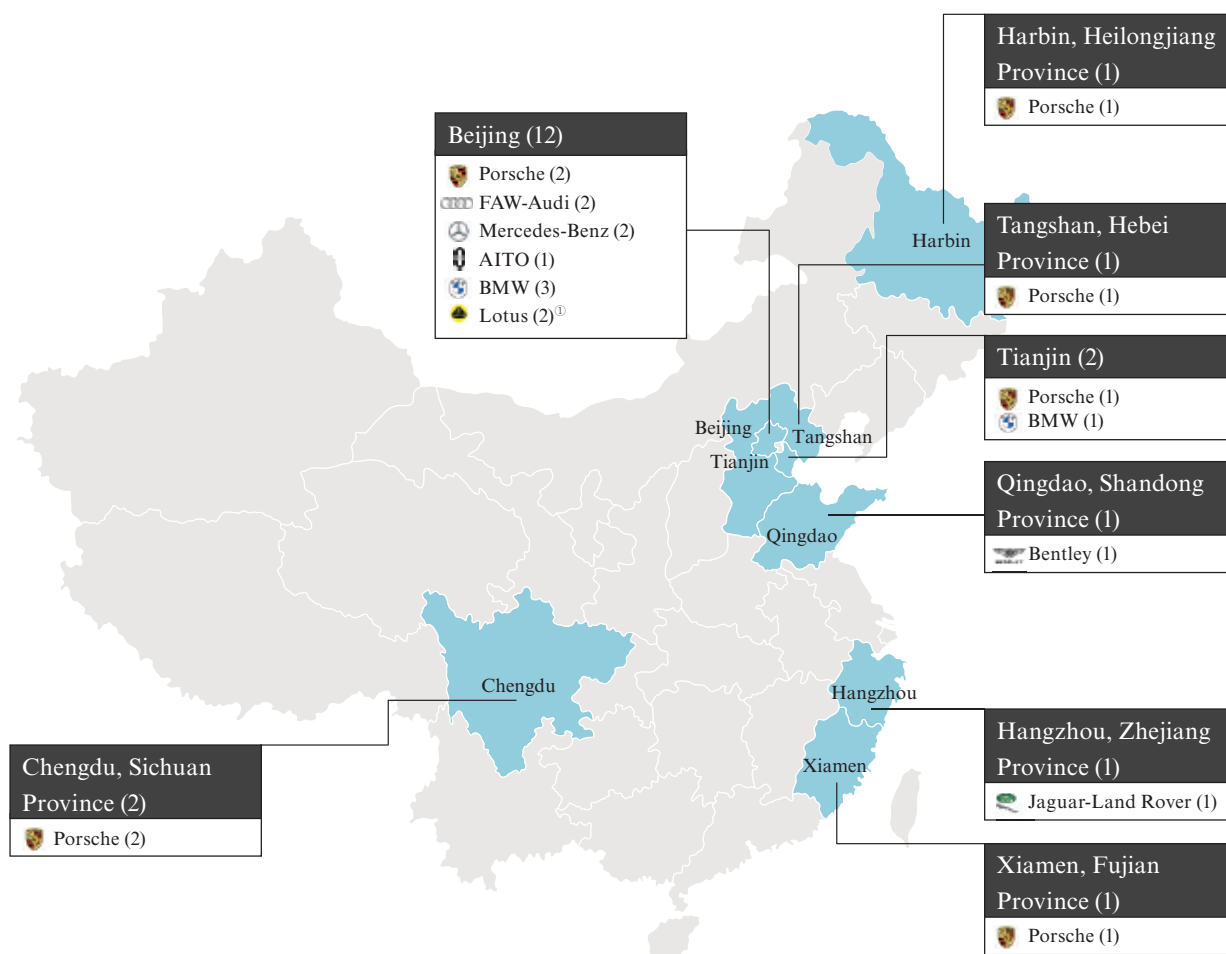
Beijing, the PRC, 31 March 2026



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. As of the date of this Annual Report, we operated 20 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover, AITO and Lotus and one Lotus showroom across eight provinces and municipalities in China, namely Beijing, Tianjin, Shandong, Sichuan, Zhejiang, Hebei, Fujian and Heilongjiang. All of our stores are strategically located near commercial centers in affluent cities in the economically well-developed regions and prime urban destinations in China, including Beijing, Tianjin, Hangzhou, Chengdu, Qingdao, Tangshan, Harbin and Xiamen.



*Note: ① One 4S store and one showroom



Management Discussion and Analysis

We offer a comprehensive range of automobile-related products and services, including (i) sale of automobiles consisting of mainly imported and domestically manufactured models; and (ii) after-sales services, which consist of repair and maintenance services, sale of accessories and other automobile-related products, insurance agency services and automobile license plate registration services. We also provide other automobile-related value-added services to customers, such as automobile financing and pre-owned automobile-related business services. We believe that our comprehensive service offerings are key to our success, particularly in the luxury and ultra-luxury automobile market in which customers place more value on comprehensive, professional and high-quality services. Our services are critical to building long-lasting customer relationships as well as attracting new customers. By continuing to enhance customer satisfaction, we aim to become a one-stop provider of automobile products and services for our customers.

We have implemented standardized and centralized management for our extensive 4S dealership store network across different regions in China. At the Group's level, we have adopted standardized management for our 4S dealership stores, including investment in new stores, pricing, procurement, inventory management, financial management and budgeting. These standardized management processes have resulted in an effective operation model which can be readily replicated to our future 4S dealership stores in new geographic areas. In addition, we have built up an intelligent business platform that covers "user-scenario-data", comprising an online transaction system, an e-commerce platform for automotive sales, a financial sharing platform, an E-HR human resource management platform, and a coupon management system, which integrate data and information relating to our customers and automobile brands and have empowered us to further improve operational efficiency and optimize customer experience, thereby creating a barrier for differentiated competition.

We have been committed to building our own corporate brand since our inception. Our "BetterLife" (百得利) brand was designed with the commitment to encourage people to pursue a better life. Adhering to our customer-oriented philosophy of "Customer for Life" (待客以恒), we are dedicated to providing customized services to satisfy each customer's specific demands. We have established a "butler service model" (管家式服務), where we provide each customer with detailed services in the process of purchasing a new automobile, including the introduction of the brand and performance of the automobiles, selection of automobile models, arranging for test-drives and procuring the relevant financing and insurance products, as well as license plate registration services. In addition, we are dedicated to providing our customers with comprehensive after-sales services, including repairs, maintenance and warranty extension services during the life cycle of their automobiles. This service model has allowed us to increase the frequency of interactions with our customers, maintain uniform service quality across our dealership store network, and create customer loyalty.



Management Discussion and Analysis

In addition, we believe that customer retention is an important criterion in evaluating the management of each of our 4S dealership stores. We have been consistently enhancing customer loyalty by virtue of digital system construction, and our current online sharing platform covers the entire lifecycle of vehicle use, including aforementioned process, establishing an operation system in private domain for BetterLife's premium services and achieving a seamless integration and collaboration of online and offline scenarios. We require our sales and after-sales staff to utilize the information technology systems to serve each customer in a flexible and proactive manner to enhance customers' experience at our 4S dealership stores. We also encourage customers to conduct online service review for our sales and after-sales staff, which allows us to collect feedback and assess the quality of our services in a timely manner. Our highly effective and efficient information technology systems and digital platforms have helped to streamline and significantly enhance our ordering, inventory and logistics management as well as financial and cash management, which, in turn, has enabled us to minimize the costs of maintaining inventory and improve our overall sales performance and customers' satisfaction with our services.

During the year ended 31 December 2025, the Group sold 19,943 passenger vehicles in total, representing an increase of approximately 1,038 from 18,905 passenger vehicles sold during the previous year. The revenue generated from the sales of automobiles for the Year amounted to approximately RMB7,075.1 million, representing a decrease of approximately 5.4% over that of the previous year, which accounted for approximately 82.0% of the Group's total revenue for the Year. During the Year, the Group's revenue from after-sales services amounted to approximately RMB1,549.5 million, representing an increase of approximately 22.7% as compared to that of last year, which accounted for approximately 18.0% of the Group's total revenue for the Year.

Revenues from our top five customers for the Year represented approximately 9.4% of our total revenue, compared to approximately 8.0% for the previous year. The sales to our largest customer accounted for approximately 3.6% of our total revenue for the Year, as compared to approximately 2.6% for the previous year.

Our top five suppliers are automobile manufacturers that supply new automobiles and spare parts to us. During the Year, purchases from our top five suppliers represented approximately 73.8% of our total purchases, compared to approximately 62.2% for the previous year. And the purchases from our largest supplier represented approximately 26.8% of our total purchases for the Year, as compared to approximately 25.6% for the previous year.

The prudent business strategy we have pursued in recent years, including a disciplined approach to dealership network expansion, efficient management of our various inventories, and the maintenance of a conservative capital structure as well as a solid financial position, has rewarded us with a position in the market that is able to weather the challenging economic environment and to capture future growth opportunities. We would continue to manage and to mitigate the risks to our business and aim to capture the opportunities that the automobile dealership sector will offer in the coming years.

Management Discussion and Analysis

Financial Review

Revenue

Our revenue decreased by approximately RMB121.4 million, or approximately 1.4%, from approximately RMB8,746.0 million for the year ended 31 December 2024 to approximately RMB8,624.6 million for the Year. Revenue from sales of automobiles decreased by approximately RMB407.7 million, or approximately 5.4%, from approximately RMB7,482.8 million for the year ended 31 December 2024 to approximately RMB7,075.1 million for the Year, accounting for approximately 82.0% of the total revenue of the Group for the Year (the year ended 31 December 2024: approximately 85.6%). In terms of sales volume, the Group sold 19,943 units of passenger vehicles in total for the Year, representing an increase of approximately 5.5% from 18,905 units of passenger vehicles sold during the year ended 31 December 2024. However, the impact of increase in sales volume was offset by the decrease in the average selling price (the “ASP”) of automobile of approximately 10.4% from approximately RMB395,810 for the year ended 31 December 2024 to approximately RMB354,768 for the Year. The decrease in ASP during the Year was mainly due to the consumers consumption power adversely affected by the decline in macro-economy and weak market sentiment. Revenue from after-sales services increased by approximately RMB286.3 million, or approximately 22.7%, from approximately RMB1,263.2 million for the year ended 31 December 2024 to approximately RMB1,549.5 million for the Year, accounting for approximately 18.0% of the total revenue of the Group for the Year (the year ended 31 December 2024: approximately 14.4%).

Cost of sales

Cost of sales decreased by approximately 2.5% from approximately RMB8,467.3 million for the year ended 31 December 2024 to approximately RMB8,258.1 million for the Year, which was primarily due to the favorable shift in the vehicle model mix.

Gross Profit and Gross Profit Margin

During the Year, the Group recorded gross profits of approximately RMB366.5 million, representing an increase of approximately 31.5% from the gross profit of approximately RMB278.7 million for the year ended 31 December 2024. Our gross profit margin increased from approximately 3.2% for the year ended 31 December 2024 to approximately 4.2% for the Year. Such increase was primarily due to the increase in the revenue from after-sales services. Gross profit margin for the sales of passenger motor vehicles decreased to approximately -4.1% for the Year from approximately -3.3% for the year ended 31 December 2024. Gross profit margin for the after-sales services increased to approximately 42.4% for the Year from approximately 41.9% for the year ended 31 December 2024.

Other Income, Gains or Losses

Other income, gains or losses decreased by approximately 12.1% from approximately RMB503.7 million for the year ended 31 December 2024 to approximately RMB443.0 million for the Year. Other income, gains or losses mainly comprised commission income from other value-added automobile services, including referring customers who require financing arrangements for purchasing automobiles and pre-owned automobile brokerage services and the gain from disposal of property, plant and equipment, etc. The decrease of other income, gains or losses during the Year was mainly due to the decrease in commission income generated from the other value-added automobile services.



Management Discussion and Analysis

Selling and Distribution Expenses

Our selling and distribution expenses decreased by approximately 6.6% from approximately RMB529.8 million for the year ended 31 December 2024 to approximately RMB495.0 million for the Year, which was due to the cost-saving preference in Group's operation during the Year. It accounted for approximately 5.7% of the total revenue of the Group which decreased from approximately 6.1% recorded for the year ended 31 December 2024.

Administrative Expenses

Our administrative expenses increased by approximately 15.5% from approximately RMB212.0 million for the year ended 31 December 2024 to approximately RMB244.8 million for the Year, as the Group commenced operation of additional 7 4S dealership stores during the Year. It accounted for approximately 2.8% of the total revenue of the Group for the Year which increased slightly from approximately 2.4% recorded for the year ended 31 December 2024.

Financial Costs

Our finance costs increased by approximately 82.7% from approximately RMB31.8 million for the year ended 31 December 2024 to approximately RMB58.1 million for the Year, primarily due to the increased bank loan for merger and acquisition during the Year. It accounted for approximately 0.7% of the total revenue of the Group for the Year, compared with approximately 0.4% recorded for the year ended 31 December 2024.

Profit before Tax

As a result of the foregoing, our profit before tax increased by approximately 30.3% from approximately RMB8.9 million for the year ended 31 December 2024 to approximately RMB11.6 million for the Year.

Income Tax Expense

Our income tax expense decreased by approximately 86.8% from approximately RMB25.0 million for the year ended 31 December 2024 to approximately RMB3.3 million for the Year, primarily due to the Group no longer incurring material amount of deductible tax losses expiration during the Year.

Profit (loss) for the Year and Net Profit Margin

As a result of the foregoing, profit for the year ended 31 December 2025 amounted to approximately RMB8.3 million (loss for the year ended 31 December 2024: approximately RMB16.2 million). The net profit margin for the Year was approximately 0.1%, comparing to the net profit margin of approximately -0.2% for the year ended 31 December 2024.

Profit (loss) Attributable to Owners of the Parent

The profit attributable to owners of the parent for the year ended 31 December 2025 amounting to approximately RMB3.1 million as a result of the foregoing (the loss attributable to owners of the parent for the year ended 31 December 2024: approximately RMB24.1 million).

Management Discussion and Analysis

Dividend

The Board resolved to recommend a final dividend of RMB2.0 cents per share for the Year (the year ended 31 December 2024: RMB2.0 cents per share), representing a total payout of approximately RMB12.2 million, subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 29 May 2026. Any amount of dividend we pay will be considered annually at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant. There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, the Company does not have a fixed dividend distribution ratio.

Inventory Turnover Days

There was a decrease in inventory balance of approximately 16.9% from approximately RMB829.1 million as at 31 December 2024 to approximately RMB688.6 million as at 31 December 2025, which was the result of the Group's more rigorous and efficient inventory management. The Group continued to focus on inventory management and to achieve a healthy liquidity position throughout the Year. The average inventory turnover days as at 31 December 2025 totaled approximately 33.5 days (31 December 2024: approximately 35.2 days).

Liquidity and Financial Resources

During the Year, the Group's principal sources of working capital included cash inflow from operating activities and bank borrowings. The Group has adopted a prudent treasury policy and had maintained a healthy liquidity position throughout the Year. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time. During the Year, the Group had adequate financial resources to meet all contractual obligations and operating requirements.

As at 31 December 2025, the total equity of the Group amounted to approximately RMB2,732.1 million (31 December 2024: approximately RMB2,739.0 million). As at 31 December 2025, the current asset of the Group amounted to approximately RMB2,492.8 million (31 December 2024: approximately RMB2,469.7 million) while current liabilities amounted to approximately RMB1,940.7 million (31 December 2024: approximately RMB1,577.8 million).

As at 31 December 2025, the Group's loans and borrowings amounted to RMB927.5 million, representing an increase of approximately 111.6% as compared to RMB438.4 million as at 31 December 2024. The increase in the Group's interest-bearing bank and other borrowings during the Year was primarily due to the increased bank loan for merger and acquisition during the Year. The annual interest rates of the bank loans and other borrowings ranged from approximately 2.45% to approximately 8.5%. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group currently has not used any derivatives to hedge interest rate risk. The debt-to-equity ratio (being the total loans and borrowings divided by total equity) was approximately 33.9% as at 31 December 2025 (31 December 2024: approximately 16.0%). The Group achieved a net cash inflow from operating activities of approximately RMB324.2 million during the Year (the year ended 31 December 2024: RMB529.8 million).



Management Discussion and Analysis

As at 31 December 2025, cash and cash equivalents, cash in transit, restricted cash and pledged deposits amounted to approximately RMB909.1 million (31 December 2024: approximately RMB899.4 million). The cash and cash equivalents and pledged bank deposits were mainly denominated in Renminbi and Hong Kong Dollars. Other than part of the cash denominated in Hong Kong Dollars, the Group's business operations in China and major transactions are all denominated in Renminbi. During the Year, the Group did not employ in any significant financial instruments such as forward foreign exchange contracts for foreign exchange hedging purposes, nor did it employ any major financial instruments for hedging purposes. The management of the Group will closely monitor foreign exchange risks and will consider measures to hedge potential major foreign exchange risks when necessary.

Capital Commitments

The Group's capital commitments mainly comprised expenditures on property, plant and equipment, intangible assets and business acquisition. As at 31 December 2025, the capital commitments were approximately RMB1.1 million (31 December 2024: approximately RMB2.5 million). Save as disclosed above, the Group did not make any significant commitments as at 31 December 2025.

Details of the Future Investment Plans for Material Investment

The Group is planning to further expand its dealership networks. Due to the rapid changing market environment, the Group prefers to maintain flexibilities throughout the expansion process and avoid fixing a capacity target under a pre-determined timeline. Save as disclosed above, the Group has not made any material amount of capital commitments for its expansion which would depend on and be subject to the market conditions and opportunities. We believe this strategy would enable the Group to maximize its advantages from the industry consolidation process.

Significant Acquisition and Disposal of Subsidiaries

During the Year, the Group realised an acquisition of a subsidiary and details were disclosed in note 33 to the consolidated financial statements in this Annual Report.

Save as disclosed above, the Group did not make any significant acquisition or disposal of subsidiaries during the Year.

Capital Expenditures and Investment

The Group's capital expenditures comprised expenditures on property, plant and equipment, land use rights and business acquisition. For the Year, the Group's total capital expenditures were approximately RMB759.7 million (the year ended 31 December 2024: approximately RMB490.9 million). Save as disclosed above, the Group did not make any significant investments during the Year.

Contingent Liabilities

As at 31 December 2025, there was no material contingent liability (31 December 2024: nil).



Management Discussion and Analysis

Charges on Group Assets

The Group pledged its group assets as securities for bank and other loan and banking facilities which were used to finance daily business operation. As of 31 December 2025, certain of our bank loans and other borrowings and bills payables were secured by (i) mortgages over our inventories, which had an aggregate carrying amount of approximately RMB430.6 million (31 December 2024: approximately RMB348.8 million); (ii) mortgages over the deposits, which had an aggregate carrying amount of approximately RMB452.7 million (31 December 2024: approximately RMB430.2 million); and (iii) mortgages over the properties, which had an aggregate carrying amount of approximately RMB141.0 million (31 December 2024: nil). Save as disclosed above, as at 31 December 2025, no other assets of the Group were charged.

Human Resources

As of 31 December 2025, the Group had 1,761 employees (31 December 2024: 1,450). The remuneration of the existing employee includes basic salaries, discretionary bonuses and social security contributions. Payment levels of the employees are commensurate with their responsibilities, performance and contribution.

Important Events after the Year

The Directors are not aware of any significant event which had material effect on the Group subsequent to 31 December 2025 and up to the date of this Annual Report.



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Chou Patrick Hsiao-Po (周小波), aged 57, is the founder of our Group and was appointed as a Director in May 2018. He was appointed as the chairman of the Board, the chief executive officer and re-designated as an executive Director in December 2020 and resigned his positions due to his personal endeavors in March 2024. He was appointed as the chairman of the Board and an executive Director in January 2025. Mr. Chou is responsible for the overall strategy and operation of our Group and served as a director of certain subsidiaries of the Group.

Mr. Chou is an entrepreneur and has accumulated over 25 years of experiences in the car dealing industry. He founded our Group in September 1998 and principally devoted his time and resources to our development, particularly in the areas of business development and operational management.

Mr. Chou received education in Braunschweig, Germany in the 1980s and completed grade 10 education at Sidonienstraße school in 1987. Mr. Chou did not hold any directorship in any listed companies during the last three years.

Ms. Sun Jing (孫靖), aged 56, joined our Group in December 2006 and was appointed as an executive Director and an authorized representative of our Company in December 2020, responsible for strategic development, coordination of investors relations, and management of mid-senior level personnel of our Group. Ms. Sun is currently the chief of the board office (董事會辦公室主任) of the Group.

Ms. Sun was the general manager of Beijing BetterLife Auto Sales Co., Ltd. (“**Beijing BetterLife Auto**”) from July 2014 to December 2018 and the general manager of BetterLife Tianjin Management Group Co., Ltd. (“**BetterLife Tianjin**”) from January 2011 to January 2013. Ms. Sun was the assistant to the chief executive officer of Beijing BetterLife Group from December 2006 to December 2010.

Ms. Sun graduated from the Capital University of Economics and Business in the PRC with a bachelor’s degree in management (majoring in Accounting) in June 2001. She obtained a Master of Science degree in Corporate Strategy and Finance from Edinburg Napier University in Scotland in November 2003.

Ms. Sun did not hold any directorship in any listed companies during the last three years.

Biographical Details of Directors and Senior Management

Ms. Li Dan (李丹), aged 45, joined the Group in August 2020 and was appointed as an executive Director in October 2024. She also has been serving as the vice president of the Group in charge of finance.

Ms. Li has approximately 22 years of experience in finance, accounting and auditing. Prior to joining the Group, Ms. Li serviced as a project manager in ShineWing Certified Public Accountants LLP (信永中和會計師事務所(特殊普通合夥)) from October 2005 to November 2010, an audit manager in Pricewaterhouse Coopers Zhongtian LLP (普華永道中天會計師事務所(特殊普通合夥)) from December 2010 to July 2015, a vice president and director of Beijing GAMEBAR Entertainment Technology Co., Ltd. (北京網元聖唐娛樂科技有限公司) from August 2015 to February 2018 and the chief financial officer in Beijing Xingyuan Automobile Information Technology Co., Ltd. (北京行圓汽車信息技術有限公司) from February 2018 to January 2020.

Ms. Li graduated from Northern Jiaotong University (北方交通大學) (now known as Beijing Jiaotong University (北京交通大學)) in Beijing with a bachelor's degree in economic management in July 2003. Ms. Li is qualified as a certified public accountant in China.

Ms. Li did not hold any directorship in any listed companies during the last three years.

Independent Non-executive Directors

Liu Dengqing (劉登清), aged 55, was appointed as an independent non-executive Director in December 2020 and is responsible for providing independent opinion and judgment to our Board.

Mr. Liu is the director, president and chief executive officer of China Enterprise Appraisals Consultation Co., Ltd.* (北京中企華資產評估有限責任公司). Mr. Liu also serves as a project appraisal expert of financial institution state assets appraisal project of the MoF. Since November 2018, he has served as a part-time professor of the School of Public Finance and Taxation and a researcher of the Research Institute of Asset Appraisals of the Central University of Finance and Economics. Mr. Liu served as a member of the 1st ChiNext Listing Committee of the Shenzhen Stock Exchange from 2020 to 2023.

Mr. Liu has been appointed as an independent director of Goldwind Science & Technology Co., Ltd. (金風科技股份有限公司) (stock code: 2208.HK and 002202.SZ) since June 2025. He served as an independent director of Dongfang Electric Co., Ltd. (東方電氣股份有限公司) (stock code: 1072.HK and 600875.SH) from June 2018 to June 2024; an independent director of Polaris Bay Group Co., Ltd. (華創雲信數字技術股份有限公司) (formerly known as Polaris Bay Group Co., Ltd. (華創陽安股份有限公司)) (stock code: 600155.SH) from December 2016 to April 2023.

Mr. Liu has extensive experience in assets appraisal and he is a mineral rights valuer (礦業權評估師) recognized by the Chinese Association of Mineral Resources Appraisers (中國礦業權評估師協會) and is a registered real estate appraiser (註冊房地產估價師) recognized by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). He is also a certified asset appraiser (資產評估師) recognized by China Appraisal Society (中國資產評估協會).

* For identification purpose only



Biographical Details of Directors and Senior Management

Mr. Liu obtained a doctorate degree in management studies from Tsinghua University in the PRC in 1999, a master's degree in engineering from Shanghai Jiao Tong University in the PRC in 1995 and a bachelor's degree in Industrial Management and Engineering from Beijing Institute of Technology in the PRC in 1992.

Save as disclosed above, Mr. Liu did not hold any directorship in any listed companies during the last three years.

Mr. Lou Sai Tong (盧世東), aged 58, was appointed as an independent non-executive Director in November 2023 and is responsible for providing independent opinion and judgment to our Board.

Mr. Lou has over 30 years of professional and extensive experience working in international audit firms and as chief financial officer/company secretary in various publicly listed companies, including companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Mr. Lou currently serves as the managing director of Full Capital Group Co., Ltd. (盛京集團有限公司). Mr. Lou graduated from University of South Australia and received a master's degree in business administration. He is a member of Association of International Accountants as well as a member of Hong Kong Institute of Certified Public Accountants.

Mr. Lou did not hold any directorship in any listed companies during the last three years.

Dr. Chu Fumin (褚福民), aged 47, was appointed as an independent non-executive Director in October 2024 and is responsible for providing independent opinion and judgment to our Board.

Dr. Chu is primarily engaged in teaching and academic research in the fields of criminal procedure law, judicial system, evidence system and corporate compliance. Since September 2024, he has served as a professor of China University of Political Science and Law (中國政法大學). Since July 2010, Dr. Chu worked in the Institute of Evidence Science of China University of Political Science and Law (中國政法大學證據科學研究院) where he has served as the deputy professor and a master's degree instructor since July 2013; the secretary of the Party branch and the manager of the Institute of the Law of Evidence since September 2023. He currently serves as the deputy chief editor of the "Report on the Development of the Rule of Law on Evidence in China (《中國證據法治發展報告》)" and the specific person-in-charge of the China judicial civilization index project.

Dr. Chu graduated from the Law School of Yantai University (煙台大學) in the PRC with a bachelor's degree in law in July 2001 and the Law School of Peking University (北京大學) in the PRC with a master's degree in law in July 2006. Dr. Chu obtained a doctorate in law from the Law School of Peking University (北京大學) in the PRC in July 2010. Dr. Chu did not hold any directorship in any listed companies during the last three years.

Biographical Details of Directors and Senior Management

Senior Management

Mr. Ma Shaohui (馬少暉), aged 43, joined our Group since July 2015 and appointed as the head of the Porsche brand of our Company in January 2026, responsible for overall operation of our Company's Porsche stores. Mr. Ma has been appointed as the general manager of Beijing BetterLife Auto in January 2022.

Mr. Ma has extensive experience in the automobile industry. Mr. Ma has served in various positions at our Group. Between July 2015 to January 2020, Mr. Ma served as the sales manager of Beijing Yizhuang Porsche Center. He also served as a vice general manager and sales manager of Chengdu Jinniu Porsche Center operated by Chengdu Jinbao from January 2020 to December 2020, and has been promoted to be the general manager since January 2021.

Mr. Ma graduated from Dongbei University of Finance and Economics with a bachelor's degree in finance in May 2005. Mr. Ma did not hold any directorship in any listed companies during the last three years.

Ms. Chen Yaning (陳亞寧), aged 45, joined our Group as the general manager of Beijing Yingzhibao Automobile Trading Co., Ltd* (北京盈之寶汽車貿易有限公司) ("Beijing YZB") in September 2024. Ms. Chen has been appointed as the head of the BMW brand of our Company in January 2026, responsible for overall operation of our Company's BMW stores.

Ms. Chen has extensive experience in the automobile industry. From December 2019 to July 2023, Ms. Chen served as the regional director of BMW brand in China Grand Auto Group. From January 2017 to July 2023, she served as the general manager of Beijing Yanbao Automotive Service Co., Ltd. (北京燕寶汽車服務有限公司). From May 2013 to December 2016, she served as the general manager of Beijing HuanYu Hengtong Automobile Co., Ltd. (北京寰宇恒通汽車有限公司). From September 2003 to September 2012, she worked and promoted as the general manager of Beijing Zhongrunfa Automobile Sales Co., Ltd. (北京中潤發汽車銷售有限公司).

Ms. Chen graduated from Capital Normal University (首都師範大學) with a bachelor's degree in Primary Education in June 2003. Ms. Chen did not hold any directorship in any listed companies during the last three years.

* For identification purpose only



Biographical Details of Directors and Senior Management

Mr. Zhang Peng (張鵬), aged 48, joined our Group as the general manager of Beijing Haidian Mercedes-Benz operated by Beijing BetterLife Star Auto Sales Co., Ltd.* (北京百得利之星汽車銷售有限公司) (“**Beijing BetterLife Star**”) in May 2025. Mr. Zhang has been appointed as the head of the Mercedes-Benz, EV, and other brands of our Company in January 2026, responsible for overall operation of our Company’s Mercedes-Benz, EV, and other brands stores.

Mr. Zhang has extensive experience in the automobile industry. From May 2013 to March 2025, Mr. Zhang served as the general manager at several Porsche Centers in Jepsen Motors (捷成集團), including Guangzhou Tianhe Porsche Center, Shenzhen Futian Porsche Center, Shenzhen Longgang Porsche Center, and Beijing Jinggang Porsche Center. Between September 2011 to April 2013, he served as the general manager of Tangshan Porsche Center in Yanjun Group (燕駿集團). From June 2010 to August 2011, he served as the general manager of Dalian Shunhui Baoshi Automobile Sales and Service Co., Ltd. (大連順匯寶時汽車銷售服務有限公司). From October 2007 to May 2010, he worked at Lexus China as Regional Office Director. From July 2003 to September 2007, he was the sales manager at the Chang’an Porsche Center within the Jepsen Motors.

Mr. Zhang graduated from Capital University of Economics and Business (首都經濟貿易大學) with a bachelor’s degree in International Trade in June 2000, and University of East London with a master’s degree in MBA in October 2002. Mr. Zhang did not hold any directorship in any listed companies during the last three years.

* For identification purpose only

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report together with the audited consolidated financial statements for the year ended 31 December 2025.

Principal activities

The Group's operations are conducted in the PRC through its subsidiaries. The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the sale and service of motor vehicles. There were no significant changes in the nature of the Group's principal activities during the Year. We are an automobile dealership service provider in the PRC focusing on luxury and ultra-luxury brands. We have dealership agreements to operate our 4S dealership stores for a diversified portfolio of luxury and ultra-luxury automobile brands, including Porsche, Mercedes-Benz, BMW, Audi, Jaguar-Land Rover, Bentley, AITO and Lotus. We offer a comprehensive range of new automobiles and after-sales products and services, which consist of repair and maintenance services, sale of accessories and other automobile-related products, insurance agency services and automobile license plate registration services. We also provide other automobile-related value-added services to customers, such as automobile financing and pre-owned automobile brokerage services.

Subsidiaries

Details of the principal subsidiaries of the Group as at 31 December 2025 are set out in note 17 to the financial statements.

Results

The results of the Group for the year ended 31 December 2025 are set out in the audited consolidated statement of profit or loss on page 105 of this Annual Report.

Business review

A review of the business of the Company and a discussion and analysis of the Company's performance during the Year, and the material factors underlying its results and financial position are provided in the Management Discussion and Analysis on pages 7 to 14 of this Annual Report. Main risks and uncertain factors faced by the Group and corresponding mitigation methods are set out in the section headed "Principal risks and risk management" on pages 37 to 38 of this Annual Report and the section headed "Risk management and internal controls" on pages 55 to 57 of this Annual Report. An analysis of the Group's performance during the Year using financial Key Performance Indicators is provided in the section headed "Management Discussion and Analysis — Financial Review" on pages 10 to 14 of this Annual Report. The future development of the Company's business is discussed throughout this Annual Report including in the Chairman's Statement on pages 4 to 6 and Management Discussion and Analysis on pages 7 to 14 of this Annual Report. The Board recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure the Group's compliance to the prevailing environmental protection laws and regulations. Additional details regarding the Company's performance on environmental and social-related key performance indicators and policies are provided in the "Environmental protection" of this Report of the Directors on page 40. Compliance with relevant laws and regulations which have a significant impact on the Company are provided in the "Compliance with Laws and Regulations" of this Report of the Directors; and an account of the Company's relationships with its employees, customers, suppliers, Shareholders, etc. are disclosed in "Relationship with Stakeholders" of this Report of the Directors on pages 40 to 41.



Report of the Directors

Financial statements

The summary of the results, assets and liabilities of the Group for the Year and the state of the Company's and the Group's affairs as at 31 December 2025 are set out in the consolidated statements of financial position on pages 107 to 108 of this Annual Report.

Share capital

Details of the movements in share capital of the Company during the Year are set out in note 31 to the financial statements.

Reserves

Details of movements in reserves of the Group and the Company for the Year are set out in the consolidated statement of changes in equity and note 31 to the financial statements, respectively.

Distributable reserves

As at 31 December 2025, the Company's reserves available for distribution from share premium less accumulated losses, calculated in accordance with the provisions of Companies Act of the Cayman Islands, amounted to approximately RMB328.4 million (2024: RMB350.1 million), of which approximately RMB12.2 million has been proposed as final dividend for the Year.

Dividends and dividend policy

The Board resolved to recommend a final dividend of RMB2.0 cents per share for the Year (the year ended 31 December 2024: RMB2.0 cents), representing a total pay out of approximately RMB12.2 million, subject to approval by the Shareholders at the annual general meeting to be held on Friday, 29 May 2026. Any amount of dividend we pay will be considered annually at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant. There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, the Company does not have a fixed dividend distribution ratio.

During the Year, there was no arrangement that a Shareholder had waived or agreed to waive any dividend.

Summary financial information

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years ended 31 December 2025 is set out on page 189 of this Annual Report.

Charitable donations

The Company did not made material donation to any charity projects or organisations for the year ended 31 December 2025.

Property, plant and equipment

Movements in property, plant and equipment of the Group for the Year are set out in note 12 to the financial statements.

Report of the Directors

Bank loans and other borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in note 24 to the financial statements.

Contingent liabilities

As at 31 December 2025, our Group had no significant contingent liabilities.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares (the "**Shares**") as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") for the year ended 31 December 2025.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's articles of association (the "**Articles of Association**") or the laws of Cayman Islands where the Company is incorporated applicable to the Company.

Directors

The Directors during the Year and as of the date of this Annual Report were:

Executive Directors

Mr. Chou Patrick Hsiao-Po (*Chairman*) (appointed on 1 January 2025)

Ms. Sun Jing

Mr. Xu Tao (resigned on 1 January 2026)

Ms. Li Dan

Non-Executive Director

Dr. Chou Som Po (*Chairman*) (resigned on 1 January 2025)

Independent Non-Executive Directors

Mr. Liu Dengqing

Mr. Lou Sai Tong

Dr. Chu Fumin

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent in accordance with the Listing Rules.



Report of the Directors

In accordance with article 84 of the Articles of Association, Ms. Sun Jing and Mr. Lou Sai Tong will retire from the Board by rotation at the forthcoming annual general meeting. No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Directors' and senior management's biographies

Biographical details of the Directors and senior management are set out on pages 15 to 19 of this Annual Report.

Changes in directors' information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in the Director's information subsequent to the date of 2025 interim report of the Company is as follows:

1. Mr. Xu Tao resigned as an executive Director on 1 January 2026; and
2. Mr. Liu Dengqing has been appointed as an independent director of Goldwind Science & Technology Co., Ltd. (金風科技股份有限公司) (stock code: 2208.HK and 002202.SZ) since June 2025.

Save as disclosed in this Annual Report, no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' material interests in transactions, arrangements or contracts

Other than as disclosed in this Annual Report or note 35 to the financial statements, no transactions, arrangements or contracts to which the Company or any of its subsidiaries was a party to and in which a Director or its connected entity (within the meaning of section 486 of the Companies Ordinance) had a material interest in, whether directly or indirectly, and subsisted as of 31 December 2025 or at any time throughout the year ended 31 December 2025.

Directors' service contracts

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years with effect from their respective date of appointment, and will automatically continue unless terminated by not less than three months' notice in writing served by either the executive Directors or the Company. Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of one year with effect from their respective date of appointment, and will automatically continue unless terminated by not less than three months' notice in writing served by either the independent non-executive Directors or the Company. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association. None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Report of the Directors

Confirmation of independence from the independent non-executive Directors

We have received from each of the independent non-executive Directors, namely Mr. Liu Dengqing, Mr. Lou Sai Tong and Dr. Chu Fumin, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors. We consider that our independent non-executive Directors have been independent for the year ended 31 December 2025 and remain so as at the date of this Annual Report.

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 31 December 2025, the interests and short positions of our directors and chief executives in the shares, underlying shares or debentures of the Company or any of our 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 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 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 Listing Rules, were as follows:

| Name of Director | Nature of interest | Number of shares interested | Approximate percentage of interest in the issued share capital of the Company |
|--|---|-----------------------------|---|
| Mr. Chou Patrick Hsiao-Po ¹ | Protector and beneficiary of a discretionary trust | 450,000,000(L) | 72.29% |
| Ms. Sun Jing | Beneficial owner | 1,862,000(L) | 0.30% |
| | Beneficial owner ² | 2,000,000(L) | 0.32% |
| | Beneficiary of a trust (other than a discretionary interest) ³ | 2,490,000(L) | 0.40% |
| Ms. Li Dan | Beneficial owner | 83,000(L) | 0.01% |
| | Beneficiary of a trust (other than a discretionary interest) ³ | 1,600,000(L) | 0.26% |

Note:

- (1) The 450,000,000 Shares were held by Chou Dynasty Holding Co., Ltd (the "Chou Dynasty"), which was owned by Red Dynasty Investments Limited (the "Red Dynasty") as to 100%. Red Dynasty was wholly owned by Greenview Nominees Ltd., which was owned by The Bank of N.T. Butterfield & Son Limited as to 100% as nominee and trustee for Butterfield Trust (Asia) Limited as trustee of the Chou Family Trust since 31 October 2023 (previously the trustee of the Chou Family Trust being Credit Suisse Trust Limited). Therefore, Mr. Chou Patrick Hsiao-Po, in his capacity as the protector and beneficiary of the Chou Family Trust, is deemed to be interested in such Shares under the SFO.



Report of the Directors

- (2) These interests represent options granted to the Director as beneficial owner under the Share Option Scheme (as defined below).
- (3) These interests represent awards granted to the selected employees of the Group and to be held by the Trustee (as defined below) pursuant to the terms of the Share Award Scheme (as defined below) on 15 April 2025 subject to fulfilment of certain vesting conditions.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed in this Annual Report, at no time throughout the Year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders' interests and short positions in shares and underlying shares

So far as is known to any Director or chief executive of the Company, as at 31 December 2025, the persons or corporations (other than Director or chief executive of the Company) who had interest or short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

| Name of Shareholders | Nature of interest | Number of shares interested | Approximate percentage of interest in the issued share capital of the Company |
|---|--------------------------------------|------------------------------------|--|
| Chou Dynasty | Beneficial owner | 450,000,000(L) | 72.29% |
| Red Dynasty ¹ | Interest in a controlled corporation | 450,000,000(L) | 72.29% |
| Butterfield Trust (Asia) Limited ¹ | Trustee | 450,000,000(L) | 72.29% |

Notes:

- (1) The 450,000,000 Shares were held by Chou Dynasty, which was owned by Red Dynasty as to 100%. Red Dynasty was wholly owned by Greenview Nominees Ltd., which was owned by The Bank of N.T. Butterfield & Son Limited as to 100% as nominee and trustee for Butterfield Trust (Asia) Limited as trustee of the Chou Family Trust since 31 October 2023 (previously the trustee of the Chou Family Trust being Credit Suisse Trust Limited). Therefore, Butterfield Trust (Asia) Limited is deemed to be interested in such Shares held by Chou Dynasty under the SFO and Mr. Chou Patrick Hsiao-Po, in his capacity as the protector and beneficiary of the Chou Family Trust, is deemed to be interested in such Shares.

Report of the Directors

Save as disclosed above, as at 31 December 2025, the Directors of the Company are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which would require to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Material acquisitions and disposals of subsidiaries and affiliated companies

With reference to the Company's circular dated 5 March 2025, on 7 November 2024, the Group entered into the Creditor's Rights Transfer Agreement with Mengshang Bank, pursuant to which Mengshang Bank agreed to transfer the Creditor's Rights set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million ("**Jiguang Project**"). The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals by realising its rights as creditor. An amount of RMB385,996,000 was paid in 2024 and the remaining consideration was fully settled during the year ended 31 December 2025.

For the Collaterals, it included (i) the equity interest of Beijing Jiguang Real Estate Development Co., Ltd.* (北京極光置業房地產開發有限公司) ("**Jiguang Real Estate**"), (ii) the business of Beijing Jiguang Xinghui Automobile Sales and Service Co., Ltd* (北京極光星徽汽車銷售服務有限公司) ("**Jiguang Xinghui**") and its subsidiaries (collectively referred to as "**Jiguang Xinghui Group**") and (iii) the two properties located in Beijing (the "**Properties**") (collectively referred to as the "**Collaterals**").

In May 2025, 100% equity interest of Jiguang Real Estate which was a part of the Collaterals, was transferred to the Group. The remaining part of the Collaterals, being the business of Jiguang Xinghui and the Properties, were transferred to the Group on 4 August 2025.

Details were disclosed in the announcements of the Company dated 20 March 2025 and 7 November 2024, and the circular dated 5 March 2025.

Debentures in issue

The Company did not have any debentures in issue during the year ended 31 December 2025.

Equity-linked agreements

Save as disclosed in this Annual Report, as at the end of and throughout the year ended 31 December 2025, the Company did not enter into (i) any agreement that will or may result in the Company issuing Shares; or (ii) any agreement requiring the Company to enter into any agreement specified in (i).

Permitted indemnity provision

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

* For identification purpose only



Report of the Directors

The Company has purchased appropriate liability insurance for its Directors and senior management. The permitted indemnity provisions are set out in such liability insurance. Save as disclosed above, no permitted indemnity provision was made by the Company for the year ended 31 December 2025 and no permitted indemnity provision was in force as at the date of this Annual Report.

Share Schemes

Share option scheme

A share option scheme (the “**Share Option Scheme**”) was conditionally approved by a written resolution of the Shareholder on 17 June 2021 and adopted by a resolution of the Board on 17 June 2021. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules. Details of the Share Option Scheme are set out in “Appendix IV — Statutory and General Information” of the Prospectus.

The purpose of the Share Option Scheme was to motivate eligible persons to optimize their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The Board may, at its absolute discretion, offer options to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (f) above (the person referred above are the “**eligible persons**”). Pursuant to the amendments to Listing Rules with effect from 1 January 2023, the eligible persons under the Share Option Scheme is subject to Rule 17.03A of the Listing Rules.

Upon adoption, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the Listing Date, that is, 60,000,000 Shares, being the total number of Share available for issue under the Share Option Scheme, representing approximately 9.64% of the total issued Shares (excluding any treasury shares) as of the date of this Annual Report.

Report of the Directors

No option may be granted to any participant of the Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An 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 the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date.

The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from 15 July 2021 to 16 June 2031, after which no further options will be granted or offered. As such, the remaining life of the Share Option Scheme is approximately 5 years as at the date of this Annual Report.

On 1 September 2021, the Company granted a total of 9,800,000 share options under the Share Option Scheme to a total of four grantees (including three Directors and one senior management). The closing price of the Shares on 31 August 2021, being the trading date immediately before the date on which such share options were granted, was HK\$8.260 per Share.

As at the date of this Annual Report, the Company had 3,000,000 share options granted and remained outstanding under the Share Option Scheme, which represented approximately 0.48% of the Shares in issue (excluding any treasury shares) as at the date of this Annual Report. As the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 60,000,000 Shares, as of 31 December 2025, additional share options in respect of a total of 50,200,000 Shares, representing approximately 8.06% of the total issued Shares (excluding any treasury shares) at the beginning and the end of the year ended 31 December 2025, could be further granted under the Share Option Scheme. The number of Shares that may be issued in respect of options granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding any treasury shares) for the Reporting Period equals to approximately 0.48%.



Report of the Directors

Details of the outstanding options to subscribe for shares pursuant to the Share Option Scheme and the movement during the year ended 31 December 2025 are set out below:

| Grantee | Date of Grant | Exercise price per Share | Balance as at | | | | Balance as at 31 December 2025 | |
|---|------------------|--------------------------|----------------|---------------------|-----------------------|--------------------|--------------------------------|-----------------------|
| | | | 1 January 2025 | Granted during 2025 | Exercised during 2025 | Lapsed during 2025 | | Cancelled during 2025 |
| Director | | | | | | | | |
| Ms. Sun Jing | 1 September 2021 | HK\$8.264 | 2,000,000 | — | — | — | — | 2,000,000 |
| Mr. Xu Tao (resigned with effect from 1 January 2026) | 1 September 2021 | HK\$8.264 | 1,000,000 | — | — | — | — | 1,000,000 |
| | | | 3,000,000 | — | — | — | — | 3,000,000 |

Note:

- (1) Share options granted under the Share Option Scheme on 1 September 2021 shall vest in the relevant grantee in accordance with the timetable below with a 10-year exercise period (for the purpose, the date or each such date on which the share options are to vest being hereinafter referred to as a “**Vesting Date**”):

| Vesting Date | Percentage of Share Options to vest |
|----------------|--|
| 31 August 2022 | 25% of the total number of Share Options granted |
| 31 August 2023 | 25% of the total number of Share Options granted |
| 31 August 2024 | 25% of the total number of Share Options granted |
| 31 August 2025 | 25% of the total number of Share Options granted |

During the year ended 31 December 2025, no option was granted under the Share Option Scheme and, no options granted under the Share Option Scheme were cancelled, lapsed or exercised. Further details of the Share Option Scheme are set out in note 29 to the financial statements.

Share Award Scheme

A share award scheme (the “**Share Award Scheme**”) was adopted by the Board on 28 August 2024 in order to recognise and acknowledge the contributions which the eligible participants (the “**Eligible Participants**”) have made or may make to the Group and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group. The Share Award Scheme is funded by existing Shares and does not involve any grant by the Company of new Shares or options over new Shares.



Report of the Directors

Pursuant to the rules of the Share Award Scheme, the Board may from time to time cause sufficient funds to be paid to the trustee of the Share Award Scheme (the “**Trustee**”, being independent of and not connected with the Company) for purchase of Shares on the Stock Exchange. Once purchased, the Shares are to be held by the Trustee for the benefit of the grantees or the Eligible Participants (as applicable). Upon vesting, the Trustee shall cause the awarded Shares to be transferred to grantees on the vesting date, or as soon as practicable after the vesting date. All Shares (including any returned Shares) shall be held by the Trustee for the benefit of the grantees or the Eligible Participants (as applicable) under the relevant trust on and subject to the terms and conditions of the Share Award Scheme and the related trust deed.

The Board may, at its absolute discretion and in accordance with the scheme rules, the Listing Rules and all applicable laws, to grant an award (“**Award**”) to any Eligible Participant who shall be any director or employee of the Group.

Upon adoption, the maximum number of Awards which may be granted under the Share Award Scheme shall not in aggregate exceed 5% of the Shares in issued as at the date of adoption of the Share Award Scheme, being 31,125,000 Shares, representing 5% of the total issued Shares (excluding any treasury shares) as of the date of this Annual Report.

No Award shall be granted to any independent non-executive Director such that the aggregate interest of the independent non-executive Director in the Company reaches 1% or above of the Shares in issue. No Award shall be granted to any connected person of the Company such that the aggregate interest of the connected persons in the scheme reaches 30% or above, and such grant shall be subject to all the applicable requirements under the Listing Rules.

Subject to and in accordance with the scheme rules, the Listing Rules and all applicable laws, the Board shall be entitled to grant an Award to any Eligible Participant (i) at such amount and time payable on acceptance of the Award; (ii) at such grant fee of the Awarded Shares to be payable by the Eligible Participant; (iii) in such number of Awarded Shares; and (iv) on and subject to such terms and conditions, as the Board may in its absolute discretion select. There is no minimum period for the vesting of any Award.

The Share Award Scheme shall be valid and effective for a period of 10 years from 28 August 2024 to 27 August 2034, after which period no further Awards may be granted, but the Scheme Rules shall remain in full force and effect in all other respects. As such, the remaining life of the Share Award Scheme is approximately 8.5 years as at the date of this Annual report.



Report of the Directors

During the year ended 31 December 2025, 5,529,000 Shares (2024: 6,225,000) were purchased on the Stock Exchange and held by the Trustee. Total consideration paid for the said purchases were approximately RMB4,682,000 (2024: RMB5,257,000). Details of the movements of the Awards granted during the Period pursuant to the Share Awards Scheme are set out below:

| Grantee | Date of grant | Awards granted during the Year | Vesting period | Awards vested during the Year | Purchase price (HKD) | Awards cancelled during the Year | Awards forfeited during the Year | Unvested Awards as at 31 December 2025 | Fair value of awards at the date of grant (HKD) |
|---|----------------------------|--------------------------------|---------------------------------|-------------------------------|----------------------|----------------------------------|----------------------------------|--|---|
| Director | | | | | | | | | |
| Ms. Sun Jing | 15 April 2025 ¹ | 2,490,000 | 15 April 2025– 15 April 2029 | — | — | — | — | 2,490,000 | 0.57 |
| Ms. Li Dan | 15 April 2025 ¹ | 1,600,000 | 15 April 2025– 15 April 2029 | — | — | — | — | 1,600,000 | 0.57 |
| Employees of the Group who are management at Group level | 15 April 2025 ¹ | 7,272,000 | 15 April 2025– 15 April 2029 | — | — | — | — | 7,272,000 | 0.57 |
| Other employee | 15 April 2025 ¹ | 3,600,000 | 15 April 2025– 15 April 2029 | — | — | — | — | 3,600,000 | 0.57 |

Note:

(1) The weighted average closing price of the Shares immediately before the date of grant was HK\$0.572 per Share.

As at 1 January 2025, the number of Shares available for grant under the Share Award Scheme was 31,125,000 Shares (representing approximately 5% of the issued share capital (excluding any treasury shares) as at 1 January 2025). As at 31 December 2025, the number of Shares available for grant under the Share Award Scheme was 16,163,000 Shares (representing approximately 2.60% of the issued share capital (excluding any treasury shares) as at 31 December 2025).

During the Year, no Awards granted under the Share Award Scheme were cancelled, lapsed or exercised. Further details of the Share Award Scheme are set out in note 29 to the financial statements.

Arrangement for Directors to purchase shares or debentures

Save as disclosed in “Share Schemes” above, at no time during the Year, were rights to acquire benefits by means of the acquisition of Share in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities (including debentures) of the Company or any other body corporate.

Report of the Directors

Non-compete undertakings

Each of Chou Dynasty, Red Dynasty and Mr. Chou Patrick Hsiao-Po (collectively, the “**Controlling Shareholders**”) has confirmed to the Company of his/her/its compliance with the non-compete undertakings provided to the Company under the Non-competition Deeds (as defined in the Prospectus). The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Non-competition Deeds have been complied with by the Controlling Shareholders.

Directors’ interest in competing business

None of the Directors is or was interested in any business apart from the Group’s business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group’s business at any time throughout the Year and up to and including the date of this Annual Report.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025 and up to the date of this Annual Report.

Material contracts

Save as disclosed in this Annual Report, at no time during the Year had the Company or any of its subsidiaries entered into any material contracts with the Controlling Shareholder or any of its subsidiaries, nor had any material contracts been entered into for the services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

Connected transaction

On 26 September 2025, BetterLife Tianjin, an indirect wholly-owned subsidiary of the Company, entered into the property lease agreement (“**Property Lease Agreement**”) with Tianjin Chou International Trading Co., Ltd. (天津周氏國際貿易有限公司) (“**Tianjin Guomao**”) in relation to the tenancy of the properties located in Tianjin Pilot Free Trade Zone (Airport Economic Zone) for a lease term from 1 November 2025 to 31 December 2026 at annual rental of approximately RMB4.25 million (tax inclusive) for showrooms and repair and maintenance service workshops.

Tianjin Guomao is indirectly and legally owned by the trustee of a family trust where Mr. Chou Patrick Hsiao-Po acts as the protector and settlor, for the benefit of the beneficiaries thereunder and therefore a connected person of the Company. As such, the transaction contemplated under the Property Lease Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 26 September 2025 for details.

Among the related party transactions disclosed in note 35 to the financial statements, the related party transactions disclosed in notes 35(a) to 35(e) to the financial statements constituted connected transactions or continuing connected transactions under the Chapter 14A of the Listing Rules. Otherwise, no other related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with the Listing Rules in respect of the following continuing connected transactions. Please see below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.



Non-Exempt Continuing Connected Transactions

During the year ended 31 December 2025, the Group conducted certain non-exempt continuing connected transactions.

1. The 2024 Framework Property Management Service Agreement

Reference is made to the announcement of the Company dated 29 September 2023. On 29 September 2023, Beijing BetterLife International Trade Co., Ltd.* (北京百得利國際商貿有限公司) (“**BetterLife International**”) (for itself and on behalf of its subsidiaries), Beijing Zhoushi Xingye Enterprise Management Co., Ltd.* (北京周氏興業企業管理有限公司), Tianjin Chou International Trading Co., Ltd. (天津周氏國際貿易有限公司) and Chengdu Riyue Industry Development Co., Ltd.* (成都日月產業發展股份有限公司) (collectively, the “**Service Providers**”, for themselves and on behalf of their respective subsidiaries) entered into the framework property management service agreement (the “**2024 Framework Property Management Service Agreement**”), pursuant to which the Service Providers shall provide property management and other services, such as security, cleaning, gardening, parking, and repair and maintenance services to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB20,000,000, RMB21,000,000 and RMB22,000,000 for the years ended/ending 31 December 2024, 2025 and 2026, respectively.

The Service Providers are indirectly legally owned by the trustee of the N&L Chou Trust, where Mr. Chou Patrick Hsiao-Po (“**Mr. Chou**”) (our executive Director and Controlling Shareholder, hence a connected person of the Company) acts as the protector and settlor, for the benefit of the beneficiaries thereunder. Therefore, the Service Providers are the associates of Mr. Chou.

For the year ended 31 December 2025, the total property management fees and utilities expenses paid by the Group to the Service Providers (or their respective subsidiaries) was approximately RMB15.3 million.

2. The 2024 Framework IT Support Service Agreement

Reference is made to the announcement of the Company dated 29 September 2023. On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and Beijing Xiaobo Technology Co., Ltd. (北京小波科技有限公司) (“**Xiaobo Technology**”) entered into the framework IT support service agreement (the “**2024 Framework IT Support Service Agreement**”), pursuant to which Xiaobo Technology will provide information technology support services to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB10,000,000, RMB10,000,000 and RMB10,000,000 for the years ended/ending 31 December 2024, 2025 and 2026, respectively.

Xiaobo Technology is legally owned by the trustee of the Chou Family Trust, where Mr. Chou acts as the protector and settlor of the Chou Family Trust. Therefore, Xiaobo Technology is the associate of Mr. Chou.

For the year ended 31 December 2025, there is no service fees paid by the Group to the Xiaobo Technology.

* For identification purpose only

3. The 2024 Framework Sale and Leaseback Agreement

References are made to the announcement of the Company dated 29 September 2023 and circular of the Company dated 8 November 2023 and the poll result announcement of the Company dated 23 November 2023 (the “**2023 Announcements**”). On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and eCapital (China) Leasing Co., Ltd. (易匯資本(中國)融資租賃有限公司) (“**eCapital**”) entered into the framework sale and leaseback agreement (the “**2024 Framework Sale and Leaseback Agreement**”), pursuant to which BetterLife International and/or its subsidiaries shall sell to eCapital vehicles, which shall then be leased back to BetterLife International or its subsidiaries for test-drive and other operating purposes, and BetterLife International and/or its subsidiaries can utilize the license plates registered under the leased-back vehicles provided by eCapital, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB30,000,000, RMB33,000,000 and RMB36,000,000 for the ended/ending 31 December 2024, 2025 and 2026, respectively. The relevant resolutions regarding the Framework Sale and Leaseback Agreement have been approved by the shareholders of the Company on 23 November 2023. eCapital is ultimately controlled by Mr. Chou, therefore an associate of Mr. Chou.

For the year ended 31 December 2025, the lease payments and license plate utilization fees paid by the Group to eCapital was approximately RMB14.4 million, and the total proceeds from the disposal of vehicles to eCapital amounted to approximately RMB29.3 million.

4. The 2024 Framework Vehicle Sale and Purchase Agreement

References are made to the 2023 Announcements. On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the framework vehicle sale and purchase agreement (the “**2024 Framework Vehicle Sale and Purchase Agreement**”), pursuant to which BetterLife International and/or its subsidiaries will sell vehicles to eCapital as a result of eCapital’s business of providing financial lease services to ultimate vehicle purchasers, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB120,000,000, RMB140,000,000 and RMB160,000,000 for the ended/ending 31 December 2024, 2025 and 2026, respectively. The relevant resolutions regarding the Framework Vehicle Sale and Purchase Agreement have been approved by the shareholders of the Company on 23 November 2023. eCapital is ultimately controlled by Mr. Chou, therefore an associate of Mr. Chou.

For the year ended 31 December 2025, the total vehicle purchase transaction amounts paid by eCapital to the Group was approximately RMB16.1 million.



5. The 2024 Cooperation Agreement

References are made to the 2023 Announcements. On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the cooperation agreement (the “**2024 Cooperation Agreement**”), pursuant to which BetterLife International and/or its subsidiaries may, from time to time, refer their customers or potential customers who wish to arrange vehicle financing to eCapital, and eCapital shall pay commission fees to BetterLife International or its subsidiaries, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB2,000,000, RMB2,400,000 and RMB2,880,000 for the ended/ending 31 December 2024, 2025 and 2026, respectively. The relevant resolutions regarding the Cooperation Agreement have been approved by the shareholders of the Company on 23 November 2023. eCapital is ultimately controlled by Mr. Chou, therefore an associate of Mr. Chou.

For the year ended 31 December 2025, the total amount of the commission fees paid by eCapital to the Group was approximately RMB0.1 million.

6. The 2024 Framework Vehicle Repair and Maintenance Agreement

References are made to the 2023 Announcements. On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the 2024 framework vehicle repair and maintenance agreement (the “**2024 Framework Vehicle Repair and Maintenance Agreement**”), pursuant to which BetterLife International (or its subsidiaries) shall provide repair and maintenance services for eCapital’s own vehicles, and eCapital shall pay BetterLife International (or its subsidiaries) service fees for such services, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB1,000,000, RMB1,000,000 and RMB1,000,000 for the for the ended/ending 31 December 2024, 2025 and 2026, respectively. The relevant resolutions regarding the 2024 Framework Vehicle Repair and Maintenance Agreement have been approved by the Shareholders on 23 November 2023. eCapital is ultimately controlled by Mr. Chou, therefore an associate of Mr. Chou.

For the year ended 31 December 2025, there is no service fees paid by eCapital to the Group.

7. The Framework Second-hand Vehicle Sale and Purchase Agreement

References are made to the 2023 Announcements. On 29 September 2023, BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the framework second-hand vehicle sale and purchase agreement (the “**Framework Second-Hand Vehicle Sale and Purchase Agreement**”), pursuant to which eCapital (or its subsidiaries) shall sell the second-hand vehicles registered under its name to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026 with the estimated annual caps of RMB5,000,000, RMB5,000,000 and RMB5,000,000 for the years ended/ending 31 December 2024, 2025 and 2026, respectively. The relevant resolutions regarding the Framework Second-Hand Vehicle Sale and Purchase Agreement have been approved by the Shareholders on 23 November 2023. eCapital is ultimately controlled by Mr. Chou, therefore an associate of Mr. Chou.

For the year ended 31 December 2025, there is no second-hand vehicles that BetterLife International (and/or its subsidiaries) purchased from eCapital (and/or its subsidiaries).

Listing Rules Implications of the Abovementioned Continuing Connected Transactions

The highest applicable percentage ratio for each of the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement calculated in accordance with Rule 14A.77 of the Listing Rules exceeds 0.1% but is less than 5%, the transactions contemplated under each of the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

As (i) the counterparty to each of the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the 2024 Framework Second-hand Vehicle Sale and Purchase Agreement (the "**Agreements**") is the same and (ii) the transactions contemplated under the aforesaid agreements are related, the annual caps under the Agreements have been aggregated for the purpose of determining the applicable percentage ratios pursuant to Rule 14A.81 of the Listing Rules. The aggregated amount of the estimated annual caps for the years ended/ending 31 December 2024, 2025 and 2026 are RMB158,000,000, RMB181,400,000 and RMB204,880,000, respectively. In addition, the highest applicable percentage ratio of the annual caps, on aggregated basis, for the transactions under the aforesaid agreements exceeds 5%, the transactions contemplated under the 2024 Agreements are subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The external auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and submitted a copy of the auditor's letter to the Stock Exchange.



Report of the Directors

The Directors of the Company, including independent non-executive Directors, have reviewed and confirmed that the above continuing connected transactions were entered into by the Group: (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; (iii) according to the relevant agreement (including the pricing principle and guidelines set out therein) governing them on terms that are fair and reasonable and in the interests the Shareholders as a whole; and (iv) the Company has complied with the pricing guidelines and has adopted internal control measures when determining the prices and terms of the transactions conducted during the year mentioned above. For the work carried out by the management of the Company to confirm: (a) whether the relevant transaction has been carried out in accordance with the pricing policy or mechanism under the framework agreement; and (b) whether the internal control procedures of the Company are sufficiently effective to ensure that the relevant transaction is carried out properly, please refer to “Risk Management and Internal Controls” on pages 55 to 57 of this Annual Report. Save for disclosed above, during the year, the Group have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules.

Continuing disclosure obligation under Rule 13.18 of the Listing Rules

On 29 December 2023, Beijing BetterLife Auto, Beijing BetterLife Star, BetterLife Tianjin, Beijing BetterLife Group and Beijing YZB (collectively as borrowers), five wholly-owned subsidiaries of the Company, and Hang Seng Bank (China) Limited Beijing Branch (“**Hang Seng Bank Beijing Branch**”) (as lender) entered into the facility agreement (“**Facility Agreement**”), pursuant to which Hang Seng Bank Beijing Branch agreed to provide the borrowers a term loan facility of an aggregate amount up to RMB200,000,000. Subject to review by Hang Seng Bank Beijing Branch and other terms and conditions under the Facility Agreement, the facility under the Facility Agreement will be available for multiple drawings within one year from the date of the Facility Agreement. The term of the loan(s) shall not exceed one year from its utilization date. Pursuant to the Facility Agreement, Mr. Chou Patrick Hsiao-Po, being the ultimate Controlling Shareholder, is required to maintain directly or indirectly not less than 51% of the issued share capital of the Company. For details, please refer to the announcement of the company dated 29 December 2023.

As at 31 December 2025, the loan has been fully repaid and the above specific performance obligation imposed on Mr. Chou Patrick Hsiao-Po under the Facility Agreement no longer to exist.

Principal risks and risk management

The Board acknowledges its responsibility for the effectiveness of the internal control and risk management systems of the Group, which are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.



Report of the Directors

The principal risks related to the Group are set forth below:

Business risk

The Group's business risks include rapid change in: 1) the market conditions of the car dealing industry; 2) the government policies of passenger vehicle purchases and ownerships; and 3) the financial conditions and operating results of automobile manufacturers etc. The Board is responsible for the overall management of the business and review of material business decisions involving material risks exposures from time to time.

Financial risk

The Group adopts financial risk management policies to manage its currency risk, interest rate risk, credit risk and liquidity risk. The Board also reviews monthly management accounts, capital structure and key operating data of the Group.

Compliance risk

The Board adopts procedures to ensure the Company is in compliance with the applicable laws, rules and regulations. The Company engages professional advisors and consultants to keep the Company abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Company also adopts a strict policy in prohibiting any unauthorized use or dissemination of confidential or inside information.

Operational risk

The Company adopts procedures to manage its operational risk such as inadequate management efficiency, inefficient vehicles and spare parts procurement and facilities utilization.

The Board has conducted a review of the effectiveness of the Group's internal control and risk management systems covering business, financial, compliance and operational risks of the Group and is satisfied that such systems are effective and adequate.

Employees

As at 31 December 2025, the Group had 1,761 employees (including employees in all regions of the Group).

Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees. The Group strives to motivate its employees with a clear career path and trainings for advancement and improvement of their skills. The Group has also adopted the Share Option Scheme and the Share Award Scheme to recognize and reward the contribution of the employees to the growth and development of the Group.



Report of the Directors

Remuneration policy

The Group's emolument policies are based on the merit, qualifications and competence of individual employees and are reviewed by the remuneration committee of the Company (the "**Remuneration Committee**") periodically.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, decides the emoluments of the Directors. No Director, or any of his close associates, and executive, is involved in dealing with his own remuneration. Details of Directors' remuneration are set out in note 9 to the financial statements.

The Company has adopted the Share Option Scheme and the Share Award Scheme to motivate and reward its Directors and eligible employees. Details of the schemes are set out in the paragraph headed "Share Schemes" above and note 29 to the financial statements.

None of the Directors waived any emoluments throughout the year ended 31 December 2025.

Retirement benefits schemes

The Group participates in a defined contribution mandatory provident fund scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance in December 2000 for eligible employees. Contributions by the Group, which are matched by the employees, are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group and are invested in funds under the control of independent trustees. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute certain percentages of basic salaries of the employees to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the state-managed retirement benefits scheme.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

Details of the retirement benefits plans of our Group are set out in note 7 to the Financial Statements.

Report of the Directors

Major customers and suppliers

During the year ended 31 December 2025, the percentage of the aggregate sales attributable to the Group's largest customers and five largest customers was approximately 3.6% and 9.4% respectively of the Group's total sales. The respective percentage of purchases attributable to the Group's largest supplier and five largest suppliers in aggregate was 26.8% and 73.8% respectively. These suppliers are relatively large and reputable corporations with long-standing relationships with the Group. None of the Directors or any of their associates or any Shareholders (which to the best knowledge of the Directors owned more than 5% of the Company's issued share capital) had a material interest in our five largest customers and suppliers.

Tax relief

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the shares of the Company.

Environmental protection

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure our compliance to the prevailing environmental protection laws and regulations. Adhering to the concept of green environmental protection, the Group has also promoted green operations and advocated the concept of green office. Environmental protection, energy conservation and emissions reduction and reasonable and efficient utilisation of resources have been consistently implemented in the daily operation activities of the Group. The Group has also been working on reducing its energy use, consumption and wastage by actively promoting recycling concept, using less paper and saving electric power and use of water. Going forward, the Group will continue to develop sustainable policies and designs to reduce its environmental impact not only internally within its offices but also externally in the regions it operates in.

Relationship with stakeholders

The Company recognises that our employees, customers and business associates are key to our sustainability development. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting the community and social welfare. The Company places significant emphasis on human capital. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance.

Furthermore, we have established and will continue to promote our KPI-driven corporate culture with a clear career and promotion system to motivate our employees. Our employees are provided with rotation opportunities both cross-stores and cross-functions to develop their skills and their own career path with us. We promote a customer-oriented culture within the Company. Our corporate motto is "Customers for Life", and it is central to our corporate culture. The Company values the feedback from customers by daily communication and other means. The Company has also established the mechanism about customer service and support. The Company treats providing customer support as an opportunity to improve our relationship with the customer, addressing customer's concern in a timely manner and in accordance with international standards. We have strong and established working relationships with leading global automakers and their PRC joint venture corporations. We believe that our suppliers are equally important in our development into a first-class automobile dealer enterprise.



Report of the Directors

Therefore, we proactively collaborate with our business partners to deliver quality sustainable services. With the goal of developing into a preeminent international enterprise and a trustworthy public company, the Company actively fulfill its social responsibility. The Group, with high quality products and services, is committed to creating good internal and external corporate relationships, and build a harmonious enterprise to undertake its responsibilities for employees, customers, suppliers and the Shareholders.

Compliance with laws and regulations

Throughout the year and up to the date of this Annual Report, the Group has complied with the relevant laws and regulations that have a significant impact on the Company.

Significant legal proceedings

During the year ended 31 December 2025, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

Code on corporate governance practices

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for Shareholders. During the year ended 31 December 2025, the Company has complied with the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors has complied with the required standard as set out in the Model Code during the year ended 31 December 2025 and up to the date of this Annual Report.

* For identification purpose only

Report of the Directors

Auditor

KPMG resigned as auditor of the Company and SHINEWING (HK) CPA Limited (“**SHINEWING**”) was appointed as the auditor of the Company to fill the casual vacancy with effect from 19 December 2023. SHINEWING will retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as independent auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

Review of the financial statements

The audit committee of the Company (the “**Audit Committee**”) had reviewed together with the management the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the Year.

Purchase, sale or redemption of the Company’s listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) for the year ended 31 December 2025. Neither the Company nor any of its subsidiaries held any treasury shares during the Year.

Important events since the end of the Year

Save as disclosed in this Annual Report, there has been no other important events affecting the Group since the end of the Year.

Proposed distribution of final dividend

A final dividend in respect of the year ended 31 December 2025 of RMB2.0 cents per Share (2024: RMB2.0 cents) to Shareholders whose names appear on the register of members on Wednesday, 10 June 2026, was proposed pursuant to a resolution passed by the Board on 31 March 2026 and subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 29 May 2026. The expected date of payment of final dividend will be on or no later than Tuesday, 30 June 2026.

Closure of Register of Members

For the purpose of determining the following entitlements:

(i) AGM

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office 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 no later than 4:30 p.m. on Friday, 22 May 2026.



Report of the Directors

(ii) Proposed Final Dividend

The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026 (both days inclusive) for the purpose of determining the Shareholder's entitlement to the proposed final dividend of the Company. In order to qualify for the proposed final dividend (subject to the approval by Shareholders at the AGM), unregistered holders of Shares shall lodge share transfer documents, together with relevant share certificates, with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Thursday, 4 June 2026.

On behalf of the Board

Mr. Chou Patrick Hsiao-Po

Chairman

31 March 2026

CORPORATE GOVERNANCE REPORT

Corporate governance code

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for Shareholders. The Company has complied with the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules and has complied with such code provisions during the year ended 31 December 2025.

Board of Directors

The overall management of the Company’s operation is vested in the Board.

The Board takes overall responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategic development of the Group, monitoring and controlling the Group’s operation and financial performance, internal control and risk management systems, and monitoring of the performance of the senior management. The Directors have to make decisions objectively in the interests of the Company.

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management of the Company. The delegated functions and work tasks are periodically reviewed.

As at the date of this Annual Report, the Board comprises six Directors, respectively, consisting of three executive Directors, Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025), Ms. Sun Jing and Ms. Li Dan, and three independent non-executive Directors, Mr. Liu Dengqing, Mr. Lou Sai Tong and Dr. Chu Fumin. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director is suitably qualified for his/her position and has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently. Biographical information of the Directors is set out in the section headed “Biographic Details of Directors and Senior Management” of this Annual Report.

To the best knowledge of the Company, there is no other financial, business, family or other material/relevant relationship among the members of the Board.



Corporate Governance Report

The Company has complied with Rule 3.10(1) of the Listing Rules to appoint at least three independent non-executive Directors. In addition, at least one independent non-executive Director possesses appropriate professional accounting qualifications or financial management expertise in accordance with Rule 3.10(2) of the Listing Rules. The Company has appointed three independent non-executive Directors representing more than one-third of the Board and is in compliance with Rule 3.10A of the Listing Rules.

Mr. Chou Patrick Hsiao-Po, who was appointed as an executive Director with effect from 1 January 2025 has obtained the legal advice referred to under Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules. He has confirmed that he understood his obligations as a Director.

Board diversity policy

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

Pursuant to the Board Diversity Policy, the nomination committee of the Company (the “**Nomination Committee**”) will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Report

As at 31 December 2025, the Board has achieved gender diversity as it comprises 2 female Directors and 4 male Directors while female and male employees represented approximately 36% and 64% respectively of our total number of employees (including senior management). The Company recognises and embraces the benefits of having a diverse team. We target to have both genders at our Board composition, senior management team and at all levels of our employees. And our recruitment process will mainly consider the aspects of educational background, professional qualifications, skills, knowledge and industry experiences of candidates to mitigate factors or circumstances which make achieving gender diversity across workforce (including senior management) more challenging or less relevant.

Board nomination policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee. The Company has adopted a Director Nomination Policy (the “**Director Nomination Policy**”) which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level. The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Model Code

The Company has adopted the Model Code as the code of conduct governing Directors’ securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code during the year ended 31 December 2025 and up to the date of this Annual Report.



Corporate Governance Report

Independent non-executive Directors

Independent non-executive Directors have played a significant role in the Board by bringing their independent judgment at the Board meeting and scrutinizing the Group's performance. Their views carry significant weight in the Board's decision, in particular, they bring an impartial view to bear on issues of the Group's strategy, performance and control. All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advices to the Board. The independent non-executive Directors provide independent advice on the Group's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and its Shareholders can be protected.

The Board has three independent non-executive Directors with one of them, Mr. Lou Sai Tong, possessing appropriate professional accounting qualifications and financial management expertise in compliance with the requirements set out in Rule 3.10(2) of the Listing Rules.

The Company has received annual confirmations of independence from each of the existing independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all the independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

The Board has also established mechanisms to ensure independent views are available to the Board, including providing the Directors with sufficient resources to perform its duties and shall seek, at the Company's expense, independent professional advice to perform its responsibilities if necessary.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

Corporate Governance Report

Training and support for Directors

All Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company. The Directors have been informed of the requirement under code provision C.1.4 of the CG Code regarding continuous professional development. According to the records maintained by the Company, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the CG Code on continuous professional development for the year ended 31 December 2025:

| Name of Director | Corporate Governance/ Updates on Laws, Rules and Regulations | | Accounting/Financial/ Management or Other Professional Skills | |
|---|--|----------------------------------|---|----------------------------------|
| | Read materials | Attend Seminars/ Briefings | Read materials | Attend Seminars/ Briefings |
| Executive Directors | | | | |
| Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025) | √ | √ | √ | √ |
| Ms. Sun Jing | √ | √ | √ | √ |
| Mr. Xu Tao (resigned on 1 January 2026) | √ | √ | √ | √ |
| Ms. Li Dan | √ | √ | √ | √ |
| Independent non-executive Directors | | | | |
| Mr. Liu Dengqing | √ | √ | √ | √ |
| Mr. Lou Sai Tong | √ | √ | √ | √ |
| Dr. Chu Fu Min | √ | √ | √ | √ |

Directors' and officers' insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against the Directors and its officers.



Corporate Governance Report

Directors' attendance records

During the year ended 31 December 2025, 6 Board meetings and 1 general meeting were held. The attendance of each Director is set out in the table below:

| Name of Director | Attendance/ Number of Board Meeting(s) | Attendance/ Number of General Meeting(s) |
|---|---|---|
| Executive Directors | | |
| Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025) | 6/6 | 1/1 |
| Ms. Sun Jing | 6/6 | 1/1 |
| Mr. Xu Tao (resigned on 1 January 2026) | 5/6 | 1/1 |
| Ms. Li Dan | 6/6 | 1/1 |
| Non-executive Director | | |
| Dr. Chou Som Po (resigned on 1 January 2025) | 0/0 | 0/0 |
| Independent non-executive Directors | | |
| Mr. Liu Dengqing | 6/6 | 1/1 |
| Mr. Lou Sai Tong | 6/6 | 1/1 |
| Dr. Chu Fu Min | 6/6 | 1/1 |

Apart from regular Board meetings, the chairman also held one meeting with the independent non-executive Directors without the presence of other Directors on 31 March 2025. All the relevant Directors attended this meeting.

All Directors are provided with relevant materials relating to the matters brought before the meetings. They have separate and independent access to the senior management and the company secretary of the Company at all time and may seek independent professional advice at the Company's expense. Where queries are raised by Directors, steps would be taken to respond as promptly and fully as possible. All Directors have the opportunity to include matters in the agenda for Board meetings. Notices of at least 14 days of Board meetings are given to the Directors and Board procedures comply with the amended and restated memorandum of association and articles of association of the Company (the "**Articles of Association**"), as well as relevant rules and regulations.

Appointments, re-election and removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors.

Corporate Governance Report

Each of Ms. Sun Jing, Ms. Li Dan and Mr. Chou Patrick Hsiao-Po, being the executive Directors have entered into a service contract with the Company for a specific term of three years commencing from the Listing Date, 1 January 2022, 1 October 2024 and 1 January 2025, respectively, and will automatically continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Both of Mr. Liu Dengqing, Mr. Lou Sai Tong and Dr. Chu Fumin, being the independent non-executive Directors, has entered into an appointment letter with the Company for a specific term of one year commencing from the Listing Date, 13 November 2023 and 1 October 2024 respectively, and will automatically continue for another one year thereafter until terminated by not less than three months' notice in writing served by the Director or by notice in writing serviced by the Company.

The above service contracts and appointment letters are subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the Articles of Association.

The Articles of Association provides that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to article 84 of the Articles of Association and code provision B.2.2 of the CG Code, Ms. Sun Jing and Mr. Lou Sai Tong shall retire at the AGM to be held on Friday, 29 May 2026. Meanwhile, the Directors to be retired from office by rotation at the forthcoming AGM to be held on Friday, 29 May 2026 pursuant to the above Articles shall be eligible for re-election as Directors at the same meeting.

Board committees

The Board has established (i) Audit Committee, (ii) Remuneration Committee; (iii) Nomination Committee and (iv) Strategic Development Committee, with defined terms of reference. The terms of reference of the board committees which explain their respective role and the authority delegated to them by the Board are available on the website of the Company at www.blchina.com and the website of the Stock Exchange at www.hkexnews.hk. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

The majority of the members of the Audit Committee, the Remuneration Committee and the Nomination Committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.



Corporate Governance Report

Audit committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 17 June 2021. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting, and oversee the risk management and internal control systems of the Company. Their composition and written terms of reference are in line with the CG Code. The Audit Committee comprises of three members, namely, three independent non-executive Directors, Mr. Lou Sai Tong, Mr. Liu Dengqing and Dr. Chu Fumin. Mr. Lou Sai Tong is the chairman of the Audit Committee.

The Group's audited annual results for the year ended 31 December 2024, the unaudited interim results for the six months ended 30 June 2025, and the audited annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group, and selection and appointment of the external auditors. In addition, the Audit Committee reviewed the unaudited quarterly financials and the internal control of the Group and oversaw the risk management and internal control systems of the Group throughout the year ended 31 December 2025.

For the year ended 31 December 2025, two meetings were held by the Audit Committee. The individual record of each member of the Audit Committee at the meetings of the Audit Committee is set out below:

| Name of Director | Attendance/ Number of Committee Meeting(s) |
|-------------------------|---|
| Mr. Lou Sai Tong | 2/2 |
| Mr. Liu Dengqing | 2/2 |
| Dr. Chu Fumin | 2/2 |

Remuneration committee

The Company established the Remuneration Committee on 17 June 2021 with written terms of reference. The primary functions of the Remuneration Committee include establishing transparent procedures for developing remuneration policy and structure, ensuring that no director or any of his associates will participate in deciding his own remuneration, determining the remuneration policy and structure for all directors and senior management, assessing their performance and approving the terms of their service contracts, and making recommendations to the Board on the remuneration packages of individual executive directors and senior management. Their composition and written terms of reference are in line with the CG Code. The Remuneration Committee comprises of three members, namely, Mr. Chou Patrick Hsiao-Po (appointed as member with effect from 1 January 2025), an executive Director and the chairman of the Board, and two independent non-executive Directors, Mr. Liu Dengqing and Dr. Chu Fumin. Dr. Chu Fumin is the chairman of the Remuneration Committee. Dr. Chou Som Po ceased to be the member of the Remuneration Committee on 1 January 2025.

Corporate Governance Report

For the year ended 31 December 2025, the Remuneration Committee reviewed the share schemes, the remuneration policy and structure of the Company and the remuneration packages of the Directors and the senior management, and made recommendations to the Board in respect of these issues.

Details of the Directors' remuneration and five highest paid individuals are set out in note 9 to the Financial Statements.

The remuneration of the members of senior management (other than Directors) of the Group by band for the year ended 31 December 2025 is set out below:

| Remuneration Bands (RMB) | Number of Individuals |
|---------------------------------|------------------------------|
| 1,000,001 to 1,500,000 | 3 |

For the year ended 31 December 2025, 1 meeting was held by the Remuneration Committee. The individual record of each member of the Remuneration Committee at the meeting of the Remuneration Committee is set out below:

| Name of Director | Attendance/ Number of Committee Meeting(s) |
|---|---|
| Dr. Chu Fumin | 1/1 |
| Mr. Liu Dengqing | 1/1 |
| Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025) | 1/1 |
| Dr. Chou Som Po (ceased with effect from 1 January 2025) | 0/0 |



Corporate Governance Report

Nomination committee

The Company established the Nomination Committee on 17 June 2021 with written terms of reference. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis and to recommend to the Board the suitable candidates for directors after consideration of the nominees' independence and quality in order to ensure the fairness and transparency of all nominations. In identifying suitable director candidates and making such recommendations to the Board, the Nomination Committee would also take into account various aspects of a candidate, including but not limited to his/her education background, professional experience, experience with the relevant industry and past directorships. Their composition and written terms of reference are in line with the CG Code. The Nomination Committee comprises of three members, namely, two independent non-executive Directors, Mr. Liu Dengqing and Mr. Lou Sai Tong and the executive Director, Ms. Sun Jing (appointed as the member of the Nomination Committee with effect from 31 March 2025). Mr. Chou Patrick Hsiao-Po was appointed as the chairman of the Nomination Committee with effect from 1 January 2025 and ceased on 31 March 2025. Mr. Liu Dengqing was re-designated as the chairman of the Nomination Committee with effect from 31 March 2025. Dr. Chou Som Po ceased to be the member of the Nomination Committee on 1 January 2025.

The Nomination Committee reviewed the structure, size and composition of the Board, during the year ended 31 December 2025.

Throughout the year, 1 meeting was held by the Nomination Committee. The individual record of each member of the Nomination Committee at the meeting of the Nomination Committee is set out below:

| Name of Director | Attendance/ Number of Committee Meeting(s) |
|---|---|
| Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025 and ceased on 31 March 2025) | 0/0 |
| Mr. Liu Dengqing | 1/1 |
| Mr. Lou Sai Tong | 1/1 |
| Ms. Sun Jing (appointed with effect from 31 March 2025) | 1/1 |
| Dr. Chou Som Po (ceased with effect from 1 January 2025) | 0/0 |

Strategic Development Committee

We established a Strategic Development Committee pursuant to a resolution of our Directors passed on June 17, 2021, with written terms of reference. The primary duties of the Strategic Development Committee are mainly to formulate the operation goals and long-term development strategies of our Group, supervise and inspect the implementation of annual operating plans, evaluate and make proposals on any major capital operation or investment. The Strategic Development Committee consists of three members, being two executive Directors, Mr. Chou Patrick Hsiao-Po (appointed as chairman with effect from 1 January 2025) and Ms. Sun Jing, and an independent non-executive Director, Dr. Chu Fumin. Mr. Chou Patrick Hsiao-Po is the chairman of our Strategic Development Committee. Dr. Chou Som Po ceased to be the member of the Strategic Development Committee on 1 January 2025.

Corporate Governance Report

For the year ended 31 December 2025, the Strategic Development Committee formulated the operation goals and long-term development strategies of our Group, supervised and inspected the implementation of our annual operating plans.

For the year ended 31 December 2025, one meeting was held by the Strategic Development Committee. The individual record of each member of the Strategic Development Committee at the meeting of the Strategic Development Committee is set out below:

| Name of Director | Attendance/ Number of Committee Meeting(s) |
|---|---|
| Mr. Chou Patrick Hsiao-Po (appointed with effect from 1 January 2025) | 1/1 |
| Dr. Chu Fumin | 1/1 |
| Ms. Sun Jing | 1/1 |
| Dr. Chou Som Po (ceased with effect from 1 January 2025) | 0/0 |

Company secretary

Ms. Tu Jing ("**Ms. Tu**"), the joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring compliance with the Board's policies and procedures, applicable laws, regulations and rules. In order to maintain good corporate governance and to ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws and regulations, the Company has also appointed Mr. Leung Chi Kit ("**Mr. Leung**"), a manager of listing services department of TMF Hong Kong Limited (a global corporate services provider), as another joint company secretary of the Company to assist Ms. Tu in discharging her duties as the joint company secretary of the Company. Mr. Leung's primary contact person in the Company is Ms. Tu.

For the year ended 31 December 2025, each of Mr. Leung and Ms. Tu has informed the Company that he/she has undertaken not less than 15 hours of relevant professional training. The Company considers that the training of the company secretary is in compliance with the requirements under Rule 3.29 of the Listing Rules.

Financial reporting

The Board, supported by the chief financial officer and the finance department, is responsible for the preparation of the financial statements of the Company and the Group for each financial year which shall give a true and fair view of the financial position, financial performance and cash flow of the Company and its subsidiaries for that period. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 98 to 104 of this Annual Report.



External auditor and auditor's remuneration

The statement of the independent auditor of the Company about its reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 98 to 104. The external auditor of the Company shall attend the AGM to be held on Friday, 29 May 2026 to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor independence. The remuneration paid or payable to the Company's external auditor in respect of audit services and non-audit services for the year ended 31 December 2025 amounted to approximately RMB2.6 million and nil, respectively.

The Audit Committee recommended to the Board that, subject to our Shareholders' approval at the forthcoming AGM (to be held on Friday, 29 May 2026), SHINEWING be re-appointed as the external auditor of the Company.

Risk management and internal controls

The Group's risk management and internal control systems are featured with a defined management structure with limits of authority and well-rounded policies and procedures, and are designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board also recognises its overall responsibility for the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. In addition, the Audit Committee assists the Board in reviewing and assessing the Group's risk management and internal control systems. Throughout the year ended 31 December 2025, the Company has adopted the following policies and procedures and taken the following measures to improve the risk management and internal control systems of the Group.

In order to ensure the effectiveness of our risk management and internal control systems, the Company has established various management and control procedures for identifying, evaluating, and managing the significant risks associated with the achievement of its operational objectives. The Company has completed the risk management and internal control procedures with scientific analysis and assessment, to recognize potential risk points. By virtue of such risk management and internal control procedures, the senior management of the Group reviews and evaluates the internal control process, monitors any risk factors on a regular basis, and reports to the Board on any findings and measures taken to address such variances and identified risks. The Board, with the assistance of the senior management of the Company, also conducts regular management meetings and on-site inspections to check and monitor the potential risks associated with the business operation and financial management of the Group.



Corporate Governance Report

With the integration of the situation of the Company and various applicable laws and regulations, the management of the Company can act in concert with such to develop solutions towards the risks, to organize the business operation systematically, and to monitor and mitigate possible risks. The Company also distributed staff handbooks which included the compliance requirements to our employees so as to internally require all staff of the Group to comply with these internal risk management and internal control standards, and together build a regulatory environment of risk control and standardized operation. In addition, the Company has also established policies and procedures with clear segregation of duties applicable to certain operating units to ensure the effectiveness of risk management and internal controls. The day-to-day operation is also entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board or the Audit Committee. This process was in place throughout 2025 and is subject to continuous improvement.

With the assistance of the professional auditor, the Audit Committee supervised the Company's revenue and expenditure for the financial and economic activities, to further strengthen the functions of risk management, to ensure the effective implementation of risk management and internal control systems and the Company's standardized operation and healthy development. In order to comply with the relevant requirements under the CG Code in relation to the corporate risk management and internal controls, the Company has established an internal audit department for the purposes of simultaneous updates between the corporate governance and the CG Code and continuously improving the effectiveness of the Company's risk management and internal controls.

For the year ended 31 December 2025, the Company provided inside information training course and self-study materials to the Directors and senior management of the Company to ensure that all relevant facts and circumstances that may have material effect on the share price of the Company is assessed in a timely manner and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

The Board acknowledges its responsibility to ensure that sound and effective internal control systems are maintained so as to safeguard the Group's assets and the interest of Shareholders. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the Shareholders and the assets of the Company.

The management and the internal audit department have confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

For the year ended 31 December 2025, the Board, with the assistance of the Audit Committee and management team, has conducted reviews of the risk management and internal control systems of the Company twice and considered the risk management and internal control systems of the Company are adequate and being implemented effectively. Such review covered all material controls, financial, compliance and operational controls as well as risk management mechanisms.



Corporate Governance Report

The Board, with the assistance of the Audit Committee, has also reviewed and was satisfied with the adequacy of the Company's resources, the staff's qualifications and experience, the training courses and the related budgets in accounting, internal review and financial reporting functions.

The Board believes that there are no material internal controls deficiencies and an effective and adequate risk management and internal control systems are in place to safeguard the assets of the Group. The Group will continue to enhance the systems to cope with the changes in the business environment.

Anti-corruption and whistle-blowing policies

The Company regards knowledge of and compliance with laws as the foundation of our business. The Group always adheres to its core values and establish an honest, trustworthy, standardised and transparent business environment. In order to ensure the compliance of the Company's business operations and the suitability of relevant regulations in the industry, the Group has formulated internal policies which cover management system in different scopes, including board governance, business operations, financial management, personnel management, general management and information security. The Group will regularly review the prevailing laws and regulations, industry norms and its business development, so as to update and revise the compiled articles in due course. During the Reporting Period, the Group was not aware of any incompliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

In additions, the Company attaches great importance to the corporate culture of integrity and anti-corruption, adheres to the highest standards of ethics and business integrity at all times, and abides by the laws and regulations to prevent bribery, corruption, money laundering and fraud in its business operation. The Group has formulated the anti-corruption and anti-bribery policies which are required to be strictly followed by all employees.

The Group has also formulated sound whistle-blowing policies to encourage all directors, employees and third parties (including customers and suppliers of the Company) to report any misconduct, dereliction of duty or violations. The whistle-blower can report any suspected illegal acts or dereliction of duty to the Company in the form of writing such as mails or e-mails. The identity of the whistle-blower will be kept strictly confidential. The whistle-blowing mechanism is coordinated by the Group's internal audit department. Upon receiving whistle-blowing incidents, the department will analyse and sort out the whistle-blowing information. After preliminary review and verification, if it is believed that the reported person does have the facts of disciplinary violations, the investigation shall be formally filed and handled in accordance with the relevant regulations of the discipline inspection and supervision department. During the Reporting Period, the Company did not have any lawsuits related to corruption, nor violated relevant laws and regulations that have a significant impact on the operations of the Company. There was no concluded legal cases regarding corrupt practices brought against its employees during the Reporting Period.

Shareholders' rights

Procedures for Shareholders to convene an extraordinary general meeting and putting forward proposals at Shareholders' meeting

Pursuant to the Article 58 of the Articles of Association, any one or more member(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company by mail at 40/F Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Act or the Articles of Association. However, Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out above. As regards the procedures for Shareholders to propose a person for election as a director, they are available on the Company's website at www.blchina.com.

Procedures by which enquiries may be put to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the secretary of the Company by mail at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong or by email at ir@blchina.com. The company secretary of the Company is responsible for forwarding communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions and inquiries, to the chief executive officer of the Company.

Constitutional documents

For the year ended 31 December 2025, the Articles of Association have not been amended and restated.



Corporate Governance Report

Communications with Shareholders

The Board recognizes the importance of maintaining clear, timely and effective communication with Shareholders of the Company and investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors and the Shareholders receiving accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, announcements and circular. The Company also publishes all corporate correspondence on the Company's website www.blchina.com. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. Members of the Board and of the various board committees will attend the AGM of the Company and answer questions raised during the meeting. Separate resolutions would be proposed at the general meeting on each substantially separate issue. Based on the abovementioned measures, the Company considers that its communication with its Shareholders during the year was effective and adequate.

The chairman of the general meetings of the Company would explain the procedures for conducting poll before putting a resolution to vote. The results of the voting by poll will be declared at the meeting and published on the websites of the Stock Exchange and the Company respectively.

To promote effective communication, the Company maintains a website at www.blchina.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Going concern

The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

ESG REPORT

Introduction

BetterLife Holding Limited (the “**Company**”, and collectively with its subsidiaries referred as the “**Group**” or “**we**”) is an automobile dealership service provider in China focusing on luxury and ultra-luxury brands and it offers a comprehensive range of automobile-related products and services, including (i) sale of automobiles consisting of mainly imported and domestically manufactured models; and (ii) after-sales services, which consist of repair and maintenance services, sale of accessories and other automobile-related products, insurance agency services and automobile license plate registration services. We also provide other automobile-related value-added services to customers, such as automobile financing and pre-owned automobile-related business services.

About this Report

The Group is pleased to release its fifth Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). The Report aims to disclose the sustainability strategies and management approaches of the Group, and to highlight the performance of various aspects of ESG to its stakeholders, thereby promoting its sustainable development and planning. The Report has been uploaded to the Group’s website (www.blchina.com) and the website of the Stock Exchange of Hong Kong Limited (the “**HKEx**”) for public inspection. The Report is in both Chinese and English. If there is any inconsistency, please refer to the English version.

Reporting Scope and Period

The Report sets out the Group’s policies, measures, and performance in ESG aspects during the period from January 1, 2025, to December 31, 2025 (hereinafter, the “**Reporting Period**”) in detail.

The Report covers the overall business performance of the Group and its 20 4S dealership stores and 1 showroom across eight provinces and municipalities in the PRC¹, during the Reporting Period. Through reporting to our stakeholders, the Group discloses its measures and performance on sustainable development issues in a transparent and open manner. We believe that summarizing and disclosing the Group’s performance to stakeholders can enhance our transparency and further improve our sustainable development performance. Overall, except for the closure of 1 showroom and 1 dealership store in Beijing, 1 showroom and 1 dealership store in Shanghai, offset by the opening of 1 showroom in Beijing and 7 new dealership stores opening across Beijing, Tianjin and Tangshan due to business adjustments, there are no material changes to the reporting scope of the Reporting Period compared to 2024’s ESG Report.

Reporting Guidelines and Principles

The Report has been prepared in compliance with the disclosure requirements of the “ESG Reporting Guide” (the “**Guide**”) set out in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) issued by the HKEx and has fully adhered to the reporting principles in the Guide, which materiality, quantitative, balance and consistency are the basic principles for report preparation. The application of relevant reporting principles is as follows:

Materiality

The Group communicates with major stakeholders on a regular basis, and has conducted an annual materiality assessment survey to identify and evaluate ESG issues that are important to the Group and relevant stakeholders, so as to determine the reporting content and make focused disclosure.

¹ These include 1 showroom and 11 4S dealership stores in Beijing, two 4S dealership stores each in Sichuan and Tianjin, and one 4S dealership store in Fujian, Hebei, Heilongjiang, Shandong, and Zhejiang respectively, totalling 20 stores.



- Quantitative** In accordance with the Guide, the Group has recorded and collected data of various ESG key performance indicators (“**KPIs**”) where feasible, and disclosed relevant quantitative information and historical data in the Report for comparison and evaluation. In addition, the standards, methods, assumptions, calculation tools and references adopted by each KPI have been properly indicated in the Report.
- Balance** Following the principle of impartiality, the Report has disclosed both achievements and challenges of the Group in aspects of environment, society and governance in a truthful and comprehensive manner, for readers to objectively and fairly evaluate relevant performance.
- Consistency** The Report has been prepared according to consistent standards, and the reporting scope, data statistics and reporting methods are basically the same as the 2024 ESG Report, so as to ensure comparability of the reports. Meanwhile, the Group has included corresponding explanations for any inconsistencies (if any) with previous reports.

The Report has complied with the “Mandatory Disclosure Requirements” and the “Comply or explain” provisions set out in the Guide. Except for provisions that the Group considers not applicable to its business operations or provide partial disclosure, relevant explanations have been set out in the corresponding sections. The data and information contained in the Report are mainly from internal documents and statistical data of the Group, and the content of the Report has been reviewed and confirmed by the board of directors of the Group (“**Board of Directors**” or “**Board**”).

Approval

The Report was approved by the Board on 31 March 2026 upon confirmation from the management.

Stakeholders’ Feedback

The Group attaches great importance to stakeholders’ opinions and aims to further improve its sustainability performance in the future. The Group therefore welcomes all parties to provide comments or suggestions on the Report and its sustainability performance. Please share your views with us via email: ir@blchina.com.

The Statement of the Board of Directors

The Group understands that the leadership and participation of the Board is crucial to the implementation of sustainable development strategies. Therefore, the Board shoulders the responsibility of leading and supervising ESG related matters and is responsible for leading the Group to seize the opportunities and respond to the risks brought by sustainable development. The Board decides on and monitors ESG policies and strategies, including the approval and consideration of the ESG-related goals, progress review of the goals, evaluation and prioritisation of the materiality, etc. At the same time, an internal working group (the “**Internal Working Group**”) is established to overseeing ESG matters, so as to further improve the effectiveness of sustainable development governance. We have been striving to integrate the concept of sustainable development with the Group’s overall strategy, policies and business plans, to further guide the Group in its pursuit of value chain excellence while achieving its sustainability vision.

The Group’s Future Development and Commitments

The Group defines its commitment to the environment, employees, customers, and communities as the four fundamental pillars of its sustainable development strategy, under which comprehensive ESG management policies and robust operational work plans are formulated to ensure long term value creation. The Group insists on communicating and cooperating closely with all stakeholders including our employees, shareholders and investors, suppliers, customers government departments and communities in a candid, open and responsible manner. At the same time, we continue paying attention to the market development trends and the expectations of all sectors of society, and constantly review and adjust our ESG strategies, policies and measures so that we can quickly respond to various new opportunities and risks and further promote our sustainable development process.



Sustainability Governance Structure

The Group is dedicated to integrating sustainability into its core operations through a robust governance framework defined by transparent oversight and rigorous accountability. The Board of Directors provides strategic direction, while the Internal Working Group ensures effective implementation of sustainability initiatives. This structure facilitates effective communication between strategic decision-making and execution, ensuring that corporate governance, environmental management, and social responsibility are embedded across the Group’s business activities. In order to enhance its corporate governance standard, the Group has also actively promoted Board diversity and adopted the “Board Diversity Policy”. When selecting members of the Board of Directors, the balance of different gender, ages, background, and professional knowledge, etc., will be fully considered. Leveraging the diverse skills, professional experiences, and varied perspectives of our board members, the Group enhances its strategic decision-making capabilities regarding sustainable development.



Furthermore, in response to the global issue of climate change, as a responsible corporate citizen, the Group fully supports this vision and has integrated climate change related initiatives into the overall ESG governance of the Group. The Board of Directors regularly receives reports from the Internal Working Group and participates in the timely identification and assessment of ESG (including climate change) related risks and opportunities. The Board also reviews and evaluates the progress of annual ESG (including climate change) related targets to ensure the overall strategy of the Group remains consistent with sustainable development goals.

For a comprehensive overview of our board composition and governance practices, please refer to the section headed “Corporate Governance Report” of the Group’s annual report.

Board of Directors

As the highest governance body of the Group, the Board of Directors maintains ultimate oversight and assumes comprehensive responsibility for the strategic direction of ESG and climate related initiatives. Their roles and responsibilities include:

- Review and renew sustainable development strategies, ESG management and performance to ensure the effective implementation of relevant policies
- Monitor and manage ESG-related risks and opportunities
- Review the progress of ESG-related work and goals
- Supervise and approve the Group’s ESG matters and reports

Internal Working Group

The Internal Working Group is composed of the Group’s senior management and employee representatives. It assists in coordinating and supervising ESG work. Their roles and responsibilities include:

- Set and implement relevant policies and measures in accordance with the Board’s guidelines on ESG matters in each department
- Assist the Board of Directors in identifying, assessing and managing ESG-related risks, and provide advice on formulating policies, goals and work plans
- Collect and manage ESG-related data and information, assist in the preparation of annual ESG reports and disclosure of related information

Risk Management

The Group understands the importance of risk management to sustainable development. Efficient ESG management helps us respond to various sustainable development risks and opportunities in a timely and effective manner. The Group has established a comprehensive ESG management system, which adopts a top-down management method, to consistently identify and evaluate the risks associated with its business operations.

ESG Report

At the Group level, the Board of Directors maintains strategic oversight regarding the effectiveness of risk management and internal control systems, ensuring such frameworks are subjected to rigorous review and maintenance. Appropriate mitigation and control measures are systematically deployed in alignment with the materiality of identified risks. By proactively addressing potential impacts in a timely manner, the Group reinforces its dedication to sustainable growth and the integrity of its responsible operations. Moreover, the Group has set up the Audit Committee, Remuneration Committee and Nomination Committee under the supervision of the Board to conduct annual assessment on the existing and potential risks faced by the Group as a whole, review the effectiveness and suitability of the Group's internal control system, and give full play to the supporting role of laws, auditing, and discipline supervision, so as to ensure legal and compliant operations of the Group. In addition, the Group has also established an internal audit department, which is responsible for the construction, operation and maintenance of the Group's risk prevention and control system.

We have incorporated ESG risks into the Group's risk assessment and management system, including risks related to climate change. The response measures are set out in the corresponding sections of this report. These measures shall ensure the sustainable and responsible growth and operation of the Group.

Compliance Management

Complying with all applicable laws and regulations is the fundamental requirement of the Group in its operations and is also a reflection of its commitment to social responsibility. The Group recognises that any breach of laws or regulations may result in adverse impacts on its operations and stakeholders. Impacts may include damage to the ability to operate a business, damage to public image and credibility, as well as legal penalties and litigation. Therefore, we have developed and implemented a series of policies and systems to strengthen compliance management and ensure that business activities comply with all relevant legal and regulatory requirements. The Board of Directors and the Audit Committee are responsible for reviewing and evaluating the internal control system.

During the Reporting Period, the Group had no cases of violations of laws and regulations related to various ESG aspects, and there was no corruption lawsuits filed against the Group or its employees.

For details on the Group's corporate governance practices including risk and compliance management, please refer to the section headed "Corporate Governance Report" of the Group's annual report.

Stakeholder Engagement and Materiality

Long-term support and trust of stakeholders is an important factor for the company's sustainable growth, and it also provides a solid foundation for us to formulate and implement effective sustainable development strategies, policies and measures.

The Group attaches great importance to establishing and maintaining two-way communication with stakeholders, and strives to understand and respond to the concerns and expectations of various stakeholders in order to maintain close cooperation. Through a diversified and highly transparent communication platform, we regularly collect valuable opinions and suggestions from different stakeholders so that we can make corresponding improvements and adjustments in business management and sustainable development strategies to enhance ESG governance levels and performance.



| Major Stakeholder | Communication Channels | Focus on Issues | The Group's Response and Measures |
|------------------------------------|---|--|--|
| Shareholders/ Investors | — Annual general meetings and other general meetings | — Protection of shareholders' rights and interests | — Convene annual general meetings and special general meetings |
| | — Annual Reports and interim reports | — Accurate and timely disclosure of information | — Improve transparency of information disclosure |
| | — Corporate communications (such as letters/circulars and meeting notice) | — Enhancement of corporate governance | — Strengthen risk management and control |
| | — Results announcements | — Risk management and control | — Promote sustainable development of the group |
| | — Investor meetings | — Development of the Group's business and prospects | |
| | — Interviews | — Formulation of business and financial strategies | |
| | — Investor relations emails | | |
| Frontline Employees | — Performance appraisals | — Protection of employee benefits and rights | — Follow labor standards |
| | — Interviews | — Provision of competitive salary and welfare | — Provide competitive salary and benefits |
| | — Seminars/workshops/speeches | — Ensurance of labour protection at the workplace | — Implement health and safety management system |
| | — Staff intranet | — Promotion of employee development and training | — Improve career development and training system |
| | — Regular training | — Encouragement of employee involvement and policy democracy | — Host employee events |
| | | — Cultivation of corporate culture | — Establish a smooth and transparent communication mechanism to understand employees' opinions |
| | | — Support for personal physical and mental health | |
| | | | |

| Major Stakeholder | Communication Channels | Focus on Issues | The Group's Response and Measures |
|---------------------------------|--|---|---|
| Customers | — Visits by customer relationship manager | — Product quality | — Respond quickly to customer needs |
| | — Daily operations/communications | — Data security and customer privacy management | — Strengthen quality management |
| | — Telephone | — Customer service and complaint handling | — Upgrade information and network security systems |
| | — Mailbox | | |
| | — Mobile communication applications (such as WeChat) | | |
| Suppliers | — Management procedures for suppliers | — Supply chain management and sustainable development | — Implement supplier admission and delisting mechanism |
| | — Assessment system for suppliers | — Protection of suppliers' rights and interests | — Conduct supplier training |
| | — Video conferences | — the Code of Business Conduct | — Strengthen cooperation and communication |
| | — Site inspections | — Anti-corruption and anti-fraud | — Commitment to operate with integrity |
| | — Mobile communication applications (such as WeChat) | | |
| Government and Community | — News report | — Compliance with laws and regulations | — Implement compliance operations |
| | — Regulatory information submission | — Ensurance of workplace safety and health | — Participate in community construction and services |
| | — Community activity | — Creation of economic benefits and promotion of employment | — Organize volunteer activities and encourage employees to actively participate |
| | — Forum exchange activities | — Provision of welfare for the community | |
| | | — Protection of the environment | |
| | | — Adherence to national policies | |
| | | | |



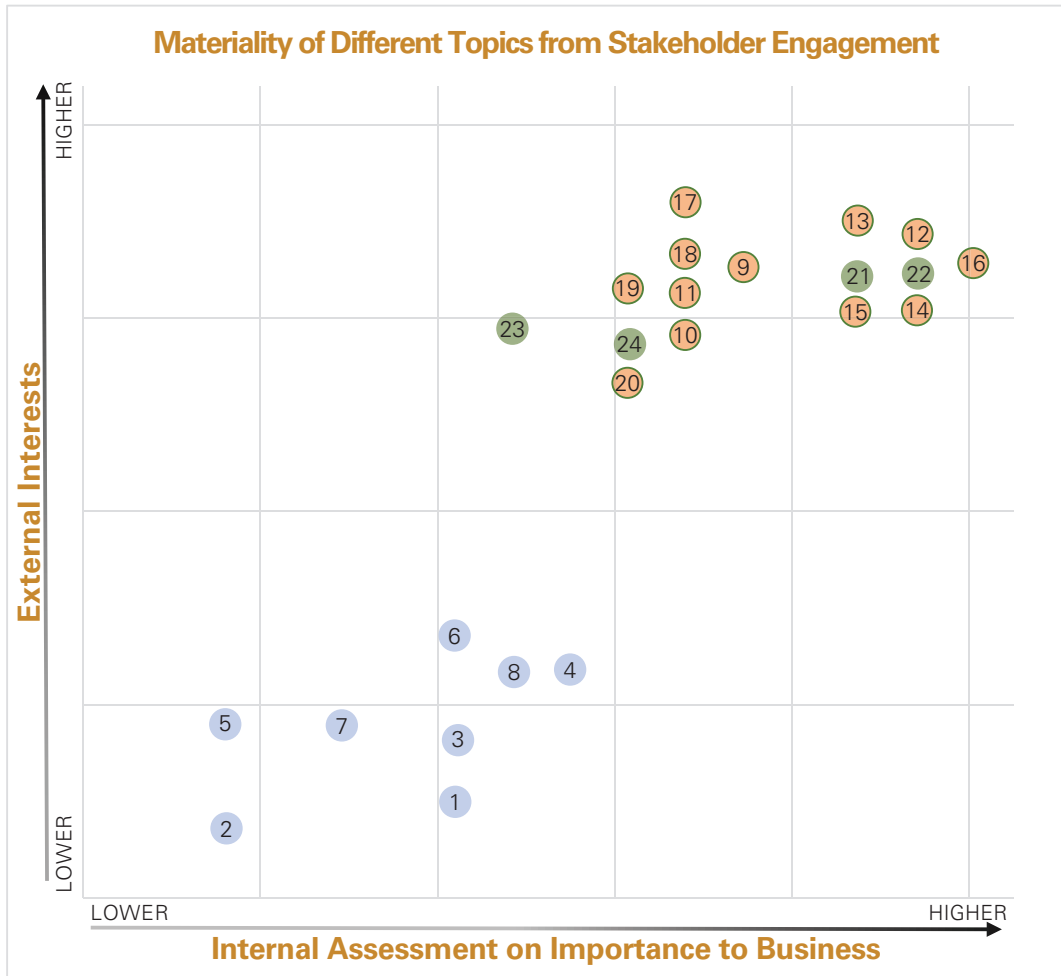
Materiality assessment

In order to promote its sustainable development, the Group regularly understands stakeholders' opinions and concerns on ESG matters through materiality assessment.

During the Reporting Period, the Group continued to appoint an independent sustainability consultant to perform a materiality assessment. The assessment was conducted through a structured process comprising identification, prioritisation and verification, with input gathered from internal and external stakeholders via questionnaire surveys. Based on the survey results, the Group has assessed the materiality and impact of each sustainability issue on its long-term development and has determined the key focus areas for disclosure in this Report. Furthermore, the Group will prioritize enhancing ESG management of relevant issues and integrate these considerations into future strategic planning and risk management adjustments.

- 1 Identification**
 - Referring to the "Guidelines", reporting trends and industry practices, and screening based on the group's internal situation, 24 ESG issues closely related to the group's business were identified.
- 2 Prioritization**
 - Invite internal and external stakeholders to participate in an online survey to rate the importance of ESG issues.
 - Collect scores on two dimensions of each ESG issue, including the impact on the Group's corporate value (financial importance) and the Group's impact on the economy, environment and society (impact importance), to determine the overall importance of each ESG issue.
 - Develop a materiality matrix and priority list of ESG issues.
- 3 Verification**
 - After the assessment results are reviewed and confirmed by the Board of Directors and senior management, the Group will make targeted responses and focused reports.

The stakeholder questionnaire survey for the Reporting Period was conducted online, receiving a total of 98 valid responses. A materiality matrix was developed to reflect the relative significance of 24 ESG issues across the Environment, Society and Governance dimensions. In forming the matrix, consideration was given to both the impact of ESG issues on the Group's corporate value and the Group's influence on the economy, the environment and society. Following a detailed assessment of the relevance of these issues to the Group's operations and stakeholders, and with reference to industry trends, development status and the Group's strategic planning, the Group identified five key ESG issues as priority areas for focused management. These five ESG issues, including "Customer Engagement", "Development and Training", "Occupational Health and Safety", "Risk Management", and "Labour Management", located on the upper right side of the materiality matrix curve are regarded as "important issues"; and the Group will make targeted responses on relevant issues. The Group will also accord priority to enhancing its ESG management in respect of these issues and will integrate them into future strategic planning and risk management considerations.



| Environment | Society | Governance |
|---------------------------------|--|-------------------------------------|
| 1 Air Emission | 9 Employment Practices | 21 Business Ethics and Integrity |
| 2 Greenhouse Gas Emissions | 10 Employee Participation | 22 Risk Management |
| 3 Waste Management | 11 Diversity and Equal Opportunities | 23 Intellectual Property Protection |
| 4 Energy Consumption | 12 Development and Training | 24 Innovation and Technology |
| 5 Water Usage | 13 Occupational Health and Safety | |
| 6 Raw Materials Consumption | 14 Labour Management | |
| 7 Climate Change and Resilience | 15 Quality and Safety of Products and Services | |
| 8 Product Lifecycle Management | 16 Customer Engagement | |
| | 17 Data Security and Customer Privacy Management | |
| | 18 Responsible Marketing and Labelling | |
| | 19 Responsible Supply Chain Management | |
| | 20 Community Engagement and Investment | |



We firmly believe that stakeholder insights play a crucial role in the Group's pursuit of its sustainable development goals. By deepening our understanding of stakeholder expectations and respecting their perspectives, the Group can make more informed decisions and strategic plans.

In the future, the Group remains committed to fostering positive and constructive engagement with stakeholders through diverse, transparent, and effective communication channels. Through ongoing dialogue and stakeholder engagement, the Group continuously reviews and refines its sustainability strategies to support long term sustainable development.

A. Commitment to the Environment

The Group attaches great importance to sustainable development and regards environmental protection as one of its core responsibilities.

The Group's operations are mainly conducted in office premises and 4S dealership stores. As such, the Group is not engaged in an energy intensive industry, and its operations have limited impact on the environment and natural resources. However, the Group still attaches great importance to environmental protection, and strictly abides by the Environmental Protection Law of the People's Republic of China (the "PRC"), the Law of the PRC on Conserving Energy, and other laws and regulations.

While developing our business, the Group thoroughly implements the concept of energy conservation and environmental protection through adopting a variety of measures, and continue to pursue clean, efficient and green development. We have formulated internal policies, aiming to save energy, water, paper and other resources, reduce greenhouse gas ("GHG") emissions and air pollutants from vehicles, as well as promote and support environmental policies including mitigation of climate change, while raising employees' awareness toward environmental protection. The Group will review the implementation of environmental protection measures, monitor individual emission sources, identify opportunities for energy conservation and emission reduction, and establish relevant policies to promote the effective use of resources with the aim of reducing its environmental footprint. The following are some of the initiatives related to environmental protection.

A1. Emissions

As the Group is principally engaged in car dealing activities, its operations do not give rise to significant air emissions or discharges into water or land, including nitrogen oxides, sulphur oxides and respirable suspended particulates.

The Group discloses greenhouse gas emission data for our primary operations in Mainland China. Generally, the Group adopts the operational control approach to define the organizational boundary for reporting unless otherwise specified.

The Group calculates its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The Group also refers to the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify Scope 3 greenhouse gas emissions among the fifteen Scope 3 categories. The Group has identified and disclosed three Scope 3 categories relevant to our business. Other categories are excluded as they are either not relevant to our business or the data is not material for quantification.

The Group's carbon footprint mainly arises from electricity and water consumption at office premises and retail stores, the use of office materials, operational waste, company vehicle usage and business travel. To manage its environmental impact and resource consumption, the Group has implemented a range of environmental protection measures with a focus on energy management, water conservation and waste reduction. During the Reporting Period, the Group did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations that had a significant impact on the Group.

The Group has not yet incorporated internal carbon pricing into our decision-making processes. Considering that the introduction of internal carbon pricing is a long-term undertaking, The Group will conduct an assessment and study of its feasibility when the timing is appropriate.

A1.1 Air Emissions

During the Reporting Period, the Group consumed natural gas and petrol from our business operations. The following table presents details of air emissions figures in 2025 and 2024:

| The type of emissions | 2025 | | 2024 | |
|-----------------------|---------------|-------------------------------|---------------|-------------------------------|
| | Emission (kg) | Intensity (g/m ²) | Emission (kg) | Intensity (g/m ²) |
| Total NOx emissions | 337.72 | 1.88 | 293.85 | 2.34 |
| Total SOx emissions | 2.10 | 0.01 | 2.34 | 0.02 |
| Total PM emissions | 15.56 | 0.09 | 12.65 | 0.10 |

A1.2 Greenhouse Gas Emissions

During the Reporting Period, 13,907.89 tonnes of carbon dioxide equivalent (tCO₂e) greenhouse gases ("GHG", mainly carbon dioxide, methane and nitrous oxide) (2024: 9,845.44 tonnes) were emitted from the Group's operations. This increase was primarily attributable to the expansion of the Group's dealership network and the associated growth in operational scale during the Reporting Period. The Group's GHG emissions are generated from fuel consumption by the vehicles, electricity and water consumption during operation, landfill, paper consumption, emissions from air travel of employees for business trips, etc.



| Scope of GHG | Emission Sources | Emission (in tCO ₂ e) | | Total Emission (in%) | |
|--|---|----------------------------------|-----------------|----------------------|---------------|
| | | 2025 | 2024 | 2025 | 2024 |
| Scope 1 Direct Emissions | Combustion of Fuel in Stationary Sources | 1,680.44 | 1,622.67 | 26.48 | 28.17 |
| | Combustion of Fuel in Mobile Sources | 322.18 | 367.92 | | |
| | Release of Refrigerants from the Operation of Equipment and Systems | 1,681.20 | 782.71 | | |
| | Assimilation of carbon dioxide through tree planting | -0.60 | 0.00 | | |
| Scope 2 Energy Indirect Emission | Purchased Electricity | 9,025.67 | 6,381.84 | 67.70 | 68.64 |
| | Purchased Natural Gas | 389.69 | 376.29 | | |
| Scope 3 Other Indirect Emissions | Paper Waste Disposal | 89.96 | 96.45 | 5.82 | 3.19 |
| | Electricity Used for Processing Fresh Water and Sewage by Third Party Handler | 69.20 | 49.24 | | |
| | Business Air Travels | 650.15 | 168.31 | | |
| Total | | 13,907.89 | 9,845.43 | 100.00 | 100.00 |

The overall intensity was 77.29 kgCO₂e per m² of total area, (2024: 78.32 kgCO₂e per m² of total area).

A1.3 Hazardous Waste

During the Reporting Period, 1,172.35 tonnes of hazardous waste were generated from daily business operations (2024: 750.12 tonnes). The intensity was 6.52 kg of hazardous waste per m² of total area (2024: 5.97 kg per m² of total area). The Group's hazardous waste primarily consists of used motor oil, solid hazardous waste, batteries, waste containing organic solvents, electronic waste, and discarded lightbulbs.

A1.4 Non-hazardous Waste

During the Reporting Period, the Group's operations generated approximately 3,104.90 tonnes of non-hazardous waste (2024: 2,445.55 tonnes), which mainly included everyday non-hazardous waste, food waste, and other paper waste.

Non-hazardous waste generated during the Reporting Period

| Types of Non-Hazardous Wastes | Waste Generated (tonnes) | |
|---|--------------------------|----------|
| | 2025 | 2024 |
| Everyday Non-Hazardous Waste | 2,732.05 | 2,231.81 |
| Food Waste | 241.71 | 156.14 |
| Other Paper Waste (e.g., newspaper, card paper) | 131.14 | 57.60 |

The intensity was 17.26 kg of non-hazardous waste per m² of total area (2024: 19.45 kg).

A1.5 Measures to Mitigate Emissions

The Group always advocates low-carbon operations and attempts to minimize resource consumption in daily operations. Currently, the Group has set long-term targets for air emissions, which were mainly focused on reducing sulphur and GHG emissions. During the Reporting Period, the Group has taken the following resource-saving measures during its operations:

I. Emission Mitigation and Air Quality Control

- **Enhancing Emission Monitoring and Infrastructure:** Conducting annual environmental impact assessments and inspections of paint spray booths to upgrade monitoring equipment and ensure the systematic reduction of exhaust output.
- **Advanced Filtration and Pollutant Management:** Deploying specialized technical solutions including dry grinders for dust suppression, vacuum systems for welding gases, and activated carbon filtering sponges for paint baking processes to neutralize hazardous pollutants.
- **Rigorous Maintenance Protocols:** Implementing disciplined equipment maintenance plans including the regular replacement of consumables such as filter cotton and activated carbon to guarantee that all emissions remain compliant with regulatory standards.
- **Environmental Safety Inspections:** Facilitating annual comprehensive inspections across all dealership stores to ensure that wastewater, noise, and air emissions pose no health risks to employees and adhere to all legal requirements.

II. Energy Efficiency and Carbon Reduction

- **Strategic Energy Oversight:** Conducting monthly electricity statistical analyses to monitor usage distribution and efficiency, enabling long-term oversight of the Group's energy consumption patterns.
- **Infrastructure Retrofitting:** Executing a phased transition to energy-saving lighting across all work areas and designating personnel to optimize the use of air conditioning and lighting systems.
- **Renewable Energy Integration:** Evaluating the feasibility of rooftop solar installations with the intent of gradually implementing solar solutions across our 4S dealership network.

III. Sustainable Mobility and Business Travel

- **Optimization of Fleet and Logistics:** Prioritizing the procurement of electric vehicles over traditional fuel-driven models for the corporate fleet and designing scientifically optimized routes for customer test drives to minimize carbon footprints.
- **Green Commuting and Digital Collaboration:** Encouraging the use of public and shared transportation among employees while proactively reducing business travel by replacing long-distance meetings with high-efficiency video conferencing and telecommunication tools.

A1.6 Waste Reduction and Initiatives

The Group understands the importance of good waste management practices and strictly complies with the Law of the PRC on Prevention and Control of Solid Waste Pollution, the Law of the PRC on Prevention and Control of Atmospheric Pollution, the Law of the PRC on Prevention and Control of Water Pollution, the Integrated Wastewater Discharge Standard, and other relevant environmental laws and regulations.



The Group's operations involve various types of non-hazardous waste, including general waste, paper, plastic, metal, and wood. Through a structured waste management system, the Group ensures that all non-hazardous waste is properly classified, collected, stored, and processed.

To achieve its waste reduction goals — promoting recycling, minimizing waste, and optimizing cost efficiency — the Group emphasizes source reduction. By strengthening management and control measures across operational units, in line with the principle of waste minimization, the Group aims to reduce unnecessary waste generation.

The administration department is responsible for the collection and handling of non-hazardous waste. Paper consumption mainly arises from routine office activities, including document production and packaging of deliverables. To reduce paper usage, the Group encourages employees to adopt conservation practices such as double-sided printing and the reuse of previously printed paper, while increasing the use of electronic documents for communication and document issuance in support of paperless operations. Paper materials are recycled where it is feasible to minimise disposal to landfills. Food waste is separately classified and transferred to external service providers for conversion into fertiliser or fodder. The Group generated most of its hazardous waste from store operations. We established a hazardous waste ledger to record the generation, disposal and storage of hazardous waste. These wastes were collected by professional third-party waste-handlers for recycling, reuse, or further processing. We ensure that hazardous waste is disposed of through legal and compliant channels, and regularly inspect the management of hazardous waste.

In the Reporting Period, the Group established annual targets for solid waste reduction, with a primary focus on minimizing waste discharge. Moving forward, the Group will continue to refine and enhance its waste management strategies to ensure a sustainable balance between business growth and environmental protection. The Group aims to achieve a general reduction of 1% in overall hazardous waste and non-hazardous waste intensity in upcoming three years.

A2. Use of Resources

The Group has established administration policies on the efficient use of resources and minimise the consumption of energy, water, and paper. The Group also plans to minimise its use of business travel.

A2.1 Energy Consumption

A total of 24,021,504.45 kWh of energy (2024: 19,560,181.67 kWh) was consumed by the Group for its operations during the Reporting Period. The intensity was 133.50 kWh of energy consumption per m² of total area (2024: 155.60 kWh). Electricity was the major source of energy for the Group, consuming 14,793,758.81 kWh (2024: 10,460,314.58 kWh) for lighting, air-conditioning and other equipment of the Group necessary for its daily operations. The rest of the Group's energy source was petrol used for fuelling its vehicle fleet, and natural gas used for canteen operations. 121,124.41 litres (2024: 138,294.09 litres) of petrol were consumed, which is equivalent to 1,073,421.47 kWh (2024: 1,225,581.58 kWh) of energy. 824,965.35 m³ (2024: 796,607.62 m³) of natural gas was consumed, which is equivalent to 8,154,324.17 kWh (2024: 7,874,023.76 kWh) of energy.

The following table presents details of energy consumption figures in 2025 and 2024:

| Energy Consumption | 2025 | | 2024 | |
|--------------------|-------------------|---------------------------------|-------------------|---------------------------------|
| | Consumption (kWh) | Intensity (kWh/m ²) | Consumption (kWh) | Intensity (kWh/m ²) |
| Electricity | 14,793,758.81 | 82.22 | 10,460,314.58 | 83.21 |
| Petrol | 1,073,421.47 | 5.97 | 1,225,581.58 | 9.75 |
| Diesel | 0.00 | 0.00 | 261.75 | 0.00 |
| Natural gas | 8,154,324.17 | 45.32 | 7,874,023.76 | 62.64 |

A2.2 Water Consumption

The headquarters and dealership stores consumed 112,162.09 m³ (2024: 79,812.36 m³) of water during the Reporting Period. The water intensity was 0.62 m³ per m² of total area (2024: 0.63 m³ per m² of total area).

A2.3 Energy Use Efficiency Initiatives

We promote the principles of green energy conservation and efficient resource utilization, striving to optimize resource use and minimize carbon emissions across our operations. The Group has established energy-saving policies and measures to underscore our commitment to energy efficiency. Our energy consumption primarily arises from lighting, air conditioning, and other equipment used in the Group’s offices and daily operations. In terms of electricity consumption, we designate personnel to turn off lighting and ensure the reasonable use of air conditioning, and administrative departments to check electricity consumption from time to time. Through conducting monthly electricity statistics, we analyse electricity efficiency and usage distribution to monitor the Group’s electricity consumption in the long term. For electronic devices, we use products with high energy efficiency certification and power-saving modes, such as computers and printers that can automatically enter the standby or sleep mode when idling. We also procure electronic devices that can accommodate multiple servers, such as printing facilities with multi-functional printing and copying devices, and avoid using a single server with higher capacity to save electricity. During the Reporting Period, the Group has set annual targets and taken the various measures to reduce its electricity and energy consumption during operation. In the future, the Group will strive to keep on improving consumption efficiency, to balance business growth and environment protection.

The Group aims to achieve a general reduction of 1% in overall energy use intensity in upcoming three years.

A2.4 Water Use Efficiency Initiatives

The Group strictly abides by the rules and regulations in relation to water pollution control. The domestic water we use is supplied by our property buildings, and we have no problem in sourcing water that is fit for purpose. All car wash services were outsourced to third party vendors. We encourage the vendors to develop and apply new technology and equipment with low water consumption to improve our water-saving efficiency. We have also promoted reasonable water use among employees in workshops of various dealerships in the Group to increase the utilisation rate of water resources.

During the Reporting Period, the Group established annual water resource targets primarily focused on the mitigation of water waste and the enhancement of water use efficiency. To achieve these objectives, the Group implemented the following measures:

- **Operational Water Conservation:** Encouraging water saving practices and mandating the suspension of water supplies during periods when car wash services are not in operation.



- **Infrastructure Optimization:** Installing motion sensor faucets within restroom facilities to minimize unnecessary consumption.
- **Resource Reclamation:** Recycling water resources wherever feasible under suitable operational conditions.

Through these measures, the Group aims to achieve a general reduction of 1% in overall water use intensity in upcoming three years.

A2.5 Packaging Materials

The Group's operations did not involve any regular use of packaging materials. Packaging material was mainly used by its suppliers.

A3. The Environment and Natural Resources

The Group is committed to conducting its business responsibly, ensuring that its business does not contribute to significant adverse impact on the environment and society while bringing sustainable growth and profit.

A3.1 Significant Impacts of Activities on the Environment

The Group's car dealing business operations do not have significant impacts on the environment and natural resources. The Group has established internal policies to reduce its consumption of resources and to minimise business travels and encourage online meetings. The Group is also committed purchasing from qualified suppliers who follow national environmental rules and regulations. To effectively reduce exhaust emissions, the Group is looking into expanding its business on pre-owned vehicles and new energy vehicles (NEVs) to reduce consumption of natural resources. In order to further cooperate with the Carbon Neutrality measures in mainland China, the Group accelerates the replacement of Group cars and test drive cars from gasoline vehicles to electric vehicles. The Group has taken the above resource-saving measures during the Reporting Period and have shown significant improvement. In the future, the Group will continue to refine and improve resource-saving strategies, in order to balance business growth and environment protection. Through these measures, the Group aims to achieve a general reduction of 1% in overall emission intensity in upcoming three years.

A4. Climate Change

Under the challenges of global climate change, economies and societies are facing unprecedented impacts. Mainland China is actively responding to this global issue by promoting a green economic transition and implementing stringent energy consumption targets to move towards "Carbon Peaking" and "Carbon Neutrality." As a responsible corporate citizen, the Group fully supports this vision. The Group contributes to the achievement of the "Dual Carbon" goals through a comprehensive low-carbon operational strategy. The Group continuously optimizes our operational processes, strive to reduce our environmental footprint, and establish a robust internal policy framework to ensure that all production bases adhere to the highest standards in emissions management and resource utilization.

A4.1 Governance

The Group's climate-related matters and issues are guided, reviewed, and monitored by the Board of Directors. The Board has authorized the Internal Working Group to execute specific tasks. For details on the management structure and specific responsibilities, please refer to the "Sustainability Governance Structure" section of this report. To avoid duplication, this section provides supplementary disclosure on climate governance in accordance with the requirements of Paragraph 19 of Part D of the Guide, including the Board's oversight of climate-related risks and opportunities, the role of management, performance metrics and related monitoring measures.



ESG Report

To enhance the Board's professional knowledge and decision-making capabilities regarding climate issues and to strengthen climate governance, Board members participate in at least one ESG-focused training session annually. This reinforces their awareness of responsibility and commitment to promoting sustainable development.

In assessing whether the Board collectively possesses the appropriate skills and competencies to oversee climate-related risks and opportunities, the Board periodically reviews its knowledge requirements through structured self-assessments and discussions during routine meetings. These reviews enable the Board and senior management to identify areas where additional climate-related expertise may be beneficial. Where gaps are identified, the Group arranges external briefings, industry updates, or ESG-specific training for directors and senior management. This ensures continued alignment with evolving regulatory expectations and climate-related developments, with relevant expertise incorporated into Board appointments and succession planning where necessary.

The Board has delegated the day-to-day management of climate-related risks and opportunities to the Internal Working Group. This group is responsible for executing climate and energy-related initiatives to assess climate risks and opportunities. Climate-related matters are reported to the Board through established reporting channels.

The Board is briefed on climate-related risks, opportunities, performance metrics, and emerging regulatory developments at least annually, or more frequently should significant issues arise. They are also responsible for overseeing the setting of climate-related targets and regularly reviewing progress toward those targets and providing guidance on improvement measures and resource allocation when necessary. The Group has integrated climate-related controls and monitoring procedures into its existing internal control and risk management systems, ensuring that climate-related considerations are reviewed alongside other operational, compliance, and strategic risks.

The Group recognizes the importance of linking climate performance with executive remuneration to enhance the Group's climate resilience and long-term value. In the future, the Group will explore the feasibility of incorporating climate-related indicators into the remuneration considerations for senior management.

A4.2 Strategy

In the face of challenges and opportunities brought by climate change, the Group maintains a proactive stance, deeply analyzing industry-specific climate risks and formulating corresponding response strategies. By establishing a refined risk assessment mechanism, the Group is not only able to identify potential threats in advance but also seize development opportunities arising from the green transition.

Our climate strategy integrates various scenario assessment tools, including scenario analysis using the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) low-carbon and high-carbon scenarios to evaluate our operational assets and business activities. By combining multiple possibilities for future global climate change, the Group identifies climate-related risks and opportunities to assess the Group's climate resilience. This approach is consistent with the principles of IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), ensuring that the Group's strategic planning is built upon the latest climate science and global socio-economic projections.



During the Reporting Period, the Group conduct a preliminary identification and analysis of climate-related risks and opportunities based on our industry and the geographical locations of our major operating sites in Mainland China. This will serve as a foundation for the Group’s future climate transition plans. Our current research covers designated assets and operations; the Group will explore the feasibility of expanding the scope of research in the future. Furthermore, regarding the financial impact on the upstream and downstream supply chain caused by risks, the Group has not yet collected sufficient data for a full assessment. Moving forward, the Group will gradually strengthen communication and mobilization across the value chain to help suppliers establish climate risk assessment and monitoring systems and expand the scope of our evaluation.

A4.3 Assessment of Time Horizons and Climate Scenario Selection

| Category of Risks & Opportunities | Assessment Time Horizon ² | Climate Scenario Selection |
|--------------------------------------|--|--|
| Physical Risks | <ul style="list-style-type: none"> • Acute • Chronic | <ul style="list-style-type: none"> • Short-term: Present — 2030 • Medium-term: 2031–2040 • Long-term: 2041–2050 <p>IPCC AR6 Shared Socioeconomic Pathways (SSP)</p> <ol style="list-style-type: none"> 1) Low-carbon Scenario (Aligned with Paris Agreement): <ul style="list-style-type: none"> • SSP1–2.6 2) High-carbon Scenario (Business-as-usual) : <ul style="list-style-type: none"> • SSP5–8.5 |
| Transition Risks | <ul style="list-style-type: none"> • Policy and legal risk • Technology risk • Market risk • Reputation risk | <p>International Energy Agency (IEA)</p> <ol style="list-style-type: none"> 1) Low-carbon Scenario (Aligned with Paris Agreement): <ul style="list-style-type: none"> • Net Zero Emissions (NZE) Scenario 2) High-carbon Scenario (Business-as-usual) : <ul style="list-style-type: none"> • Stated Policies Scenario (STEPS) |
| Climate-related opportunities | <ul style="list-style-type: none"> • Resource efficiency • Energy source • Markets • Resilience | |

2 Definition of Time Horizons: The Short-term horizon is aligned with the 2030 “Carbon Peaking” target of Mainland China, the Group’s primary operating location. The Medium-term and Long-term horizons are defined in 10-year intervals to match the frequency of climate risk variations, allowing for the assessment of impacts across different strategic planning stages.

A4.4 Results of Climate-related Risks and Opportunities Analysis

| Description | Impact Level and Time Range | Influence Path | Financial Impact |
|---|---|--|---|
| Climate Risks | | | |
| Physical Risks | | | |
| <i>Acute Risk</i> | | | |
| <ul style="list-style-type: none"> • Extreme weather events, including typhoons and rainstorms | <ul style="list-style-type: none"> • Medium • Short to Long-term | <ul style="list-style-type: none"> • Disruption of 4S dealership operations and a decrease in customer footfall. • Risks to employee safety and increased complexity in safety occupational management. • Damage to vehicle inventory resulting from inundation. • Logistics disruptions and vehicle delivery delays caused by supply chain interruptions. | <ul style="list-style-type: none"> • Anticipated escalation in operating costs related to repairs and insurance premiums. • Potential revenue loss resulting from climate-driven business interruptions. • Increased maintenance expenditures and potential asset impairment arising from damaged inventory. |
| <i>Chronic Risk</i> | | | |
| <ul style="list-style-type: none"> • Rise in mean temperatures and increased frequency of extreme heat events • Increased probability of flooding due to sea-level rise | <ul style="list-style-type: none"> • Medium • Long-term | <ul style="list-style-type: none"> • An increase in dealership energy consumption. • Potential exposure of coastal dealerships to inundation risks driven by sea-level rise. | <ul style="list-style-type: none"> • Higher operating costs and increased demand for facility maintenance and structural reinforcement. • Destabilized logistics impacting both operational and revenue stability. |
| Transition risks | | | |
| <i>Policy and Legal Risk</i> | | | |
| <ul style="list-style-type: none"> • Increasingly rigorous environmental regulations • Rising carbon prices • Stringent carbon management policies | <ul style="list-style-type: none"> • Medium • Medium to Long-term | <ul style="list-style-type: none"> • Implementation of carbon pricing mechanisms. • Adjustments to the Group’s vehicle fleet and operating model resulting from restrictions on Internal Combustion Engine (ICE) vehicles. | <ul style="list-style-type: none"> • Growth in operating costs and associated compliance expenditures. |



| Description | Impact Level and Time Range | Influence Path | Financial Impact |
|--|--|--|---|
| <i>Technology Risk</i> | | | |
| <ul style="list-style-type: none"> Technological improvements or innovations required for the transition to a low-carbon, energy-efficient economic system | <ul style="list-style-type: none"> Low Short to Medium-term | <ul style="list-style-type: none"> Support for the low-carbon transition through store renovations, green building development, and the installation of energy-efficient facilities. Acquisition of electric vehicle-specific diagnostic tools and the reskilling of technical personnel to enhance service capabilities. Implementation of strategic infrastructure enhancements to meet evolving low-carbon operational requirements. | <ul style="list-style-type: none"> Increased capital expenditure associated with infrastructure upgrades and the adoption of green building standards. Higher operational expenditures resulting from specialized equipment procurement and comprehensive workforce transition training. |
| <i>Market Risk</i> | | | |
| <ul style="list-style-type: none"> Shift in consumer preferences toward New Energy Vehicles (NEVs) and low-emission models | <ul style="list-style-type: none"> Medium Short to Long-term | <ul style="list-style-type: none"> Anticipated decline in traditional ICE vehicle sales resulting from the shift in consumer preferences. Insufficient or delayed product mix adjustments impacting market competitiveness. | <ul style="list-style-type: none"> Adverse effects on sales performance and long-term revenue growth. Potential loss of market share and reduced profitability. Negative pressure on cash flow and increased inventory carrying costs. |
| <i>Reputation Risk</i> | | | |
| <ul style="list-style-type: none"> Increased stakeholder concern regarding climate-related information disclosure Damage to the image of upstream automotive brands due to environmental compliance issues | <ul style="list-style-type: none"> Low Long-term | <ul style="list-style-type: none"> Reputational damage and financing obstacles resulting from non-compliant disclosures amidst increasingly stringent requirements from regulators, investors, and consumers. Operational and revenue risks arising from disclosure gaps. Supply instability and adverse operational impacts following sales declines of upstream automotive brands due to reputational or compliance issues. | <ul style="list-style-type: none"> Potential revenue loss resulting from diminished brand loyalty and shifting customer preferences. Increased financing costs and restricted access to capital markets. Reduction in profitability due to higher cost of capital and potential divestment by ESG-conscious investors. |

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| Description | Impact Level and Time Range | Influence Path | Financial Impact |
|--|--|--|--|
| Climate-related Opportunities | | | |
| <i>Resource Efficiency</i> | | | |
| <ul style="list-style-type: none"> Expansion of financing channels through green and sustainable finance instruments Efficiency gains in operations and labor management through digital empowerment | <ul style="list-style-type: none"> Low Long-term | <ul style="list-style-type: none"> Diversified financing channels arising from green finance, which support the Group's business expansion and enhance capital liquidity and efficiency in the use of funds. Optimization of resource allocation and enhancement of cross-regional management resilience through digital intelligent platforms and standardized processes. | <ul style="list-style-type: none"> Generation of additional revenue streams through the monetization of carbon assets. Lowered financing costs and enhanced capital allocation efficiency. |
| <i>Energy Source</i> | | | |
| <ul style="list-style-type: none"> Use of clean energy and new technologies for effective energy saving and emission reduction | <ul style="list-style-type: none"> Medium Short to Long-term | <ul style="list-style-type: none"> Significant reduction in dependence on traditional fuels and mitigation of greenhouse gas emissions through the adoption of electric vehicle fleets and energy management systems. | <ul style="list-style-type: none"> Reduction in operating expenditures resulting from enhanced energy efficiency and lower utility consumption. |
| <i>Market</i> | | | |
| <ul style="list-style-type: none"> Rising demand for low-carbon vehicle models Exploration of new markets and expansion of market share Enhancement of brand competitiveness and market positioning | <ul style="list-style-type: none"> Medium Short to Long-term | <ul style="list-style-type: none"> Capitalizing on demand growth for New Energy Vehicles (NEVs) and the expansion of pure electric and hybrid product lines. Enhancement of brand equity and customer trust through the development of a green corporate image. | <ul style="list-style-type: none"> Significant growth in sales revenue driven by the adoption of low-emission vehicle technologies. Sustainable revenue growth driven by an expanded customer base and increased penetration in the NEV segment. |



| Description | Impact Level and Time Range | Influence Path | Financial Impact |
|---|--|---|--|
| <i>Resilience</i> | | | |
| <ul style="list-style-type: none"> Enhancement of supply chain resilience and mitigation of climate risk impacts Early-mover advantages from low-carbon transition planning | <ul style="list-style-type: none"> Medium Short to Long-term | <ul style="list-style-type: none"> Enhancement of supply chain adaptability and logistics resilience through the optimization of delivery arrangements. Proactive strategic positioning and business model innovation to address evolving climate-related challenges. Strengthening of the Group's operational response mechanisms to mitigate climate-driven disruptions. | <ul style="list-style-type: none"> Reduction in financial losses associated with operational downtime and logistics interruptions. Securing of long-term competitive advantages and revenue sustainability. Improved cost-efficiency through a more resilient and responsive supply chain infrastructure. |

It is important to note that these scenarios do not represent the final outcomes for the Group. The assumptions within the scenario analysis may or may not materialize and are based on information available at the time of the analysis. These scenarios may be influenced by other factors beyond the assumptions made in the analysis; therefore, they do not represent actual future results.

A4.5 Response Measures and Action Plans

Based on the results of scenario analysis, we have taken appropriate measures to enhance our capacity for climate risk response, mitigation, and adaptation, and to strengthen climate resilience in response to identified significant physical and transition risks. The Group has formulated policies related to energy consumption and climate change and implemented them at key operating points. The Group regularly reviews the effectiveness of relevant policies and measures.

Physical Risks

- Emergency Management and Early Warning System**
- Establish a point-to-point warning and response mechanism to promptly alert relevant departments to undertake preventive measures.
 - Clearly define the roles and scope of responsibilities of each department in disaster prevention, mitigation and rescue activities to ensure accountability and consistent execution.
 - Establish and strengthen emergency management command and coordination mechanisms, including the central coordinating role of the emergency management function, emergency contact arrangements and duty personnel systems, to enhance cross-departmental coordination efficiency.
 - Formulate emergency response procedures and preventive measures for climate change to enhance overall response capabilities.

**Management
Training on
Climate-related
Physical Risks**

- Provide management training on climate-related physical risks for leaders at all levels in collaboration with relevant departments to enhance awareness of climate-related risks and their potential impacts on operations.
- Provide relevant professional training to employees to enhance their capabilities in responding to climate-related physical risks and to ensure that they are equipped with the necessary disaster avoidance and prevention skills.
- Climate-related physical risk training accounted for approximately 5.5% of total training hours during the Reporting Period.

**Siting Strategy
and Facility
Resilience**

- Prioritize locations with sound infrastructure and excellent drainage systems for dealership siting.
- Establish a replicable and stable operating model for 4S dealership stores, through standardized management processes (e.g., investment, procurement, inventory).
- Upgrade energy-saving air-conditioning systems and thermal insulation building materials in dealerships to address increased operational energy consumption caused by rising temperatures.
- Pre-position response resources in high-risk areas on top of basic fire and flood prevention measures.
- Implement geographically targeted reinforcement measures, such as enhancing dealership building standards in seismic-prone areas (including independent column foundations and steel structural requirements in the Chengdu region) and installing flood prevention and drainage facilities in coastal cities.
- Develop and implement energy efficiency improvement plans, such as the use of green building designs and energy-efficient facilities.

**Business
Continuity
Management
and Digital
Transformation**

- Implement daily cloud backups for core systems (SAP/MBS) to ensure data availability in extreme scenarios.
- Utilise reliable third-party network infrastructure, such as services provided by Nanling Technology and off-site data backup centres hosted on Alibaba Cloud, to support rapid recovery of business systems and operating environments.
- Establish an effective operation model through these standardized processes, ensuring the system can be readily replicated to future 4S dealership stores in new geographic areas.



**Financial Risk
Mitigation and
Hedging**

- Existing property insurance provides coverage for damage to vehicle inventory arising from extreme weather events.
- During the Reporting Period, all dealerships with potential exposure to extreme weather risks were covered by relevant insurance policies.

**Transition Risks
Supply Chain
Coordination**

- Maintain close contact with manufacturers to coordinate NEV-related business plans.
- Align with manufacturers' global electrification strategies and adjust our product mix to boost procurement volumes based on market demand.

**Compliance
Disclosure and
Strategic
Approach**

- Enhance qualitative and quantitative climate risk disclosures in line with regulatory requirements.
- Establish a policy monitoring mechanism to analyse the financial impacts of carbon neutrality policies across different jurisdictions on operating costs.

**Talent
Development
and Workforce
Transition**

- During the Reporting Period, over half of our total training hours were dedicated to the electric vehicle (EV) sector.
- The curriculum focused heavily on deepening staff expertise in our proprietary range of new energy vehicles (NEVs) alongside rigorous benchmarking and analysis of competitor models.
- Training modules also encompassed global market trends, emerging vehicle architectures, and advanced technical systems for repair and maintenance.



EV Technical Training

**Low-carbon
Transition and
Operations**

- Implement energy efficiency measures to reduce carbon emissions from traditional electricity consumption.
- Progressed the electrification of the Group's corporate fleet. During the Reporting Period, the corporate fleet recorded a net addition of 109 vehicles, of which 67 were new energy vehicles.

Climate Opportunities

- Digital Management**
 - Build intelligent online business platforms, including an e-commerce platform, a financial shared services platform and an e-HR human resources management platform, to enhance operational flexibility and efficiency.

- Online Transactions and Service Innovation**
 - Implement online payment methods across all stores to enable customers to complete transactions online, with vehicles delivered to customer-designated locations.
 - Provide after-sales services that support on-site collection for repairs and post-repair delivery, helping to maintain the continuity of vehicle sales and maintenance services during extreme weather conditions.

- Expansion of New Energy Vehicle Portfolio and Supporting Infrastructure**
 - Optimise the product portfolio to increase the proportion of hybrid and new energy vehicles in total sales.
 - Introduce NEV models from selected luxury brands to expand the Group's new energy vehicle product offering.
 - Construct fast-charging piles and specialized NEV workshops to create new after-sales revenue streams.

- Green Financing Instruments**
 - Explore green loans or green bonds to reduce financing costs for low-carbon store renovations or construction.

At this stage, due to the limited availability of reasonable and supportable forward-looking data and the high degree of measurement uncertainty involved, the Group is unable to provide quantitative forecasts of the future financial impacts arising from climate related risks and opportunities. The Group currently has no formal climate-related transition plan or has developed a structured transition path, nor has it established the explicit assumptions or dependencies typically found in such plans. Apart from capital investments made to construct energy-efficient manufacturing facilities and upgrade equipment, the Group currently does not have any other capital investment or divestment plans specifically driven by climate related considerations. Any future climate related capital expenditures will be assessed based on operational needs, commercial rationale, and evolving regulatory requirements. The Group has also not formulated any climate specific funding strategy at this stage. Climate related initiatives, where required, will continue to be supported through existing operating budgets, and the Group will consider additional funding needs as climate related requirements or strategic priorities evolve. While the separate quantification of individual climate related financial effects is not feasible at present, the Group anticipates that the combined financial impact of climate related risks — primarily those relating to extreme weather events, energy price volatility, and supply chain disruptions — may affect operating costs and gross profit margin in the future.

During the Reporting Period, The Group did not experience any significant impacts from extreme weather events. To mitigate physical and transition risks, the Group has proactively implemented energy-saving and carbon-reduction initiatives, with a view to establishing a green and low-carbon operating model.



The Group maintains comprehensive oversight of energy conservation and emission reduction measures across all dealerships. Dedicated teams are responsible not only for the regular collection and monitoring of energy consumption data, but also for conducting periodic equipment inspections to ensure energy efficiency. Through the setting of clear targets and regular performance assessments, the Group continues to enhance its energy management system and effectively minimise resource wastage. These initiatives not only demonstrate the Group's commitment to climate change mitigation, but also reflect its determination to strengthen climate resilience across its operations. Detailed information regarding climate-related targets and progress can be found in the "Commitment to the Environment" section of this report.

Meanwhile, the Group monitors developments in global and local climate-related policies and regulations, technological advancements and market trends on an ongoing basis, and maintains communication with relevant government and regulatory authorities to ensure awareness of regulatory updates and compliance with applicable requirements. The Group also publishes ESG reports on a regular basis to facilitate stakeholder communication and enhance transparency.

The Group is assessing the feasibility of adopting environmental technologies and green energy solutions in appropriate areas of its operations to mitigate climate-related risks associated with technological and market transitions. By regularly setting specific targets and conducting performance evaluations, we continuously optimize our energy management system, effectively preventing resource waste.

A4.6 Risk Management

The Group has incorporated climate-related risks and opportunities into its enterprise risk management framework to enhance operational resilience and maintain competitiveness amid evolving climate-related challenges. Details of the relevant governance structure and management processes are set out in the section headed "Sustainability Governance Structure" of this Report.

Compared to previous years, to better manage climate-related risks and opportunities, this year we adopted a multidisciplinary approach that incorporates the TCFD framework and science-based scenario analysis. Enabling the Group systematically identifies, assesses, and manages climate-related risks and opportunities. Through regular stakeholder engagement, relevant perspectives are incorporated into the Group's climate strategy to ensure alignment with business development objectives and emission reduction targets. Regarding the input data and parameters used in the analysis, as well as the analysis results on the nature of the risk and opportunity impacts, for details please refer to the "Climate Change — Strategy" of this Report.

The Group follows a structured procedure to identify and prioritise material physical and transition risks and opportunities, evaluate the associated business and financial impacts, and define corresponding resilience strategies. Climate-related risks are prioritized using the same qualitative considerations as the Group's broader risk management framework. Risks that may have a significant impact on operations, finances, or compliance are assigned a higher monitoring and management priority to ensure consistency with the Group's overall risk ranking methodology. We develop detailed corporate risk management plans annually, including those related to climate, and continuously update our risk assessment lists to comprehensively identify and manage potential risks. Through regular review and optimization of our risk management strategies, we are committed to building a more robust ESG management system and promoting the Group's sustainable development. Compared to the previous reporting period, the Group has not made any significant changes to its processes for identifying, assessing, prioritizing, and monitoring climate-related risks. Further improvements will be considered as more data, regulatory guidance, and climate-related tools become available.

B. Commitment to Employees

The Group upholds the core value of “people-oriented” and is committed to building an excellent and diverse team.

B1. Employment

B1.1 Employment Figures

The Group recognizes its employees as the primary catalyst for sustainable growth. Adhering to a people-oriented philosophy, we remain dedicated to respecting and safeguarding the legitimate rights of every team member while maintaining rigorous employment management standards. By prioritizing occupational health and safety and fostering an inclusive working environment, the Group aims to consolidate long term, collaborative relationships with its workforce. The Group acts in strict compliance with the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Women’s Rights and Interests, the Law on the Protection of Minors, and the Provisions on Prohibiting the Use of Child Labour. In addition, we have formulated a staff handbook to facilitate the building of talent teams and strive to create an equal, inclusive, healthy and safe working environment. Our staff handbook mandates human resource management policies, including equal employment, attendance management, remuneration and benefits, recruitment and promotion, training and development, health and safety, performance assessment, code of conduct, etc., so as to keep employees aware of the Group’s management basis and their own interests. The Group did not note any cases of material non-compliance in relation to employment, including the provision of a safe working environment and protecting employees from occupational hazard during the Reporting Period.

As of 31 December 2025, the Group had a total of 1,761 employees. See below for the detail breakdown of the workforce.

| Total Workforce as of 31 December | 2025 | 2024 |
|--|-------------|-------------|
| By Employment Type | | |
| Full-time | 100.00% | 100.00% |
| Part-time | 0.00% | 0.00% |
| By Gender | | |
| Female | 35.55% | 37.17% |
| Male | 64.45% | 62.83% |
| By Employee Category | | |
| Senior Management | 3.29% | 2.48% |
| Middle Management | 9.37% | 8.34% |
| Frontline and Other Employees | 87.34% | 89.18% |
| By Age Group | | |
| 18–25 | 6.08% | 5.79% |
| 26–35 | 39.75% | 45.39% |
| 36–45 | 47.19% | 42.34% |
| 46–55 | 6.47% | 5.93% |
| 56 or above | 0.51% | 0.55% |
| By Geographical Location | | |
| Mainland China | 100.00% | 100.00% |
| Foreign Countries | 0.00% | 0.00% |



B1.2 Turnover Figures

A total of 576 employees left the Group during the Reporting Period, which gave a turnover rate of 32.71%. The Group regularly evaluates salary, remuneration, and benefits to retain top talent and maintain its attractiveness and competitiveness in the market. See below for the detail breakdown of turnover rate by employee group.

| Turnover Rate as of 31 December | 2025 | 2024 |
|--|---------------|-------------|
| By Employment Type | | |
| Full-time | 32.60% | 35.17% |
| Part-time | 0.00% | 0.00% |
| By Gender | | |
| Female | 30.99% | 35.81% |
| Male | 33.66% | 34.80% |
| By Employee Category | | |
| Senior Management | 13.79% | 16.67% |
| Middle Management | 17.58% | 19.83% |
| Frontline and Other Employees | 35.05% | 37.12% |
| By Age Group | | |
| 18-25 | 71.03% | 92.86% |
| 26-35 | 39.14% | 39.06% |
| 36-45 | 24.43% | 24.92% |
| 46-55 | 15.79% | 25.58% |
| 56 or above | 55.56% | 0.00% |
| By Geographical Location | | |
| Mainland China | 32.71% | 35.17% |

Note: The employee turnover rate (%) = Number of employees in the specified category who left during the Reporting Period/Total number of employees in the specified category at the end of the Reporting Period x 100%.

B1.3 Employee Recruitment, Compensation and Benefits

The Group complies strictly with all applicable laws and regulations in relation to recruitment, pursuant to which the Group is to select, recruit and promote its employees at all levels in a fair, just and open manner based on their knowledge, integrity, ability and experience in either public recruitment or internal promotion, so as to ensure meritocracy and attract the best professional elites in the industry. The recruitment process is arranged by the human resources department, with interviews arranged for the selected candidates. Qualified applicants shall provide their identity documents, academic certificates and resumes. The applicants shall pass the prescribed recruitment process, and become officially employed after signing the employment contracts. The Group ensures to carefully go over the identities and birth certificates of the qualified applicants to eliminate child labour at the source. During the Reporting Period, the Group was not aware of any instance of child labour and forced labour.

The Group highly appreciates the continued services of its employees. When an employee presents his/her resignation, the human resources department will arrange an interview with him/her to understand his/her motives and identify issues in relation to management and employee turnover rates, so as to make timely improvements and retain talents. The Group also attaches great importance to the ethical conduct of its employees. If any employee is found to be in violation of the laws, the Group's disciplines and code of conduct, or neglect their duties or be involved in material misconduct which result in damage to the Group's interests, the Group will terminate employment contracts with them immediately, so as to ensure proper discipline.

The Group has also formulated a human resources management system, with the aim of regulating the professional hierarchy of the Group and clearly defining its remuneration system, performance assessment system and salary adjustment plan, thereby providing an open and transparent environment which encourages its employees to exploit their greatest potential and render brilliant performance. The remunerations of employees are determined based on their competitiveness, experience, skills and qualifications for their positions. And we have established share option scheme and share award scheme to offer stock compensation to retain and motivate senior management talents. The Group conducts annual performance assessments to evaluate employees based on target achievement, core competencies, and overall contributions. Remuneration adjustments and the distribution of performance related bonuses are determined in alignment with prevailing market conditions and the Group's operational results, incentivizing the workforce to pursue greater excellence. Furthermore, the Group fulfills all statutory obligations regarding social insurance funds, providing comprehensive coverage including pension, occupational injury, maternity, medical, and unemployment insurance for our employees. The Group complies with all working hours, rest, and vacation regulations of the Chinese labour Law to ensure the physical and mental health of all employees. The Group does not force employees to work overtime. Employees may apply for overtime in advance. On statutory holidays, the approved overtime will be paid according to the Labour Law. After consulting with the employees, those who work overtime on weekends will be compensated with rest days. Employees are entitled to public holidays recognised by PRC, as well as paid time off from the Group, which include but not limited to annual leave, marriage leave, maternity leave, sick leave, etc.

There were no major changes in policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity and anti-discrimination during the Reporting Period. In additions, during the Reporting Period, the Group was not aware of any violation cases relating to compensation, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that have a significant impact on the operations of the Group.

B1.4 Employee Communication

Through induction training for new employees, the Group promotes a culture of belonging and career development planning to create a cohesive and competitive working environment that encourages self-development.

The Group regards its employees as vital long-term partners, placing significant value on their perspectives. We recognize that fostering effective and constructive communication is essential not only for operational continuity but also for strengthening mutual trust and promoting the stable, long-term development of the Group. The Group is committed to maintaining open two-way communication channels with employees, which include corporate messages, channels for employees to report information, opinion surveys, and more. Key information and updates are primarily shared with employees through internal platforms such as emails, announcements, and Enterprise WeChat. The Group thoroughly reviews and considers all employee feedback and makes necessary improvements to protect their rights and interests.



B1.5 Equal Opportunity and Anti-Discrimination

The Group attaches particular importance to equal employment opportunities and comply strictly with anti-discrimination laws. The Group has also formulated internal policy on equal employment opportunities, aiming to treat both employees and job applicants fairly and ensure they are not discriminated for their gender, marital status, pregnancy, age, family status, disability, ethnicity, nationality or religion. The Group treats each of its employees fairly and justly and offer equal opportunities to them in recruitment, promotion, rewards, training, etc., and promise that no discrimination will be tolerated. The Group shall consider disciplinary punishments on anyone who violates this policy. In compliance with the law, the Group organises face-to-face lectures and provides online training courses from time to time to prevent employees from being discriminated, harassed, and harmed during work.

B2. Employee Health and Safety

The Group complies with the Provisions on the Supervision and Administration of Occupational Health at Work Sites, Order No. 47 of the State Administration of Work Safety, and no material non-compliance with related laws and regulations was noted.

Across each dealership store, the Group engages nationally accredited testing facilities to conduct annual environmental inspections in high occupational risk areas, such as spray booths, to monitor indoor pollutant levels. For employees stationed in these high-risk environments, including those in vehicle repair and maintenance services, the Group provides essential personal protective equipment and facilitates annual medical examinations. Additionally, comprehensive ventilation systems are maintained in every dealership location to ensure a safe and healthy workspace. The Group has developed the “BetterLife Occupational Disease Prevention System” to ensure that its employees do not suffer from any occupational diseases. Measures include setting up vocational health management in each dealership store, establishing health files for professional hazards, and providing refreshments and suitable clothing for outdoor workers.

There were no major changes in management practice in relation to occupational health and safety during the Reporting Period.

B2.1 Work-related Fatalities and Injury

| Occupational Health and Safety Data in 2025 and 2024 | 2025 | 2024 |
|---|-------------|-------------|
| Work related fatality | 0 | 0 |
| Fatality rate | 0.00% | 0.00% |
| Work injury cases >3 days | 0 | 2 |
| Work injury cases ≤3 days | 0 | 1 |
| Lost days due to work injury | 0 | 63 |

Note: Fatality rate is given by number of fatalities as a result of work-related injury divided by number of workers.

The Group attaches great importance to the occupational safety of all colleagues and has devoted effort in protecting the health of its staff. During the Reporting Period, the Group did not receive any complaints or lawsuits regarding violations of health and safety-related laws, and there was no work-related death in the past three years.

B3. Development and Training

The Group continuously monitors employees’ job performance in order to identify training needs. Employees are encouraged to participate in work-related and personal development training through on-the-job training and external training to understand market trends and increase their competence. Training provided was mostly duty-related courses or seminars delivered by both related experts in the Group or external service providers.

To foster mutual growth between the Group and its employees, significant resources are dedicated to comprehensive talent development. The Group has standardized and enhanced its training framework, establishing tailored development paths that encompass foundational skills, professional expertise, product knowledge, and management capabilities. Furthermore, employees are encouraged to participate in specialized programs offered by brand manufacturers to refine their technical skills and management competencies. During the Reporting Period, the Group delivered a diverse range of online and offline training curricula to support continuous professional advancement.



Anti-Corruption Training



Sales & Marketing Courses

During the Reporting Period, 1,761 employees, or 100.00% of all employees, received training as arranged by the Group, and the average training hours that each employee received was approximately 51.47 hours. The percentage and average training hours per gender and employee category during the Reporting Period are as follows:

2025

| | | |
|-------------------------------|---------|-----------|
| By Gender | | |
| Female | 100.00% | 48.90 hrs |
| Male | 100.00% | 52.90 hrs |
| By Employee Category | | |
| Senior Management | 100.00% | 48.22 hrs |
| Middle Management | 100.00% | 65.02 hrs |
| Frontline and Other Employees | 100.00% | 50.14 hrs |



2024

| | | |
|-------------------------------|---------|-----------|
| By Gender | | |
| Female | 100.00% | 58.15 hrs |
| Male | 100.00% | 67.21 hrs |
| By Employee Category | | |
| Senior Management | 100.00% | 43.03 hrs |
| Middle Management | 100.00% | 57.72 hrs |
| Frontline and Other Employees | 100.00% | 65.00 hrs |

Training topics include, but not limited to, anti-corruption, occupational health and safety, and administration and management.

B4. Labour Standards

The Group has established policies to ensure compliance with all applicable laws and regulations. Child and forced labour are strictly prohibited. The Group shall consider disciplinary punishments on anyone who violates this policy. Pursuant to the Prohibition of the Use of Child Administration of the PRC, there was no child nor forced labour in the Group's operation during the Reporting Period. All original identification cards of job candidates are first checked by the Group to confirm their age is above 16 years old. In addition, the Group conducts regular checking to ensure that there is no child labour nor forced labour in its operations. If any violation is identified, the Group will terminate such employments according to applicable laws and regulations immediately, so as to ensure proper compliance and to eliminate any child labour and forced labour problem in the operations.

C. Commitment to Customers

C1. Supply Chain Management

The Group procures its new automobiles and the vast majority of spare parts and accessories directly from automobile manufacturers and authorized suppliers, while sourcing additional automotive products from both manufacturers and third-party vendors. To govern these relationships, the Group has established internal policies that define rigorous supplier selection and procurement protocols tailored to various operational requirements.

We maintain strict oversight of supplier performance, requiring full compliance with all laws and regulations pertaining to anti-bribery, anti-corruption, and product health and safety. Consequently, only companies that demonstrate full regulatory compliance qualify as authorized suppliers. Our evaluation framework comprehensively integrates major ESG and regulatory risks, including assessments of employee remuneration, benefits, and the working environment, while upholding the core principles of transparency, fairness, and integrity.

The Group reserves the right to terminate cooperation with any supplier that fails to align with our internal policies until corrective action meets our standards. Furthermore, we conduct regular evaluations of supplier qualifications, service quality, pricing, and delivery timelines to incentivize the consistent provision of high-quality products and services.

ESG Report

The Group prioritizes the management of environmental and social risks throughout its supply chain by monitoring regulatory updates and engaging with internal and external stakeholders to identify emerging vulnerabilities. Within our supplier supervision framework, we mandate that partners uphold stringent environmental and social performance standards, provided that product quality and pricing remain competitive. For instance, all the luxury automobile manufacturers working with us have new energy vehicles offering to market. In relation to environmentally hazardous substances, the Group requires suppliers to submit comprehensive content test reports to verify that all products adhere to the most recent environmental specifications.

During the Reporting Period, the Group had engaged with 27 (2024: 25) key suppliers, mainly for insurance services, vehicle purchase and accessories purchase.

| Supplier Region | Type of Supplier | Numbers | |
|-----------------|-----------------------|-----------|-----------|
| | | 2025 | 2024 |
| Beijing | E-Procurement | 2 | 1 |
| | Insurance Services | 1 | 0 |
| | Vehicle Procurement | 4 | 4 |
| | Accessory Procurement | 2 | 3 |
| Guangdong | Accessory Procurement | 2 | 2 |
| Jilin | Accessory Procurement | 1 | 1 |
| Jiangsu | Vehicle Procurement | 1 | 1 |
| | Accessory Procurement | 1 | 1 |
| Jiangxi | Insurance Services | 0 | 1 |
| Shandong | Accessory Procurement | 1 | 1 |
| Shanghai | Vehicle Procurement | 2 | 3 |
| | Insurance Services | 1 | 0 |
| | Accessory Procurement | 3 | 3 |
| | E-Procurement | 1 | 1 |
| Sichuan | Accessory Procurement | 2 | 0 |
| | Vehicle Procurement | 1 | 0 |
| Zhejiang | Vehicle Procurement | 2 | 2 |
| Hebei | Accessory Procurement | 0 | 1 |
| Total | | 27 | 25 |

C2. Product Responsibility

The Group is dedicated to continually enhancing the quality and safety of its products. To achieve this, the Group implements various measures to optimize product quality, fulfill product safety obligations, and mitigate any risks related to health and safety. The Group strictly adheres to all relevant laws and regulations concerning product and service liabilities.



The Group maintains rigorous quality assurance protocols to ensure that all vehicles meet the highest safety and performance standards prior to customer delivery. Our inspection framework is categorized into three distinct phases:

I. Preliminary Arrival and Logistics Verification

- **Logistics Handover Inspection:** Frontline employees perform rigorous checks for exterior or interior defects, as well as installation errors, during the vehicle handover from logistics providers.
- **Formal Documentation and Resolution:** If issues are identified, employees **formally sign and confirm discrepancies with logistics staff** to initiate negotiations for resolution with the logistics company or the brand's storage and transportation department.
- **Inventory Registration:** Arriving vehicles are logged into a tracking table, followed by a physical inspection of interior components, function keys, tires, and wiper blades.

II. Technical Pre-Delivery Inspection (PDI)

- **Advanced Diagnostics:** Upon passing preliminary checks, vehicles are transferred to the maintenance workshop for a formal Pre-Delivery Inspection (PDI), including computer diagnostics as required by each brand.
- **Lifecycle Maintenance:** Maintenance technicians perform regular **upkeep on vehicles prior to delivery** and immediately report any technical irregularities to the manufacturer for follow-up.

III. Quality Control Filing

- **Traceability:** All inspection documents are meticulously filed to ensure a complete record of the vehicle's condition.
- **Final Authorization:** Only vehicles that have cleared all required inspection stages are authorized for customer delivery.

Regarding auto parts to be utilized in repair and maintenance services, our staff would test check upon delivery from suppliers. Any item identified with quality problem would be returned to suppliers.

Each of the Group's products undergoes a rigorous quality assurance process. When necessary, the Group executes the following recall procedures in strict alignment with manufacturer's requirements:

- **Official Notification:** Commencing the process upon the manufacturer's publication of a formal product recall announcement.
- **Inventory Identification:** Systematically identifying all affected vehicles and assessing preliminary spare part requirements based on the specific scope of the recall.
- **Customer Communication:** Locating customer mailing addresses and dispatching formal recall notices to all impacted owners.
- **Remediation Execution:** Implementing specific recall measures once the affected vehicles arrive at our service facilities.

In terms of regulating product promotion and responsible sales, the Group strictly abides by the relevant laws and regulations. The Group always conducts compliance review on marketing slogans and advertising content on our promotion and marketing materials, thereby ensuring the validity and accuracy of the information.

In terms of the health and safety, advertising, labelling and privacy matters and remedies of the products and services provided, there was no material non-compliance with relevant laws and regulations that would have a significant impact on the Group during the Reporting Period. In the event that the products sold needed to be recalled due to quality or other problems, the Group will strictly execute the recall procedures as instructed by the manufacturers. During the Reporting Period, there had been no products sold or shipped subject to recalls for safety and health reasons.

C2.1 Intellectual Property Rights

The Group attaches great importance to the protection of intellectual property rights, and complies with the relevant laws and regulations. In order to effectively carry out the works relating to the management and protection of intellectual property rights, the Group has established internal control procedures, which systematically manages work involving intellectual property rights:

- the Group's application, maintenance and transfer of intellectual property rights will be handled by a dedicated department;
- title certificates such as trademarks and patents will be kept by a designated department which puts records of intellectual property rights under special management;
- when the Group's intellectual property rights are infringed by third parties or may be subject to other infringement disputes, the Group will preserve relevant evidence in a timely manner and take measures to protect our intellectual property rights as soon as possible; and
- the Group is not only serious about the protection of intellectual property rights relating to its own business, but also respects the copyright protection efforts of other products. Genuine software has been installed and used on all of the Group's terminal equipment, and installation and use of unauthorised software on its terminal equipment is strictly prohibited. Additionally, the software and database used in our information system must be authenticated and are allowed to be used for commercial purposes.

During the Reporting Period, there had been no cases that violate intellectual property rights.

C2.2 Customer Services

Adhering to our customer-oriented philosophy of "Customer for Life" (待客以恒), the Group is dedicated to providing customized services to satisfy each customer's specific demands. We have established a "butler service model" (管家式服務), where we provide each customer with detailed services in the process of purchasing a new automobile, including the introduction of the brand and performance of the automobiles, selection of automobile models, arranging for test-drives and procuring the relevant financing and insurance products, as well as license plate registration services. In addition, the Group is dedicated to providing our customers with comprehensive after-sales services, including repairs, maintenance and warranty extension services during the life cycle of their automobiles. This service model has allowed us to increase the frequency of interactions with our customers, maintain uniform service quality across our dealership store network, and create customer loyalty. We require our sales and after-sales staff to utilize the information technology systems to serve each customer in a flexible and proactive manner to enhance customers' experience at our 4S dealership stores. We also encourage customers to conduct online service review for our sales and after-sales staff, which allows us to collect feedback and assess the quality of our services in a timely manner.



C2.3 Quality Assurance

The Group's corporate motto is "Customer for Life", and it is central to its corporate culture. The Group strives to deliver optimal services in its daily operations. Thus, the Group attaches great importance to customers' opinions and treats providing customer support as an opportunity to improve its relationship with the customer, and aims to address customer's concern in a timely manner.

The Group has established a number of communication channels aiming to collect customer feedback in a more efficient manner, which include daily operation/communication, telephone, WeChat and e-mail.

The Group has established a comprehensive mechanism to manage the entire lifecycle of customer complaints, encompassing collection, transmission, resolution, and follow-up consultations. Upon receipt of a complaint, the matter is promptly reported to the relevant departments and suppliers to identify the root cause, proactively develop solutions, and implement corrective measures to prevent recurrence.

In the event of a material complaint, a dedicated task force is assembled to formulate a strategic handling plan, ensuring it is comprehensive, rational, and fully compliant. Throughout this process, the Group prioritizes transparent communication to achieve an equitable resolution. Our customer relations managers maintain consistent engagement with clients, while specialized training is provided to employees to enhance their efficiency and capacity in grievance resolution.

During the Reporting Period, the Group received a total of two complaints from clients, which were resolved successfully. The Group has resolved the problems for customers and no further complaints received from the customers.

C2.4 Confidential Information

The Group pays close attention to risk management relating to its information technology systems as storage and protection of customer data and other related information is critical. The Group has adopted a set of security safeguard measures to protect the data it has accumulated and stored, including, but not limited to, encryption technology for data transmission and storage, conducting data classification management and applying strict user data access and usage management policies.

Under such mechanisms and procedures, any operation violating information security regulations will result in internal disciplinary action. The Group's staffs are expected to undertake periodical training on data protection. The Group also has a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimize the risk of data loss. Furthermore, the Group has designated personnel to be responsible for inspecting and reporting any suspicious data deriving and transmitting activities, as well as enhancing its data protection system pursuant to the changes of laws and regulations and technology development. Meanwhile, such personnel has been designated to take charge of reviewing, discussing and improving technologies in managing information security and internal control system to ensure adequate protection is given to the Group's database.

With China introducing the Personal Information Protection Law in 2021, the Group acted strictly in accordance with the relevant regulations. During the Reporting Period, the Group received no complaints or litigations relating to data protection and privacy protection.

C3. Anti-corruption

The Group regards knowledge of and compliance with laws as the foundation of our business. The Group always adheres to its core values and establish an honest, trustworthy, standardised and transparent business environment. In order to ensure the compliance of the Group's business operations and the suitability of relevant regulations in the industry, the Group has formulated internal policies which cover management system in different scopes, including board governance, business operations, financial management, personnel management, general management and information security. The Group will regularly review the prevailing laws and regulations, industry norms and its business development, so as to update and revise the compiled articles in due course. During the Reporting Period, the Group was not aware of any incompliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering.

In additions, the Group attaches great importance to the corporate culture of integrity and anti-corruption, adheres to the highest standards of ethics and business integrity at all times, and abides by the laws and regulations to prevent bribery, corruption, money laundering and fraud in its business operation. The Group has formulated the anti-corruption and anti-bribery policies which are required to be strictly followed by all employees.

In order to enhance the anti-corruption awareness and level of employees, during the Reporting Period, all directors and employees of the Group completed anti-corruption training, averaging 1.37 hours per participant. Topics of anti-corruption training included the situations of corruption reporting, anti-corruption laws and cases, roles of directors and employees in combating corruption, job embezzlement, fraud, and misappropriation of funds, etc.

The Group has also formulated sound whistle-blowing policies to encourage all directors, employees and third parties (including customers and suppliers of the Group) to report any misconduct, dereliction of duty or violations. The whistle-blower can report any suspected illegal acts or dereliction of duty to the Group in the form of writing such as mails or e-mails. The identity of the whistle-blower will be kept strictly confidential. The whistle-blowing mechanism is coordinated by the Group's internal audit department. Upon receiving whistle-blowing incidents, the department will analyse and sort out the whistle-blowing information. After preliminary review and verification, if it is believed that the reported person does have the facts of disciplinary violations, the investigation shall be formally filed and handled in accordance with the relevant regulations of the discipline inspection and supervision department.

During the Reporting Period, the Group did not have any lawsuits related to corruption, nor violated relevant laws and regulations that have a significant impact on the operations of the Group. And there were no concluded legal cases regarding corrupt practices brought against its employees during the Reporting Period.



D. Commitment to Community

Through various forms of community engagement and contribution, the Group is committed to promoting a spirit of service and fostering a sustainable and inclusive society. While actively growing its business, the Group remains dedicated to supporting diverse community initiatives, ensuring it gives back to society. As a renowned automobile dealer, the Group has always provided long-term and stable job opportunities to the society, maintained good employment relationships, increased local taxation, and improved the local automobile sales brand, thus promoting local economic development, and achieving self-development and a win-win situation with the local community.

In addition, the Group places great emphasis on social welfare initiatives and strives to extend the love and support of the Group to the wider community. The Group has been actively contributing to activities and organizations that have a positive impact on society for years.

In the future, the Group will continue to proactively cooperate with charitable organizations and participate in various community investment and charitable activities especially in culture and sports area. The Group will continue to devote more resources to the society and environmental protection areas and take up corporate social responsibility to contribute to the creation of a harmonious and healthy society.

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF BETTERLIFE HOLDING LIMITED

百得利控股有限公司

(incorporated in the Cayman Island with limited liability)

Opinion

We have audited the consolidated financial statements of BetterLife Holding Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on pages 105 to 188, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report

Key Audit Matters (continued)

Recognition of vendor rebates

Refer to Note 20 to the consolidated financial statements and the accounting policies on page 119.

The Key Audit Matter

The Group earns vendor rebates under various and differing arrangements with automobile manufacturers. Rebate arrangements, which can vary in different fiscal years and between automobile manufacturers, include rebates based on purchase or sales volume for certain specific car models, performance rebates and other specific rebates.

Rebates based on purchase or sales volumes are granted by vendors if certain purchase or sales targets are met.

Performance rebates are granted by vendors in accordance with the vendors' comprehensive assessment of the Group's business performance.

The Group calculates rebates and recognises them to the extent that the management estimates it is probable that the associated conditions have been met and the amount can be estimated reliably.

We identified recognition of vendor rebates as a key audit matter because there are many different kinds of rebate arrangements in place and the calculation of the Group's entitlement to such rebates involve significant management's estimation, which is inherently subjective.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of vendor rebates included the following:

- obtaining an understanding and evaluating the design and implementation of management's key internal controls in relation to the recognition of vendor rebates;
- assessing the appropriateness of the Group's accounting policies in respect of the recognition of vendor rebates by inspecting the terms and conditions set out in each type of rebate arrangement communicated by the respective automobile manufacturers with reference to the requirements of the prevailing accounting standards;
- selecting samples of vendor rebates recognised and settled during the year and comparing the recognised rebate amount with credit notes issued by the vendors or underlying bank payment slips;
- for vendor rebate receivables at the reporting date, performing recalculations of the amounts receivable, based on the terms of the underlying vendor rebate policies and relevant inputs, including sales and purchase volume data, rebate rates and other specific criteria as set out in the respective vendor rebate policies;
- arranging direct confirmations, on sample basis, to vendors, for verifying the outstanding balances and transaction amounts of vendor rebates;
- evaluating, on a sample basis, the reliability of the above relevant inputs used to calculate vendor rebates by comparing the inputs with relevant underlying documentation; and
- assessing on a sample basis, whether vendor rebates accrued at the previous financial reporting date were subsequently settled in the current year.

Independent Auditor's Report

Key Audit Matters (continued)

Impairment of goodwill and intangible assets — car dealerships

Refer to Note 15 and Note 16 to the consolidated financial statements and the accounting policies on page 117 and page 126.

The Key Audit Matter

As a result of acquisitions by the Group of 4S dealership stores, the Group recognised goodwill and intangible assets — car dealerships in the consolidated financial statements. Goodwill has been allocated to each of the relevant individual 4S dealership stores, which are considered to represent individual cash generating units ("CGUs"). As at 31 December 2025, goodwill and intangible assets — car dealerships, after provision for impairment, amounted to RMB380 million (2024: RMB368 million) and RMB820 million (2024: RMB785 million), respectively.

The 4S dealership business in China operates in a highly competitive and regulated market which increases the sales volatility of the 4S dealership stores. Consequently, there are uncertainties as to whether the acquired 4S dealership stores can meet forecast growth projections.

How the matter was addressed in our audit

Our audit procedures to assess impairment of goodwill and intangible assets — car dealerships included the following:

- obtaining an understanding and evaluating the design and implementation of key internal controls over the impairment assessment;
- evaluating the appropriateness of management's identification of CGUs and the amounts of goodwill and intangible assets — car dealerships allocated to each CGU and determination of recoverable amounts;
- assessing the competence, capabilities and objectivity of the external valuer;
- with the assistance of our internal valuation specialists, evaluating the appropriateness of the methodology with reference to the requirements of the prevailing accounting standards and assessing whether the discount rate applied was within the range adopted by other companies in the same industry;



Independent Auditor's Report

Key Audit Matters (continued)

Impairment of goodwill and intangible assets — car dealerships (continued)

Refer to Note 15 and Note 16 to the consolidated financial statements and the accounting policies on page 117 and page 126. (continued)

The Key Audit Matter

Management performs impairment assessments of the relevant CGUs to which goodwill and intangible assets — car dealerships have been allocated by determining the recoverable amount for each CGU at the end of each reporting period, with reference to a valuation report prepared by an external valuer appointed by management, using the discounted cash flow method. The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, particularly in estimating revenue growth rates, corresponding gross margin rates, working capital changes and the discount rates.

We identified impairment of goodwill and intangible assets — car dealerships as a key audit matter because these assets are material to the Group and because the impairment assessments prepared by management are complex and contain certain judgements and assumptions which are inherently uncertain and could be subject to management bias.

How the matter was addressed in our audit

- comparing certain assumptions including forecast revenue, forecast cost of sales, forecast other operating expenses and forecast working capital in the discounted cash flow forecast of each individual CGU with the financial budget approved by the directors, and comparing forecast revenue growth trends with revenue forecast issued by industry research institutions;
- comparing assumptions included in the discounted cash flow forecasts prepared in the prior year with the current year's performance to assess whether there was any indication of management bias;
- obtaining from management sensitivity analyses on revenue growth rates and the discount rates adopted in the discounted cash flow forecasts and assessing the impact of changes in these assumptions to the conclusions reached in the impairment assessments and considering whether there was any indication of management bias; and
- evaluating the reasonableness of the disclosures in the consolidated financial statements of the assumptions in the impairment assessments of goodwill and intangible assets — car dealerships with reference to the requirements of the prevailing accounting standards.



Independent Auditor's Report

Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Company and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kwan Chi Fung.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Kwan Chi Fung

Practising Certificate Number: P06614

Hong Kong

31 March 2026



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

| | Notes | Year ended 31 December | |
|---|-------|------------------------|-----------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Revenue | 5 | 8,624,612 | 8,746,040 |
| Cost of sales | | (8,258,123) | (8,467,318) |
| Gross profit | | 366,489 | 278,722 |
| Other income, gains or losses | 6 | 443,031 | 503,706 |
| Selling and distribution expenses | | (495,029) | (529,782) |
| Administrative expenses | | (244,806) | (211,952) |
| Operating profit | | 69,685 | 40,694 |
| Finance costs | 7(a) | (58,130) | (31,813) |
| Profit before tax | 7 | 11,555 | 8,881 |
| Income tax | 8 | (3,285) | (25,040) |
| Profit (loss) for the year | | 8,270 | (16,159) |
| Attributable to: | | | |
| Equity shareholders of the Company | | 3,128 | (24,059) |
| Non-controlling interest | | 5,142 | 7,900 |
| Profit (loss) for the year | | 8,270 | (16,159) |
| Earnings (loss) per share | 11 | | |
| Basic and diluted earnings (loss) per share (RMB) | | 0.005 | (0.04) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | Year ended 31 December | |
|--|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Profit (loss) for the year | 8,270 | (16,159) |
| Other comprehensive (expense) income for the year (after tax): | | |
| Items that will not be reclassified to profit or loss: | | |
| Exchange differences on translation of financial statements of the Company | (16,070) | 14,298 |
| Items that may be reclassified subsequently profit or loss: | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | 14,820 | (13,863) |
| Other comprehensive (expense) income for the year | (1,250) | 435 |
| Total comprehensive income (expense) for the year | 7,020 | (15,724) |
| Attributable to: | | |
| Equity shareholders of the Company | 1,878 | (23,624) |
| Non-controlling interests | 5,142 | 7,900 |
| Total comprehensive income (expense) for the year | 7,020 | (15,724) |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

| | | At 31 December | |
|---|-------|------------------|------------------|
| | | 2025 | 2024 |
| | | RMB'000 | RMB'000 |
| | Notes | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 684,529 | 415,952 |
| Investment properties | 13 | 89,436 | 54,898 |
| Right-of-use assets | 14 | 983,585 | 335,380 |
| Intangible assets | 15 | 842,082 | 810,557 |
| Goodwill | 16 | 380,374 | 367,944 |
| Deferred tax assets | 30 | 45,620 | 23,246 |
| Long-term prepayments | 20 | — | 386,175 |
| | | 3,025,626 | 2,394,152 |
| Current assets | | | |
| Inventories | 18 | 688,603 | 829,099 |
| Trade receivables | 19 | 116,497 | 77,317 |
| Amounts due from related parties | 35(d) | 13,249 | 15,957 |
| Prepayments, other receivables and other assets | 20 | 765,295 | 647,903 |
| Pledged bank deposits | 21 | 452,650 | 430,170 |
| Cash in transit | 22 | 14,245 | 5,192 |
| Restricted cash | 23 | 2,776 | 13,445 |
| Cash and cash equivalents | 23 | 439,461 | 450,605 |
| | | 2,492,776 | 2,469,688 |
| Current liabilities | | | |
| Trade and bills payables | 26 | 848,468 | 882,144 |
| Amounts due to related parties | 35(d) | 457 | 8,248 |
| Other payables and accruals | 27 | 132,562 | 88,079 |
| Contract liabilities | 28 | 260,392 | 104,600 |
| Interest-bearing bank and other borrowings | 24 | 627,452 | 438,445 |
| Lease liabilities | 25 | 10,949 | 15,763 |
| Income tax payables | | 60,405 | 40,529 |
| | | 1,940,685 | 1,577,808 |
| Net current assets | | 552,091 | 891,880 |
| Total assets less current liabilities | | 3,577,717 | 3,286,032 |

Consolidated Statement of Financial Position
At 31 December 2025

| | Notes | At 31 December | |
|--|-------|------------------|-----------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Non-current liabilities | | | |
| Interest-bearing bank and other borrowings | 24 | 300,000 | — |
| Amounts due to related parties | 35(d) | 24,814 | — |
| Contract liabilities | 28 | 100,755 | 147,819 |
| Lease liabilities | 25 | 241,919 | 219,861 |
| Deferred tax liabilities | 30 | 178,166 | 179,342 |
| | | 845,654 | 547,022 |
| Net assets | | 2,732,063 | 2,739,010 |
| CAPITAL AND RESERVE | | | |
| Share capital | 31 | 5,180 | 5,180 |
| Reserves | | 2,604,074 | 2,616,163 |
| Total equity attributable to equity shareholders of the Company | | 2,609,254 | 2,621,343 |
| Non-controlling interests | | 122,809 | 117,667 |
| TOTAL EQUITY | | 2,732,063 | 2,739,010 |

The consolidated financial statements on pages 105 to 188 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by:

Chou Patrick Hsiao-Po
Executive Director

Li Dan
Executive Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

| | Attributable to shareholders of the Company | | | | | | | | | |
|--|---|--------------------------|--|---------------------------------------|-------------------------------|--------------------------------|--------------------------------|----------------------|---|----------------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Share held under Share Option Scheme RMB'000 | Share option reserve RMB'000 | Capital reserve RMB'000 | Retained profits RMB'000 | Exchange reserve RMB'000 | Sub-total RMB'000 | Non- controlling interests RMB'000 | Total equity RMB'000 |
| Balanced at 1 January 2024 | 5,180 | 444,890 | — | 26,204 | 386,051 | 1,832,902 | (1,826) | 2,693,401 | 199,767 | 2,893,168 |
| Changes in equity for the year ended 31 December 2024: | | | | | | | | | | |
| (Loss) profit for the year | — | — | — | — | — | (24,059) | — | (24,059) | 7,900 | (16,159) |
| Other comprehensive income for the year | — | — | — | — | — | — | 435 | 435 | — | 435 |
| Total comprehensive (expense) income for the year | — | — | — | — | — | (24,059) | 435 | (23,624) | 7,900 | (15,724) |
| Dividends paid to non-controlling shareholders (Note 31(b)(iii)) | — | — | — | — | — | — | — | — | (90,000) | (90,000) |
| Dividends recognised as distribution (Note 31(b)(i)) | — | (37,350) | — | — | — | — | — | (37,350) | — | (37,350) |
| Repurchase of shares (Note 31(c)) | — | — | (5,257) | — | — | — | — | (5,257) | — | (5,257) |
| Equity settled share-based transactions (Note 29) | — | — | — | (5,827) | — | — | — | (5,827) | — | (5,827) |
| Balance at 31 December 2024 | 5,180 | 407,540 | (5,257) | 20,377 | 386,051 | 1,808,843 | (1,391) | 2,621,343 | 117,667 | 2,739,010 |

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

| | Attributable to shareholders of the Company | | | | | | | | | |
|---|---|--------------------------|--|---------------------------------------|-------------------------------|--------------------------------|--------------------------------|----------------------|---|----------------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Share held under Share Option Scheme RMB'000 | Share option reserve RMB'000 | Capital reserve RMB'000 | Retained profits RMB'000 | Exchange reserve RMB'000 | Sub-total RMB'000 | Non- controlling interests RMB'000 | Total equity RMB'000 |
| Balanced at 1 January 2025 | 5,180 | 407,540 | (5,257) | 20,377 | 386,051 | 1,808,843 | (1,391) | 2,621,343 | 117,667 | 2,739,010 |
| Changes in equity for the year ended 31 December 2025: | | | | | | | | | | |
| Profit for the year | — | — | — | — | — | 3,128 | — | 3,128 | 5,142 | 8,270 |
| Other comprehensive expense for the year | — | — | — | — | — | — | (1,250) | (1,250) | — | (1,250) |
| Total comprehensive income (expense) for the year | — | — | — | — | — | 3,128 | (1,250) | 1,878 | 5,142 | 7,020 |
| Dividends recognised as distribution (Note 31(b)(i)) | — | (12,326) | — | — | — | — | — | (12,326) | — | (12,326) |
| Repurchase of shares (Note 31(c)) | — | — | (4,682) | — | — | — | — | (4,682) | — | (4,682) |
| Equity settled share-based transactions (Note 29) | — | — | — | 3,041 | — | — | — | 3,041 | — | 3,041 |
| Balance at 31 December 2025 | 5,180 | 395,214 | (9,939) | 23,418 | 386,051 | 1,811,971 | (2,641) | 2,609,254 | 122,809 | 2,732,063 |



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | Notes | Year ended 31 December | |
|---|-------|------------------------|------------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Operating activities | | | |
| Cash generated from operations | 23(b) | 330,660 | 559,856 |
| Interest received | | 3,352 | 10,879 |
| Income taxes paid | | (9,775) | (40,892) |
| Net cash from operating activities | | 324,237 | 529,843 |
| Investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 102,585 | 123,502 |
| Proceeds from disposal of intangible assets | | 1,720 | — |
| Acquisition of items of property, plant and equipment | | (189,532) | (104,953) |
| Acquisition of items of intangible assets | | (3,473) | — |
| Prepayment for Jiguang Project | 33 | — | (385,996) |
| Acquisition of Jiguang Project | 33 | (566,692) | — |
| Payment of right-of-use assets | | — | (1,187) |
| Net cash used in investing activities | | (655,392) | (368,634) |
| Financing activities | | | |
| Proceeds from bank and other borrowings | | 2,840,270 | 2,063,158 |
| Repayment of bank and other borrowings | | (2,378,196) | (2,065,725) |
| Increase in pledged bank deposits | | (22,480) | (321,423) |
| Interest paid | | (37,876) | (11,925) |
| Dividends paid to non-controlling shareholders | | — | (90,000) |
| Dividends paid to equity shareholders of the Company | | (12,326) | (37,350) |
| Proceeds from sale and lease-back transactions | | 29,313 | 16,121 |
| Payment of sale and lease-back transactions | | (13,174) | (20,311) |
| Capital element of lease rentals paid | | (60,988) | (77,716) |
| Interest element of lease rentals paid | | (18,845) | (19,603) |
| Payment on repurchase of shares | | (4,682) | (5,257) |
| Net cash from (used in) financing activities | | 321,016 | (570,031) |
| Net decrease in cash and cash equivalents | | (10,139) | (408,822) |
| Cash and cash equivalents at 1 January | | 450,605 | 858,471 |
| Effect of foreign exchange rate changes | | (1,005) | 956 |
| Cash and cash equivalents at 31 December | | 439,461 | 450,605 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. General

BetterLife Holding Limited (the “Company”) was incorporated in the Cayman Islands on 18 May 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. Its registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the 4S dealership business in the People’s Republic of China (the “PRC”).

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 July 2021.

The consolidated financial statement are presented in Renminbi (“RMB”), which is also the functional currency of its subsidiaries located in the People’s Republic of China (“PRC”). The functional currency of the Company and subsidiaries established in Cayman Islands, British Virgin Islands and Hong Kong is Hong Kong Dollar (“HKD”).

2. Application of amendments to AN IFRS Accounting Standard

In the current year, the Group has applied, for the first time, the following amendments to an IFRS Accounting Standard issued by the International Accounting Standards Board (the “IASB”) which are effective for the Group’s financial year beginning on 1 January 2025.

| | |
|----------------------|-------------------------|
| Amendments to IAS 21 | Lack of Exchangeability |
|----------------------|-------------------------|

The application of the amendments to IAS 21 in the current year has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments IFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|--|
| IFRS 18 | Presentation and Disclosure in Financial Statements ² |
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ¹ |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity ¹ |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards — Volume 11 ¹ |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to IAS 21 | Translation to a Hyperinflationary Presentation Currency ² |

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Application of amendments to an IFRS Accounting Standard (continued)

New and amendments to IFRS Accounting Standards issued but not yet effective (continued)

The directors of the Company anticipate that, except as described below, the application of other new and amendments to IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. Material accounting policy information

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

3. Material accounting policy information (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business acquisitions

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs incurred to effect a business combination are recognised in profit or loss as incurred.

3. Material accounting policy information (continued)

Business combinations or asset acquisitions (continued)

Business acquisitions (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard;
- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

3. Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from the following major sources:

- sales of motor vehicle
- sales of motor spare parts
- maintenance service income



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Revenue from contracts with customers (continued)

Further details of the Group's revenue recognition policies are as follows:

(i) Sale of motor vehicles

Revenue arising from the sale of motor vehicles is recognised upon delivery of motor vehicles when the customer takes possession of and accepts the motor vehicles. Revenue excludes value added tax and is after deduction of any trade discounts.

(ii) After-sales services — sales of motor spare parts

Revenue arising from the sale of motor spare parts is recognised when the customer takes possession of and accepts the spare parts.

(iii) After-sales services — maintenance and other services income

Revenue arising from maintenance services is recognised when the relevant service is rendered without further performance obligations.

Vendor rebates

Incentive rebates provided by vendors are recognised to the extent that the Group estimates it is probable that the associated conditions will be met and the amount can be estimated reliably.

Incentive rebates relating to vehicles purchased and sold are deducted from cost of sales, while incentive rebates relating to vehicle purchased but still held as inventories at the reporting date are deducted from the carrying value of such vehicles so that the cost of inventories is recorded net of applicable rebates.

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. Material accounting policy information (continued)

Leasing (continued)

The Group as lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Leasing (continued)

The Group as lessee (continued)

Right-of-use assets

The right-of-use assets comprise the amount of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3. Material accounting policy information (continued)

Leasing (continued)

Sale and leaseback transactions

The Group acts as a seller-lessee

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group as a seller-lessee.

For a transfer that does not satisfy the requirements as a sale, the Group accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Retirement benefits costs and termination benefits

Payments to defined contribution plans and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. Material accounting policy information (continued)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their residual value, using the straight-line method over their estimated useful lives as follows:

| | |
|--------------------------|---|
| — Buildings | 20–40 years |
| — Leasehold improvements | Over the shorter of the unexpired term of the lease and 5 years |
| — Machinery equipment | 10 years |
| — Vehicles | 5 years |
| — Other equipment | 5 years |



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including cost of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

3. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------|----------|
| — Car dealerships | 30 years |
| — Office software | 10 years |

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible asset acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Other than spare parts and accessories, cost is calculated on specific identification basis as appropriate and comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of spare parts and accessories is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposit) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at amortised cost (debt instruments) (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit losses (“ECL”), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the “other income, gains or losses” line item (Note 6).



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures a loss allowance equal to 12-month ECL unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increases in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increases in credit risk (continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Measurement and recognition of expected credit losses (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Purchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instrument.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair values of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over vesting period, with a corresponding increase in equity (share option reserve).

3. Material accounting policy information (continued)

Share-based payment transactions (continued)

Equity-settled share-based payment transactions (continued)

Share options granted to employees (continued)

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Impairment on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material accounting policy information (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above) (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of goodwill and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 — Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- 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).
- Level 3 — Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimation (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Control in a subsidiary

As stated in Note 17, Chengdu Baichuanjinbao Auto Sales and Services Co., Ltd ("Chengdu Baichuanjinbao") is a subsidiary of the Group even though the Group has only a 30% ownership interest. The directors of the Company assessed the Group's control over Chengdu Baichuanjinbao on the basis of its ability to direct the relevant activities. In making their judgement, the directors of the Company considered the Group having domination of representatives in the board of Chengdu Baichuanjinbao.

Lease term of contracts with extension and termination options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset). Any increase or decrease in lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and intangible assets — cars dealerships

The Group determines whether goodwill and intangible assets acquired through business combinations are impaired requires an estimation of the value in use of the cash generating units (i.e. entities acquired by the Group) to which the relevant goodwill and intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units and suitable discount rates in order to calculate their present values. Where the actual future cash flows are less than expected, a material impairment loss may arise. Further details are disclosed in Note 15 and Note 16.

Accrual of vendor rebate

The Group calculates rebates and recognises them to the extent that the management estimates it is probable that the associated conditions will be met and the amount can be estimated reliably.

Specific factors management considered including the recent historical sales volume patterns, the rebate rates applied, overriding and ongoing performance metrics and any other available information concerning the credit worthiness of suppliers.

Deferred tax assets

The deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Estimated useful life of intangible assets — car dealership

At the end of each reporting period, the directors of the Company review the estimated useful life of intangible assets with finite useful life. The carrying amounts of intangible assets with finite useful life as at 31 December 2025 is RMB820,182,000 (31 December 2024: RMB784,823,000).

The intangible assets are amortised on the straight-line basis. The Group reviews the estimated useful lives periodically to determine the related amortisation charges for its intangible assets. The estimation is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions in the industry, with consideration of market conditions. Management will increase the amortisation charges when useful lives become shorter than previously estimated.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

5. Revenue and segment reporting

The Group is mainly engaged in sales of passenger motor vehicles and provision of after-sales services. For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out in Note 3. Accordingly, the Group has only one single operating segment and except for entity-wide disclosures, timing of revenue recognition and geographic information, no further analysis of the segment information is presented.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines, geographical location of customers and timing of revenue recognition is as follows:

| | Year ended 31 December | |
|--|------------------------|------------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Sales of passenger motor vehicles | 7,075,131 | 7,482,793 |
| Provision of after-sales services | 1,549,481 | 1,263,247 |
| | 8,624,612 | 8,746,040 |
| Disaggregated by geographical location of customers | | |
| The PRC | 8,624,612 | 8,746,040 |
| Disaggregated by timing of revenue recognition | | |
| Point in time | 8,624,612 | 8,746,040 |

Substantially all of the Group's operations and non-current assets are located in the PRC.

None of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the both years.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

5. Revenue and segment reporting (continued)

(ii) Revenue recognised that was included in contract liabilities at the beginning of the reporting period

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

| | Year ended 31 December | |
|------------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Sale of motor vehicles | 61,212 | 100,370 |
| After-sales services | 75,315 | 66,100 |
| | 136,527 | 166,470 |

6. Other income, gains or losses

| | Notes | Year ended 31 December | |
|--|-------|------------------------|-----------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Interest income | | 3,352 | 10,879 |
| Commission income | | 392,312 | 474,802 |
| Rental income | | 3,916 | 311 |
| Government grants | (i) | 9,568 | 2,413 |
| Gain on disposal of items of property, plant and equipment and right-of-use assets | | 6,944 | 14,816 |
| Write-off of intangible assets | 15(i) | — | (27,197) |
| Write-off of goodwill | 15(i) | — | (10,681) |
| Impairment on other receivables | | (21,222) | — |
| Others | | 48,161 | 38,363 |
| | | 443,031 | 503,706 |

Note:

- (i) During the year ended 31 December 2025, the Group recognised government grants mainly include approximately RMB9,076,000 (2024: RMB1,484,000) in respect of subsidy from the Business Bureau. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

7. Profit before tax

Profit before taxation is arrived at after charging (crediting):

| | Year ended 31 December | |
|---|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| (a) Finance costs: | | |
| Interest on bank and other borrowings | 38,369 | 11,492 |
| Interest on lease liabilities | 18,845 | 19,603 |
| Interest on sale and lease-back liabilities | 916 | 718 |
| | 58,130 | 31,813 |
| (b) Staff costs: | | |
| Salaries, wages and other benefits | 327,834 | 289,934 |
| Contributions to defined contribution retirement plans (Note) | 41,029 | 35,599 |
| Equity settled share-based transactions (Note 29(c)) | 3,041 | (5,827) |
| | 371,904 | 319,706 |

Note:

Employees of the Group's PRC subsidiaries are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments where the subsidiaries are registered. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary according to the rules and regulations of the respective local municipal government to the schemes to fund the retirement benefits of the employees. The Group remits all pension fund contributions to the respective tax bureau, which are responsible for the payment and liabilities relating to the pension funds.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Company's and its subsidiaries' contributions made to the above defined contribution schemes are non-refundable and cannot be used to reduce the future or existing level of contribution of the Company and its subsidiaries should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits other than the annual contributions described above.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

7. Profit before tax (continued)

| | Year ended 31 December | |
|--|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| (c) Other items: | | |
| Cost of inventories (Note 18(b)) | 8,164,595 | 8,357,828 |
| Depreciation | | |
| — Property, plant and equipment | 93,765 | 100,379 |
| — Right-of-use assets | 86,111 | 69,429 |
| — Investment properties | 4,908 | 3,619 |
| Amortisation of intangible assets (included in selling and distribution and administrative expenses) | 39,349 | 39,329 |
| Expense relating to short-term leases | 11,752 | 3,364 |
| Auditor's remuneration | 2,600 | 2,400 |

8. Income tax

(a) Income tax in the consolidated statement of profit or loss represents:

| | Year ended 31 December | |
|----------------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Current tax: | | |
| The PRC | 29,651 | 26,696 |
| Deferred tax: | | |
| Current year | (26,366) | (1,656) |
| | 3,285 | 25,040 |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

8. Income tax (continued)

(b) Reconciliation between income tax and profit before taxation at applicable tax rates:

| | Year ended 31 December | |
|---|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Profit before taxation | 11,555 | 8,881 |
| Tax at the statutory tax rate of 25% | 2,889 | 2,220 |
| Tax effect of non-deductible expenses | 2,046 | 4,007 |
| Tax effect of unused tax losses and temporary differences not recognised, net of utilisation | 696 | 24,215 |
| Effect of tax rate differential | (2,253) | (5,226) |
| Others | (93) | (176) |
| Income tax | 3,285 | 25,040 |

- (i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax.
- (ii) Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both years. No provision for Hong Kong profits tax was made for the Group's subsidiary located in Hong Kong as the subsidiary did not have assessable profits subject to Hong Kong profits tax during the year.
- (iii) The PRC subsidiaries of the Group are subject to the PRC Corporate Income Tax rate of 25%, except for certain subsidiaries incorporated in Chengdu for 4S dealership business were granted a preferential rate of 15% for the development of the Western region for nine years starting from 2022. One of the subsidiaries was incorporated in Hainan for automobile accessories business and was granted a preferential rate of 15% under Preferential Corporate Income Tax Policies for the Hainan Free Trade Port from 2022 to 2027.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

9. Directors' emoluments

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

| Year ended 31 December 2025 | Directors' fee RMB'000 | Salaries, allowances and benefits in kind RMB'000 | Share-based payments (vii) RMB'000 | Retirement scheme contributions RMB'000 | Total remuneration RMB'000 |
|---|---------------------------|--|---------------------------------------|--|-------------------------------|
| Executive directors | | | | | |
| Mr. Chou Patrick Hsiao-Po (chief executive) (i) | — | 723 | — | 70 | 793 |
| Mr. Xu Tao (chief executive) (ix) | — | 777 | 481 | 70 | 1,328 |
| Ms. Sun Jing | — | 1,352 | 715 | 70 | 2,137 |
| Ms. Li Dan (iii) | — | 1,118 | 265 | 70 | 1,453 |
| Independent non-executive directors | | | | | |
| Mr. Liu Dengqing | 306 | — | — | — | 306 |
| Mr. Lou Sai Tong | 306 | — | — | — | 306 |
| Dr. Chu Fumin (vi) | 240 | — | — | — | 240 |
| | 852 | 3,970 | 1,461 | 280 | 6,563 |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

9. Directors' emoluments (continued)

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows: (Continued)

| Year ended 31 December 2024 | Directors' fee RMB'000 | Salaries, allowances and benefits in kind RMB'000 | Share-based payments (vii) RMB'000 | Retirement scheme contributions RMB'000 | Total remuneration RMB'000 |
|---|---------------------------|--|---------------------------------------|--|-------------------------------|
| Executive directors | | | | | |
| Mr. Chou Patrick Hsiao-Po (chief executive) (i) | — | 189 | — | 12 | 201 |
| Mr. Xu Tao (chief executive) (ix) | — | 1,179 | 426 | 68 | 1,673 |
| Ms. Sun Jing | — | 1,390 | 851 | 64 | 2,305 |
| Ms. Li Dan (iii) | — | 446 | — | 17 | 463 |
| Mr. Chau Kwok Keung (ii) | — | 83 | (7,104) | 1 | (7,020) |
| Non-executive director | | | | | |
| Dr. Chou Som Po (iv) | 312 | — | — | — | 312 |
| Independent non-executive directors | | | | | |
| Mr. Liu Dengqing | 306 | — | — | — | 306 |
| Mr. Lou Sai Tong | 306 | — | — | — | 306 |
| Mr. Wong Ka Kit (v) | 247 | — | — | — | 247 |
| Dr. Chu Fumin (vi) | 60 | — | — | — | 60 |
| | 1,231 | 3,287 | (5,827) | 162 | (1,147) |

Notes:

- (i) Mr. Chou Patrick Hsiao-Po resigned as an executive director and the chief executive officer with effect from 9 March 2024 and was re-appointed as an executive director and the chairman of the Board with effect from 1 January 2025.
- (ii) Mr. Chau Kwok Keung resigned as an executive director with effect from 14 January 2024.
- (iii) Ms. Li Dan was appointed as an executive director and the chief financial officer with effect from 1 October 2024.
- (iv) Dr. Chou Som Po was appointed as a non-executive director and the chairman of the Board with effect from 9 March 2024 and resigned as a non-executive director and the chairman of the Board on 1 January 2025.
- (v) Mr. Wong Ka Kit resigned as an independent non-executive director with 1 October 2024.
- (vi) Dr. Chu Fumin was appointed as an independent non-executive director with effect from 1 October 2024.
- (vii) These represent the share based payment expenses in relation to the share options granted to the directors under the Company's share option scheme and share awards scheme.
- (viii) There were no arrangements under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: nil).
- (ix) Mr. Xu Tao resigned as an executive director and the chief executive officer with effect from 1 January 2026.



Notes to the Consolidated Financial Statements
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10. Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2024: three) are directors whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the remaining three (2024: two) highest paid individuals are as follows:

| | Year ended 31 December | |
|---|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Salaries, allowances, benefits in kind and share-based payments | 3,407 | 2,243 |
| Retirement scheme contributions | 211 | 137 |
| | 3,618 | 2,380 |

The emolument of the three (2024: two) individuals with the highest emoluments is within the following band:

| | 2025 Number of individuals | 2024 Number of individuals |
|--------------------------------|----------------------------------|----------------------------------|
| HK\$1,000,001 to HK\$1,500,000 | 1 | 2 |
| HK\$1,500,001 to HK\$2,000,000 | 2 | — |
| | 3 | 2 |

11. Earnings (loss) per share

The calculation of basic earnings per share is based on the profit (loss) attributable to equity shareholders of the Company of RMB3,128,000 (2024: loss attributable to equity shareholders of RMB24,059,000) and the weighted average number of the Company's ordinary shares of 611,149,556 (2024: 622,112,068 shares) in issue during the year.

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's options and share awards because the exercise price of those options and share awards were higher than the average market price for shares for both years.

Notes to the Consolidated Financial Statements
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12. Property, plant and equipment

| | Buildings RMB'000 | Machinery equipment RMB'000 | Vehicles RMB'000 | Other equipment RMB'000 | Leasehold improvements RMB'000 | Construction in progress RMB'000 | Total RMB'000 |
|---|----------------------|-----------------------------------|---------------------|-------------------------------|--------------------------------------|--|------------------|
| Cost: | | | | | | | |
| At 1 January 2024 | 225,026 | 71,158 | 205,573 | 72,467 | 186,620 | 792 | 761,636 |
| Additions | — | 7,597 | 93,201 | 1,027 | 691 | 3,278 | 105,794 |
| Transfer from construction in progress | — | — | — | — | 1,550 | (1,550) | — |
| Disposals | — | (4,132) | (141,174) | (1,163) | (18,239) | (427) | (165,135) |
| At 31 December 2024 and 1 January 2025 | 225,026 | 74,623 | 157,600 | 72,331 | 170,622 | 2,093 | 702,295 |
| Additions | 63,447 | 12,031 | 141,006 | 6,224 | 13,578 | 10,199 | 246,485 |
| Acquisition of subsidiaries from Jiguang Project (Note 33) | 212,064 | 904 | 6,906 | 1,278 | 297 | — | 221,449 |
| Transfer from construction in progress | — | 501 | — | 123 | 10,917 | (11,541) | — |
| Disposals | — | (6,564) | (132,417) | (5,840) | (21,561) | — | (166,382) |
| At 31 December 2025 | 500,537 | 81,495 | 173,095 | 74,116 | 173,853 | 751 | 1,003,847 |
| Accumulated depreciation: | | | | | | | |
| At 1 January 2024 | (38,961) | (36,435) | (40,567) | (43,030) | (75,819) | — | (234,812) |
| Charge for the year | (8,376) | (4,859) | (40,031) | (10,332) | (36,781) | — | (100,379) |
| Written back on disposals | — | 947 | 38,269 | 711 | 8,921 | — | 48,848 |
| At 31 December 2024 and 1 January 2025 | (47,337) | (40,347) | (42,329) | (52,651) | (103,679) | — | (286,343) |
| Charge for the year | (15,649) | (4,718) | (38,798) | (8,071) | (26,529) | — | (93,765) |
| Written back on disposals | — | 2,671 | 39,500 | 4,368 | 14,251 | — | 60,790 |
| At 31 December 2025 | (62,986) | (42,394) | (41,627) | (56,354) | (115,957) | — | (319,318) |
| Net book value: | | | | | | | |
| At 31 December 2025 | 437,551 | 39,101 | 131,468 | 17,762 | 57,896 | 751 | 684,529 |
| At 31 December 2024 | 177,689 | 34,276 | 115,271 | 19,680 | 66,943 | 2,093 | 415,952 |

The net carrying amount of the Group's vehicles held under sale and lease-back arrangements included in the amounts of vehicles was RMB30,110,000 (2024: RMB18,966,000) as at 31 December 2025.

Included in the additions of buildings, two properties of RMB55,645,000 was acquired from Jiguang Project (Note 33).

Due to the closure of retail shops of Jaguar & Land Rover ("JLR") in Foshan area and Chengdu area during the year ended 31 December 2024, net book value of related property, plant and equipment of RMB31,627,000 has been disposed.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

13. Investment properties

| | Buildings RMB'000 | Land RMB'000 | Total RMB'000 |
|---|----------------------|-----------------|------------------|
| Cost: | | | |
| At 1 January 2024, 31 December 2024 and 1 January 2025 | 53,976 | 40,861 | 94,837 |
| Acquisition of subsidiaries from Jiguang Project (Note 33) | 10,604 | 28,842 | 39,446 |
| At 31 December 2025 | 64,580 | 69,703 | 134,283 |
| Accumulated depreciation: | | | |
| At 1 January 2024 | (24,504) | (11,816) | (36,320) |
| Charge for the year | (2,551) | (1,068) | (3,619) |
| At 31 December 2024 and 1 January 2025 | (27,055) | (12,884) | (39,939) |
| Charge for the year | (2,905) | (2,003) | (4,908) |
| At 31 December 2025 | (29,960) | (14,887) | (44,847) |
| Net book value: | | | |
| At 31 December 2025 | 34,620 | 54,816 | 89,436 |
| At 31 December 2024 | 26,921 | 27,977 | 54,898 |

Undiscounted lease income under operating lease contracts in place at the reporting date will be received by the Group in future periods is as follows:

| | Year ended 31 December | |
|---------------|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Within 1 year | 7,560 | 3,402 |
| 1 to 2 years | 963 | 3,288 |
| 2 to 3 years | 559 | — |
| | 9,082 | 6,690 |

The fair value of the investment properties, as determined by the directors of the Company with the assistance of an independent valuer not connected with the Company, was estimated to be approximately RMB111,700,000 (2024: RMB68,700,000) as at 31 December 2025.

The valuation was arrived at with the adoption of the income capitalisation approach by capitalising the rental income of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use

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For the year ended 31 December 2025

14. Right-of-use assets

| | Prepaid land lease payments RMB'000 | Leasehold land and buildings RMB'000 | Other equipment RMB'000 | Total RMB'000 |
|---|--|---|-------------------------------|------------------|
| Costs: | | | | |
| At 1 January 2024 | 39,081 | 563,523 | 1,151 | 603,755 |
| Additions | — | 100,272 | 1,187 | 101,459 |
| Early termination of leases | — | (119,002) | — | (119,002) |
| At 31 December 2024 and 1 January 2025 | 39,081 | 544,793 | 2,338 | 586,212 |
| Additions | — | 141,819 | — | 141,819 |
| Acquisition of subsidiaries from Jiguang Project (Note 33) | 645,653 | — | — | 645,653 |
| Early termination of leases | — | (113,731) | — | (113,731) |
| At 31 December 2025 | 684,734 | 572,881 | 2,338 | 1,259,953 |
| Accumulated depreciation: | | | | |
| At 1 January 2024 | (7,790) | (223,691) | (850) | (232,331) |
| Charge for the year | (1,233) | (67,736) | (460) | (69,429) |
| Early termination of leases | — | 50,928 | — | 50,928 |
| At 31 December 2024 and 1 January 2025 | (9,023) | (240,499) | (1,310) | (250,832) |
| Charge for the year | (19,323) | (66,461) | (327) | (86,111) |
| Early termination of leases | — | 60,575 | — | 60,575 |
| At 31 December 2025 | (28,346) | (246,385) | (1,637) | (276,368) |
| Net book value: | | | | |
| At 31 December 2025 | 656,388 | 326,496 | 701 | 983,585 |
| At 31 December 2024 | 30,058 | 304,294 | 1,028 | 335,380 |

The Group's prepaid land lease payments are for the lands situated in the PRC with lease periods of 35 to 45 years when granted.

Included in the right-of-use assets, there are lease arrangements entered by the Group for offices, stores and warehouse. The lease terms are generally ranged from 2 to 31 years.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

14. Right-of-use assets (continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Depreciation charge of right-of-use assets | 86,111 | 69,429 |
| Interest on lease liabilities (Note 7(a)) | 18,845 | 19,603 |
| Expense relating to short-term leases | 11,752 | 3,364 |

Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

15. Intangible assets

| | Office software RMB'000 | Car dealerships RMB'000 | Total RMB'000 |
|--|-------------------------------|-------------------------------|------------------|
| Cost: | | | |
| At 1 January 2024 | 55,734 | 1,029,616 | 1,085,350 |
| Write-off (Note i) | — | (31,357) | (31,357) |
| At 31 December 2024 and 1 January 2025 | 55,734 | 998,259 | 1,053,993 |
| Additions | 3,473 | — | 3,473 |
| Acquisition of subsidiaries from Jiguang Project (Note 33) | — | 69,601 | 69,601 |
| Disposal | (2,200) | — | (2,200) |
| At 31 December 2025 | 57,007 | 1,067,860 | 1,124,867 |
| Accumulated amortisation: | | | |
| At 1 January 2024 | (24,904) | (183,363) | (208,267) |
| Charge for the year | (5,096) | (34,233) | (39,329) |
| Eliminated on write-off (Note i) | — | 4,160 | 4,160 |
| At 31 December 2024 and 1 January 2025 | (30,000) | (213,436) | (243,436) |
| Charge for the year | (5,107) | (34,242) | (39,349) |
| At 31 December 2025 | (35,107) | (247,678) | (282,785) |
| Net book value: | | | |
| At 31 December 2025 | 21,900 | 820,182 | 842,082 |
| At 31 December 2024 | 25,734 | 784,823 | 810,557 |

Note:

- (i) Due to the closure of a retail shop of JLR in Foshan area during the year ended 31 December 2024, related intangible assets and goodwill of RMB27,197,000 and RMB10,681,000 (Note 16), respectively have been written off and recognised in the line of "other income, gains or losses" in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

15. Intangible assets (continued)

Impairment testing of intangible assets — car dealerships and goodwill

The car dealerships arise from business combinations and relate to relationships with automakers, with an estimated useful life of 30 years. The fair value of the car dealerships as at the respective acquisition date was determined by using the multiple excess earning method.

Goodwill acquired through business combinations has been allocated to the relevant car dealership business (or group of car dealership businesses) from which the goodwill was resulted.

Management regards each individual car dealership business as a separately identifiable cash-generating unit (“CGU”). For the purpose of impairment testing, goodwill and intangible assets have been allocated to the respective CGUs with impairment assessment performed as follows:

| As at 31 December 2025 | Allocated goodwill RMB'000 | Related intangible assets — car dealership RMB'000 |
|------------------------|----------------------------------|--|
| Yingzhibao BMW | 168,229 | 349,650 |
| Haidian Porsche | 40,758 | 61,707 |
| Yizhuang Porsche | 61,793 | 67,787 |
| Tianjing Porsche | 22,621 | 40,153 |
| Haidian Benz | 74,543 | 177,807 |
| Siyuanqiao Benz | 12,430 | 68,634 |
| | 380,374 | 765,738 |

| As at 31 December 2024 | Allocated goodwill RMB'000 | Related intangible assets — car dealership RMB'000 |
|------------------------|----------------------------------|--|
| Yingzhibao BMW | 168,229 | 362,886 |
| Haidian Porsche | 40,758 | 64,792 |
| Yizhuang Porsche | 61,793 | 71,176 |
| Tianjing Porsche | 22,621 | 42,161 |
| Haidian Benz | 74,543 | 186,697 |
| | 367,944 | 727,712 |



Notes to the Consolidated Financial Statements
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15. Intangible assets (continued)

Impairment testing of intangible assets — car dealerships and goodwill (continued)

The recoverable amount of each CGU has been based on value-in-use calculation and these calculations use cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period. Cash flows beyond the five-year period are extrapolated by using an estimated growth rate of 2% (2024: 2%) which is consistent with the forecasts included in industry reports. Other key assumptions applied in the cash flow projections are shown as follows:

| | 2025 | 2024 |
|---|-------------|-------------|
| Yingzhibao BMW | | |
| Pre-tax discount rate | 15.49% | 15.57% |
| Revenue growth from 1st to 5th year | -3.1%–3.8% | 0.0%–2.9% |
| Earnings before interest and taxes rate | 4.4%–10.4% | 3.9%–10.6% |
| Haidian Porsche | | |
| Pre-tax discount rate | 15.67% | 15.79% |
| Revenue growth from 1st to 5th year | -17.8%–2.0% | -14.1%–3.4% |
| Earnings before interest and taxes rate | 8.3%–12.3% | 5.5%–9.0% |
| Yizhuang Porsche | | |
| Pre-tax discount rate | 15.65% | 15.76% |
| Revenue growth from 1st to 5th year | -14.3%–1.8% | -14.8%–3.4% |
| Earnings before interest and taxes rate | 7.3%–11.1% | 5.4%–9.0% |
| Tianjing Porsche | | |
| Pre-tax discount rate | 15.66% | 15.81% |
| Revenue growth from 1st to 5th year | -18.0%–3.1% | -21.5%–3.1% |
| Earnings before interest and taxes rate | 4.6%–7.8% | 5.8%–9.0% |
| Haidian Benz | | |
| Pre-tax discount rate | 15.74% | 15.86% |
| Revenue growth from 1st to 5th year | -0.8%–1.3% | -1.1%–3.5% |
| Earnings before interest and taxes rate | 4.6%–7.1% | 3.4%–6.3% |
| Siyuanqiao Benz | | |
| Pre-tax discount rate | 15.82% | N/A |
| Revenue growth from 1st to 5th year | -22.2%–3.0% | N/A |
| Earnings before interest and taxes rate | 5.4%–7.4% | N/A |

During the years ended 31 December 2025 and 2024, the management of the Group determines that there are no impairments of any of the above CGUs, except the write-off of intangible assets from Foshan JLR due to closure of retail shop.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

15. Intangible assets (continued)

Impairment testing of intangible assets — car dealerships and goodwill (continued)

The headroom, which is measured by excess of the recoverable amount over the carrying amount of the individual CGUs is set out as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------|-----------------|-----------------|
| Yingzhibao BMW | 171,073 | 91,345 |
| Haidian Porsche | 280,337 | 234,457 |
| Yizhuang Porsche | 255,316 | 202,230 |
| Tianjing Porsche | 60,889 | 95,460 |
| Haidian Benz | 138,337 | 165,644 |
| Siyuanqiao Benz | 79,063 | — |
| | 985,015 | 789,136 |

Note:

The Group has performed sensitivity tests by increasing 1% of the discount rate or decreasing 1% of the revenue growth rate or decreasing 1% of earnings before interest and taxes rate, which are the key assumptions for determining the recoverable amount of the CGU, with all other variables held constant. The impacts on the amount of headroom are as below:

| | At 31 December | |
|--|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Impact by increasing discount rate | (243,104) | (214,015) |
| Impact by decreasing revenue growth rate | (131,106) | (119,412) |
| Impact by decreasing earnings before interest and taxes rate | (146,430) | (119,729) |

At 31 December 2025 and 2024, the directors of the Company considered no reasonably possible change in the key assumptions mentioned above would cause the carrying amount of the CGU to exceed its recoverable amount.



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16. Goodwill

| | RMB'000 |
|--|------------------|
| Cost: | |
| At 1 January 2024, | 1,030,656 |
| Write-off (Note 15(ii)) | (10,681) |
| At 31 December 2024 and 1 January 2025 | 1,019,975 |
| Acquisition of subsidiaries from Jiguang Project (Note 33) | 12,430 |
| At 31 December 2025 | 1,032,405 |
| Accumulated impairment losses: | |
| At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 | (652,031) |
| Carrying amount: | |
| At 31 December 2025 | 380,374 |
| At 31 December 2024 | 367,944 |

Goodwill is allocated to the Group's CGU of the operation of the car dealership business for impairment testing as set out in Note 15.

17. Interest in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group, all of which are private companies.

| | Notes | Place and date of incorporation/ establishment of business | Registered/ Issued and fully paid up capital | Percentage of equity attributable to the Company | | Principal activities |
|--|-------|--|--|--|----------|--|
| | | | | Direct | Indirect | |
| BetterLife Tianjin Management Group Co., Ltd.* 百得利(天津)企業管理集團有限公司 | (i) | PRC/Mainland China 30 August 2007 | RMB303,320,000 | — | 100% | Investment holding, sale and service of motor vehicles |
| Beijing BetterLife Automobile Import and Export Group Co., Ltd.* 北京百得利汽車進出口集團有限公司 | (ii) | PRC/Mainland China 3 September 1998 | RMB60,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing BetterLife Auto Trade Co., Ltd.* 北京百得利汽車貿易有限公司 | (ii) | PRC/Mainland China 6 February 2004 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing BetterLife Auto Sales Co., Ltd.* 北京百得利汽車銷售有限公司 | (ii) | PRC/Mainland China 14 April 2008 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing BetterLife Star Auto Sales Co., Ltd.* 北京百得利之星汽車銷售有限公司 | (ii) | PRC/Mainland China 9 January 2008 | RMB40,000,000 | — | 100% | Sale and services of motor vehicles |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

17. Interest in subsidiaries (continued)

| | Notes | Place and date of incorporation/ establishment of business | Registered/ Issued and fully paid up capital | Percentage of equity attributable to the Company | | Principal activities |
|--|------------|--|--|--|----------|--|
| | | | | Direct | Indirect | |
| BetterLife International Motor Co., Limited | | Hong Kong 15 July 2010 | Hong Kong dollars ("HK\$") 10,000 | 100% | — | Investment holding |
| Beijing BetterLife International Trade Co., Ltd.* 北京百得利國際商貿有限公司 | (ii) | PRC/Mainland China 9 December 2011 | RMB80,000,000 | — | 100% | Sale and service of motor vehicles |
| Hangzhou BetterLife Auto Co., Ltd.* 杭州百得利汽車有限公司 | (ii) | PRC/Mainland China 18 August 2010 | RMB30,000,000 | — | 100% | Sale and service of motor vehicles |
| Chengdu Baichuanjinbao 成都百川金保汽車銷售服務有限公司 | (ii), (vi) | PRC/Mainland China 8 January 2014 | RMB33,333,333 | — | 30% | Sale and service of motor vehicles |
| Chengdu Baichuanxinbao Auto Sales and Services Co., Ltd.* ("Chengdu Baichuanxinbao") 成都百川新保汽車銷售服務有限公司 | (ii) | PRC/Mainland China 30 March 2012 | RMB33,333,333 | — | 70% | Sale and service of motor vehicles |
| Beijing BetterLife Experimental Technology Development Co., Ltd.* 北京百得利體驗科技發展有限公司 | (ii) | PRC/Mainland China 16 August 2018 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Qingdao BetterLife Auto Co., Ltd.* 青島百得利汽車有限公司 | (ii) | PRC/Mainland China 9 December 2019 | RMB10,000,000 | — | 100% | Sale and service of motor vehicles |
| Foshan Baide Laifu Auto Sales and Services Co., Ltd.* ("Foshan Baide Laifu") 佛山柏得來富汽車銷售服務有限公司 | (ii) | PRC/Mainland China 11 September 2020 | RMB30,000,000 | — | 100% | Sale and service of motor vehicles |
| Shanghai Baide Laifu Auto Co., Ltd.* 上海佰得來富汽車有限公司 | (ii) | PRC/Mainland China 1 July 2021 | RMB45,000,000 | — | 100% | Sale and services of motor vehicles |
| Hainan Liya Holding Co., Ltd.* 海南莉雅控股有限公司 | (i) | PRC/Mainland China 31 August 2021 | U.S. dollars ("USD") 3,000,000 | — | 100% | Sale of automobile accessories and advertisement service |
| Chengdu BetterLife Auto Sales and Services Co., Ltd.* 成都百得利汽車銷售服務有限公司 | (ii) | PRC/Mainland China 25 October 2021 | RMB35,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing Yingzhibao Automobile Trading Co., Ltd.* 北京盈之寶汽車貿易有限公司 | (ii) | PRC/Mainland China 25 January 2022 | RMB64,098,000 | — | 100% | Sale and service of motor vehicles |



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

17. Interest in subsidiaries (continued)

| | Notes | Place and date of incorporation/ establishment of business | Registered/ Issued and fully paid up capital | Percentage of equity attributable to the Company | | Principal activities |
|--|-------------|---|---|--|----------|---------------------------------------|
| | | | | Direct | Indirect | |
| Tianjin Laifutai Insurance Agency Co., Ltd.* 天津來福泰保險代理有限公司 | (ii) | PRC/Mainland China 14 March 2014 | RMB50,000,000 | — | 100% | Provision of insurance agency service |
| Beijing Betterlife Used Car Sales Co., Ltd.* 北京百得利二手車銷售有限公司 | (ii) | PRC/Mainland China 30 May 2023 | RMB50,000,000 | — | 100% | Sale and service of motor vehicles |
| Harbin Baidelaifu Automobile Sales Co., Ltd.* 哈爾濱佰得來富汽車銷售有限公司 | (ii), (iv) | PRC/Mainland China 29 September 2024 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Xiamen BetterLife Automobile Sales Co., Ltd.* 廈門百得利汽車銷售有限公司 | (ii), (iv) | PRC/Mainland China 30 September 2024 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing Jiguang Real Estate Development Co., Ltd.* 北京極光置業房地產開發有限公司 | (ii), (iii) | PRC/Mainland China 10 February 2017 | RMB13,050,000 | — | 100% | Property management |
| Beijing Betterlife Experience Automobile Co., Ltd.* 北京百得利體驗汽車有限公司 | (ii), (v) | PRC/Mainland China 24 January 2025 | RMB30,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing Baideli Yanbao Automobile Sales Co., Ltd.* 北京百得利燕寶汽車銷售有限公司 | (ii), (v) | PRC/Mainland China 30 June 2025 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing Baideli Chenbao Automobile Sales Co., Ltd.* 北京百得利晨寶汽車銷售有限公司 (formerly known as Beijing Yingzhibao Beiyuan Road Automotive Maintenance Service Co.,Ltd 北京盈之寶北苑路汽車維修服務有限公司) | (ii) | PRC/Mainland China 15 October 2009 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |
| Tianjin Baideli Xinbao Automobile Sales Co., Ltd.* 天津百得利新寶汽車銷售有限公司 (formerly known as Tianjin Baideli Automobile Service Co., Ltd. 天津百得利汽車服務有限公司) | (ii) | PRC/Mainland China 26 May 2006 | RMB10,000,000 | — | 100% | Sale and service of motor vehicles |
| Beijing Baideli Zhixing Automotive Service Co., Ltd.* 北京百得利智行汽車服務有限公司 | (ii), (v) | PRC/Mainland China 22 January 2025 | RMB20,000,000 | — | 100% | Sale and service of motor vehicles |

* The English names of the companies registered in Mainland China represent the best efforts made by the management of the Company to translate the Chinese names of the companies as they do not have official English names.

Notes:

- (i) The subsidiaries are wholly-foreign-owned enterprises established in the PRC.
- (ii) The subsidiaries are registered as companies with limited liability under the PRC law.
- (iii) The subsidiary was newly acquired during the year ended 31 December 2025.
- (iv) The subsidiaries are newly set up during the year ended 31 December 2024.
- (v) The subsidiaries are newly set up during the year ended 31 December 2025.
- (vi) According to the articles of association, the Group considers that it controls Chengdu Baichuanjinbao and domination of representation in the board to direct the relevant activities of the company.

Notes to the Consolidated Financial Statements
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17. Interest in subsidiaries (continued)

The following table lists out the information relating to Chengdu Baichuanjinbao and Chengdu Baichuanxinbao, the subsidiaries of the Group which has a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination. According to the articles of association of these two subsidiaries, profits shall be attributed to the Group and the non-controlling interests by 50% and 50%, respectively.

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Chengdu Baichuanjinbao | | |
| NCI percentage | 70% | 70% |
| Current assets | 129,486 | 260,531 |
| Non-current assets | 73,044 | 80,466 |
| Current liabilities | (68,940) | (223,181) |
| Non-current liabilities | (17,177) | (20,615) |
| Net assets | 116,413 | 97,201 |
| Carrying amount of NCI | 80,914 | 71,308 |
| Revenue | 619,229 | 744,014 |
| Profit for the year | 19,212 | 1,512 |
| Total comprehensive income | 19,212 | 1,512 |
| Profit allocated to NCI | 9,606 | 756 |
| Dividend paid to NCI | — | 50,000 |
| Cash flows (used in) from operating activities | (64,273) | 187,133 |
| Cash flows (used in) from investing activities | (3,158) | 4,384 |
| Cash flows used in financing activities | 80,540 | (227,607) |



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For the year ended 31 December 2025

17. Interest in subsidiaries (continued)

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Chengdu Baichuanxinbao | | |
| NCI percentage | 30% | 30% |
| Current assets | 151,575 | 297,561 |
| Non-current assets | 79,965 | 83,202 |
| Current liabilities | (80,775) | (217,378) |
| Non-current liabilities | (23,334) | (27,034) |
| Net assets | 127,431 | 136,351 |
| Carrying amount of NCI | 42,768 | 47,228 |
| Revenue | 652,147 | 780,118 |
| (Loss) profit for the year | (8,920) | 17,716 |
| Total comprehensive (expense) income | (8,920) | 17,716 |
| (Loss) profit allocated to NCI | (4,460) | 8,858 |
| Dividend paid to NCI | — | 40,000 |
| Cash flows (used in) from operating activities | (96,702) | 73,703 |
| Cash flows (used in) from investing activities | (5,752) | 5,521 |
| Cash flows from (used in) financing activities | 109,421 | (200,798) |

Notes to the Consolidated Financial Statements
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18. Inventories

- (a) Inventories in the consolidated statement of financial position comprise:

| | At 31 December | |
|---------------------------------|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Motor vehicles | 626,925 | 783,766 |
| Spare parts and accessories | 77,571 | 73,737 |
| | 704,496 | 857,503 |
| Less: Provision for inventories | (15,893) | (28,404) |
| | 688,603 | 829,099 |

Inventories with a carrying amount of RMB178,310,000 (2024: RMB67,734,000) were pledged as security for other borrowings as at 31 December 2025 (Note 24).

Inventories with a carrying amount of RMB252,326,000 (2024: RMB281,094,000) were pledged as security for bills payables as at 31 December 2025 (Note 26).

- (b) The analysis of the amount of inventories recognised as an expense and included in cost of sales of profit or loss is as follows:

| | Year ended 31 December | |
|---|------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Carrying amount of inventories sold | 8,177,106 | 8,361,500 |
| Reversal of written-down of inventories | (12,511) | (3,672) |
| | 8,164,595 | 8,357,828 |

During the year, there was an increase in the net realisable value of inventories. As a result, a reversal of write-down of inventories of RMB12,511,000 (2024: RMB3,672,000) has been recognised and included in cost of sales in the current year.



Notes to the Consolidated Financial Statements
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19. Trade receivables

At as the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

| | At 31 December | |
|--------------------|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Within 3 months | 87,170 | 76,810 |
| 3 to 6 months | 4,038 | 247 |
| 6 months to 1 year | 16,640 | 260 |
| Over 1 year | 8,649 | — |
| | 116,497 | 77,317 |

As at 31 December 2025, the gross amount of trade receivable arising from contract with customers amounted to RMB116,497,000 (2024: RMB77,317,000).

The Group allows an average credit period of three months to its customers. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The Group assessed the ECL for trade receivables are insignificant and thus no loss allowance is recognised as at 31 December 2025 and 2024.

20. Prepayments, other receivables and other assets

| | At 31 December | |
|--|-----------------|------------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Prepayments | 127,852 | 157,037 |
| Prepayment for acquisition of creditors' right (Note 33) | — | 385,996 |
| Other receivables | 177,141 | 174,700 |
| Rebate receivables | 465,147 | 291,125 |
| Value-added tax recoverable | 31,617 | 40,460 |
| | 801,757 | 1,049,318 |
| Less: Long-term prepayments | — | (386,175) |
| Impairment allowance of other receivables | (36,462) | (15,240) |
| Current portion | 765,295 | 647,903 |

Notes to the Consolidated Financial Statements
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21. Pledged bank deposits

| | Note | At 31 December | |
|--|------|-----------------|-----------------|
| | | 2025 RMB'000 | 2024 RMB'000 |
| Pledged guarantee deposits in respect of: Bills payables and bank loans | (i) | 452,650 | 430,170 |

- (i) The bank deposits pledged for bills payables and bank loans will be released upon the settlement of relevant bills payables and bank loans.

22. Cash in transit

| | At 31 December | |
|-----------------|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Cash in transit | 14,245 | 5,192 |

Cash in transit, which was all denominated in RMB as at the end of the reporting period, represents the sales proceeds settled by credit cards, which have yet to be credited to the Group by the banks.

23. Cash and cash equivalents, restricted cash and other cash flow information

- (a) Cash and cash equivalents comprise:

| | At 31 December | |
|--|-----------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Cash at banks and cash on hand | 439,461 | 450,605 |
| Restricted cash | 2,776 | 13,445 |
| | 442,237 | 464,050 |
| Less: Restricted cash | (2,776) | (13,445) |
| Cash and cash equivalents in the consolidated cash flow statement | 439,461 | 450,605 |

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



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

23. Cash and cash equivalents, restricted cash and other cash flow information (continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

| | For the year ended 31 December | |
|---|--------------------------------|-----------------|
| | 2025 RMB'000 | 2024 RMB'000 |
| Profit before taxation | 11,555 | 8,881 |
| Adjustments for: | | |
| Depreciation | 184,784 | 173,427 |
| Amortisation of intangible assets | 39,349 | 39,329 |
| Finance costs | 58,130 | 31,813 |
| Interest income | (3,352) | (10,879) |
| Reversal of write-down of inventories | (12,511) | (3,672) |
| Impairment on other receivables | 21,222 | — |
| Gain on disposal of property, plant and equipment and right-of-use assets | (6,944) | (14,816) |
| Write-off of intangible assets | — | 27,197 |
| Write-off of goodwill | — | 10,681 |
| Equity settled share-based transactions | 3,041 | (5,827) |
| Changes in working capital | | |
| Decrease/(increase) in inventories | 208,625 | (24,139) |
| Increase in trade receivables | (37,994) | (22,773) |
| (Increase)/decrease in cash in transit | (9,053) | 2,076 |
| Decrease/(increase) in restricted cash | 10,669 | (10,847) |
| Decrease in amounts due from related parties | 2,708 | 7,393 |
| Increase in prepayments, other receivables and other assets | (33,462) | (40,648) |
| (Decrease)/increase in trade and bills payables | (47,093) | 490,389 |
| Decrease in amounts due to related parties | (32) | (234) |
| Decrease in other payables and accruals | (117,308) | (36,992) |
| Increase/(decrease) in contract liabilities | 58,326 | (60,503) |
| Cash generated from operations | 330,660 | 559,856 |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

23. Cash and cash equivalents, restricted cash and other cash flow information (continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

| | Interest-bearing bank and other borrowings (Note 24) RMB'000 | Dividends payable RMB'000 | Lease liabilities (Note 25) RMB'000 | Sale and lease back payables (Note 35(c)) RMB'000 | Total RMB'000 |
|---|---|------------------------------|--|--|------------------|
| At 1 January 2025 | 438,445 | — | 235,624 | 8,209 | 682,278 |
| Changes from financing cash flows: | | | | | |
| Proceeds from bank and other borrowings | 2,840,270 | — | — | — | 2,840,270 |
| Repayment of bank and other borrowings | (2,378,196) | — | — | — | (2,378,196) |
| Capital element of lease rentals paid | — | — | (60,988) | — | (60,988) |
| Interest element of lease rentals paid | — | — | (18,845) | — | (18,845) |
| Proceeds from sale and lease-back transactions | — | — | — | 29,313 | 29,313 |
| Payment of sale and lease-back transactions | — | — | — | (13,174) | (13,174) |
| Dividends paid to equity shareholders of the Company | — | (12,326) | — | — | (12,326) |
| Interest paid | (37,876) | — | — | — | (37,876) |
| Total changes from financing cash flows | 424,198 | (12,326) | (79,833) | 16,139 | 348,178 |
| Other changes: | | | | | |
| Increase in lease liabilities from entering into new leases during the year | — | — | 141,819 | — | 141,819 |
| Decrease in lease liabilities from early termination | — | — | (63,587) | — | (63,587) |
| Interest expenses (Note 7(a)) | 38,369 | — | 18,845 | 916 | 58,130 |
| Acquisition of a subsidiary | 26,440 | — | — | — | 26,440 |
| Dividends declared to equity shareholders of the Company | — | 12,326 | — | — | 12,326 |
| Total other changes | 64,809 | 12,326 | 97,077 | 916 | 175,128 |
| At 31 December 2025 | 927,452 | — | 252,868 | 25,264 | 1,205,584 |



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

23. Cash and cash equivalents, restricted cash and other cash flow information (continued)

(c) Reconciliation of liabilities arising from financing activities (continued)

| | Interest-bearing bank and other borrowings (Note 24) RMB'000 | Dividends payable RMB'000 | Lease liabilities (Note 25) RMB'000 | Sale and lease back payables (Note 35(c)) RMB'000 | Total RMB'000 |
|---|---|------------------------------|--|--|------------------|
| At 1 January 2024 | 441,445 | — | 288,743 | 11,681 | 741,869 |
| Changes from financing cash flows: | | | | | |
| Proceeds from bank and other borrowings | 2,063,158 | — | — | — | 2,063,158 |
| Repayment of bank and other borrowings | (2,065,725) | — | — | — | (2,065,725) |
| Capital element of lease rentals paid | — | — | (77,716) | — | (77,716) |
| Interest element of lease rentals paid | — | — | (19,603) | — | (19,603) |
| Proceeds from sale and lease-back transactions | — | — | — | 16,121 | 16,121 |
| Payment of sale and lease-back transactions | — | — | — | (20,311) | (20,311) |
| Dividends paid to non-controlling shareholders | — | (90,000) | — | — | (90,000) |
| Dividends paid to equity shareholders of the Company | — | (37,350) | — | — | (37,350) |
| Interest paid | (11,925) | — | — | — | (11,925) |
| Total changes from financing cash flows | (14,492) | (127,350) | (97,319) | (4,190) | (243,351) |
| Other changes: | | | | | |
| Increase in lease liabilities from entering into new leases during the year | — | — | 100,272 | — | 100,272 |
| Decrease in lease liabilities from early termination | — | — | (75,675) | — | (75,675) |
| Interest expenses (Note 7(a)) | 11,492 | — | 19,603 | 718 | 31,813 |
| Dividends declared to non-controlling shareholders | — | 90,000 | — | — | 90,000 |
| Dividends declared to equity shareholders of the Company | — | 37,350 | — | — | 37,350 |
| Total other changes | 11,492 | 127,350 | 44,200 | 718 | 183,760 |
| At 31 December 2024 | 438,445 | — | 235,624 | 8,209 | 682,278 |

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------------------|-----------------|------------------|
| Within operating cash flows | (11,752) | (3,364) |
| Within financing cash flows | (79,833) | (97,319) |
| | (91,585) | (100,683) |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

24. Interest-bearing bank and other borrowings

The analysis of the carrying amount of interest-bearing bank and other borrowings is as follows:

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|---|-------|-----------------|-----------------|
| Bank loans | (i) | | |
| — unsecured | | 320,844 | 359,168 |
| — secured | | 337,500 | — |
| Other borrowings — supplier financing arrangement | (ii) | | |
| — secured | | 269,108 | 79,277 |
| Total | | 927,452 | 438,445 |

Carrying amount repayable:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|------------------|
| On demand or within one year | 627,452 | 438,445 |
| After one year but within two years | 50,000 | — |
| After two years but within five years | 150,000 | — |
| After five years | 100,000 | — |
| | 927,452 | 438,445 |
| Portion classified as current liabilities | (627,452) | (438,455) |
| Non-current portion | 300,000 | — |

Notes:

- (i) The bank loans carried interest at annual rates ranging from 2.45% to 3.80% as at 31 December 2025 (2024: 2.70% to 3.15%). The secured bank loans is secured by the two properties with carrying amount of RMB54,544,000 obtained from acquisition of Jiguang Project and repayable within 10 years.
- (ii) Other borrowings mainly represent loans obtained from the auto finance companies of the respective automobile manufacturers for purchase of motor vehicles, which are secured, interest-bearing with annual rates ranging from 4.88% to 8.50% as at 31 December 2025 (2024: 4.88% to 8.50%).

The Group has entered into certain supplier finance arrangements with auto finance companies of the respective automobile manufacturers for purchase of motor vehicles, which are secured, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers. Under these arrangements, the auto finance companies pay automobile manufacturers the amounts owed by the Group on the original due dates, and then the Group settle the auto finance companies between 180 to 360 days later than the original due dates with the automobile manufacturers, with interest ranges from 4.88% to 8.50% (2024: 4.88% to 8.50%). The Group's obligations to automobile manufacturers are legally extinguished on settlement by the relevant auto finance companies. The banking facilities in relation to these arrangements are secured by the Group's inventories with aggregate carrying value of RMB178,310,000 (2024: RMB67,734,000).

Having considered the nature and substance of these arrangements, the Group has presented payables to the auto finance companies under these arrangements as "interest-bearing bank and other borrowings" in the consolidated statement of financial position.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

24. Interest-bearing bank and other borrowings (continued)

Notes: (continued)

(iii) Additional information about the financial liabilities that are subject to supplier finance arrangements

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Financial liabilities that are subject to supplier finance arrangements presented as interest bearing bank and other borrowings | | |
| — Of which suppliers have already received payment from the auto financing companies | 269,108 | 79,277 |
| Range of payment due dates (after invoice date) | Days | Days |
| Other borrowings that are part of supplier finance arrangements | 180–360 | 180–360 |

As at 1 January 2024, the financial liabilities that are subject to supplier finance arrangements presented as interest bearing bank and other borrowing amounted to RMB54,234,000.

25. Lease liabilities

| | 2025 RMB'000 | 2024 RMB'000 |
|-------------|-----------------|-----------------|
| Non-current | 241,919 | 219,861 |
| Current | 10,949 | 15,763 |
| | 252,868 | 235,624 |

Amounts payable under lease liabilities

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Within one year | 10,949 | 15,763 |
| After one year but within two years | 19,507 | 51,299 |
| After two year but within five years | 51,483 | 33,517 |
| After five years | 170,929 | 135,045 |
| | 252,868 | 235,624 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | (10,949) | (15,763) |
| Amount due for settlement after 12 months | 241,919 | 219,861 |

As at 31 December 2025, lease liabilities of RMB141,819,000 are recognised with related right-of-use assets of RMB141,819,000 (2024: lease liabilities of RMB100,272,000 are recognised with related right-of-use assets of RMB100,272,000).

During the year ended 31 December 2025, lease liabilities of RMB63,587,000 are derecognised with related right-of-use assets of RMB53,156,000 due to the lease termination (2024: lease liabilities of RMB75,675,000 are derecognised with related right-of-use assets of RMB68,074,000).

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

26. Trade and bills payables

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------|-----------------|-----------------|
| Current | | |
| Trade payables | 86,345 | 88,291 |
| Bills payables | 762,123 | 793,853 |
| | 848,468 | 882,144 |

Automobiles normally require full prepayment except certain suppliers allow a credit period according to respective contract terms. As at the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------------------------|-----------------|-----------------|
| Within 3 months | 774,008 | 661,490 |
| Over 3 months but within 6 months | 72,691 | 220,168 |
| Over 6 months but within 12 months | 307 | 5 |
| Over 1 year | 1,462 | 481 |
| | 848,468 | 882,144 |

Bills payables were secured by inventories with a carrying amount of RMB252,326,000 (2024: RMB281,094,000) and pledged bank deposits with a carrying amount of RMB452,650,000 (2024: RMB430,170,000) as at 31 December 2025.

27. Other payables and accruals

| | 2025 RMB'000 | 2024 RMB'000 |
|----------------------|-----------------|-----------------|
| Other taxes payables | 54,609 | 35,334 |
| Payroll payable | 39,627 | 35,679 |
| Others | 38,326 | 17,066 |
| | 132,562 | 88,079 |

Other payables are non-interest-bearing and have no fixed terms of settlement.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

28. Contract liabilities

| | 2025 RMB'000 | 2024 RMB'000 |
|---|------------------|-----------------|
| Advance from customers | 152,007 | 82,411 |
| Deferred revenue | 209,140 | 170,008 |
| | 361,147 | 252,419 |
| Portion classified as current liabilities | (260,392) | (104,600) |
| Non-current portion | 100,755 | 147,819 |

As at 1 January 2024, contract liabilities amounted to RMB312,922,000.

Contract liabilities are classified as current and non-current based on the Group's earliest obligation to transfer goods and services to the customers.

The contract liabilities primarily consist of (i) advances from customers for purchasing new automobiles; and (ii) deferred revenue, which mainly represents the unused gift cards or prepaid repair and maintenance services.

29. Equity settled share-based transactions

2021 Share Option Scheme

Pursuant to the share option scheme ("Share Option Scheme") effective on 17 June 2021, 9,800,000 share options of the Company were approved for granting to core employees of the Group on 1 September 2021 (the "Grant Date"). The exercise price of the share option granted is HK\$8.264 per share, as determined based on the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the offer date.

The share options are subject to various lock-up period of 1 year, 2 years, 3 years and 4 years, respectively, immediately from the Grant Date. During the lock-up period, these shares are not transferrable, nor subject to any guarantee or indemnity.

Subject to fulfilment of all vesting conditions under the Share Option Scheme, the restriction over the share options will be removed after the expiry of the corresponding lock-up period for each tranche and the participants will be fully entitled to these incentive share options. If the vesting conditions are not fulfilled and hence the share options cannot be unlocked, all the unvested or outstanding share options not yet vested shall be immediately forfeited.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

29. Equity settled share-based transactions (continued)

2021 Share Option Scheme (continued)

(a) The terms and conditions of the grants are as follows:

| | Number of instruments | Vesting conditions | Contractual life of options |
|-------------------------------|-----------------------|------------------------------------|-----------------------------|
| Options granted to directors: | | | |
| — on 1 September 2021 | 2,450,000 | One year from the date of grant | 10 years |
| — on 1 September 2021 | 2,450,000 | Two years from the date of grant | 10 years |
| — on 1 September 2021 | 2,450,000 | Three years from the date of grant | 10 years |
| — on 1 September 2021 | 2,450,000 | Four years from the date of grant | 10 years |
| Total share options granted | <u>9,800,000</u> | | |

(b) The number and weighted average exercise prices of share options are as follows:

| | At 31 December 2025 | | At 31 December 2024 | |
|--|---------------------------------|------------------------|---------------------------------|------------------------|
| | Weighted average exercise price | Number of options '000 | Weighted average exercise price | Number of options '000 |
| Outstanding at the beginning of the year | HK\$8.264 | 3,000 | HK\$8.264 | 8,800 |
| Forfeited during the year | — | — | — | (5,800) |
| Outstanding at the end of the year | HK\$8.264 | 3,000 | HK\$8.264 | 3,000 |
| Exercisable at the end of the year | HK\$8.264 | 3,000 | HK\$8.264 | 2,250 |

No share options were exercised during both years. As at 31 December 2025, the weighted average remaining contractual life for the share options granted was 5.67 years (2024: 6.67 years).



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

29. Equity settled share-based transactions (continued)

2021 Share Option Scheme (continued)

(c) Key assumptions of share options

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

| | 1 September 2021 |
|---------------------------------|---------------------|
| Dividend yield (%) | — |
| Expected volatility (%) | 49.35 |
| Risk-free interest rate (%) | 1.01 |
| Expected life of options (year) | 10.00 |

The Group recognised share option expense of RMB454,000 for the year ended 31 December 2025 (2024: reversal of share option expense of RMB5,827,000) related to share options granted by the Company.

2024 Share Awards Scheme

On 28 August 2024, the Board announced the launch of share award scheme. On 15 April 2025, the Board resolved to award an aggregate of 14,962,000 awarded shares of the Company (the “**2024 Share Awards Scheme**”) to 12 selected employees of the Group (each a “Grantee” and collectively the Grantees”). Three of the grantees, who were awarded with aggregate of 6,082,000 awarded shares of the Company, are executive directors of the Group. Other grantees, who are awarded with aggregate of 8,880,000 awarded shares of the Company, are employees of the Group. Details were set out in the circular of the Company dated 15 April 2025. The exercise price of the share award granted is HK\$0.572 per share, as determined based on the average Stock Exchange closing price of the Company’s shares on the Grant Date.

The share awards are subject to various lock-up period of 1 year, 2 years, 3 years and 4 years, respectively, immediately from the Grant Date. During the lock-up period, these shares are not transferrable, nor subject to any guarantee or indemnity.

Subject to fulfilment of all vesting conditions under the 2024 Share Awards Scheme, the restriction over the share awards will be removed after the expiry of the corresponding lock-up period for each tranche and the participants will be fully entitled to these incentive share awards. If the vesting conditions are not fulfilled and hence the share awards cannot be unlocked, all the unvested or outstanding share awards not yet vested shall be immediately forfeited.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

29. Equity settled share-based transactions (continued)

2024 Share Awards Scheme (continued)

(a) The terms and conditions of the grants are as follows:

| | Number of instruments | Vesting conditions | Contractual life of awards |
|------------------------------|-----------------------|--|----------------------------|
| Awards granted to directors: | | | |
| — on 15 April 2025 | 2,888,350 | One year from the date of grant | 10 years |
| — on 15 April 2025 | 2,888,350 | Two years from the date of grant | 10 years |
| — on 15 April 2025 | 2,888,350 | Three years from the date of grant | 10 years |
| — on 15 April 2025 | 6,296,950 | Four years from the date of grant (Note) | 10 years |
| Total share awards granted | <u>14,962,000</u> | | |

Note: 3,408,600 awarded shares shall vest on 15 April 2029 are subject to the satisfaction of performance target.

(b) The number and weighted average exercise prices of share awards are as follows:

| | At 31 December 2025 | |
|--|---------------------------------|-----------------------|
| | Weighted average exercise price | Number of awards '000 |
| Outstanding at the beginning of the year | — | — |
| Granted during the year | HK\$0.572 | 14,962,000 |
| Outstanding at the end of the year | HK\$0.572 | 14,962,000 |
| Exercisable at the end at the year | | — |

No share awards were exercised during the year. As at 31 December 2025, the weighted average remaining contractual life for the share awards granted was 9.71 years.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

29. Equity settled share-based transactions (continued)

2024 Share Awards Scheme (continued)

(c) Key assumptions of share awards

The estimated fair value of the awards granted on date of grant is RMB7,955,000.

The fair value of equity settled share awards granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the awards were granted. The following table lists the inputs to the model used:

| | 15 April 2025 |
|--------------------------------|---------------|
| Dividend yield (%) | 11.6 |
| Expected volatility (%) | 83.67–109.67 |
| Risk-free interest rate (%) | 2.70–2.99 |
| Expected life of awards (year) | 10.00 |

The Group recognised share awards expense of RMB2,587,000 for the year ended 31 December 2025 related to share awards granted by the Company.

30. Deferred tax assets and liabilities

(a) Deferred tax assets and liabilities recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

| | Deferred revenue | Impairment of assets | Right-of-use assets | Lease liabilities | Tax losses | Fair value adjustments arising from acquisition of subsidiaries | Depreciation allowances in excess of the related depreciation | Total |
|--|------------------|----------------------|---------------------|-------------------|------------|---|---|-----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| At 1 January 2024 | 23,973 | 7,271 | (39,305) | 41,684 | 13,945 | (208,702) | 3,382 | (157,752) |
| Credited (charged) to profit or loss | 450 | (1,549) | (5,490) | 7,004 | (13,945) | 15,206 | (20) | 1,656 |
| At 31 December 2024 and 1 January 2025 | 24,423 | 5,722 | (44,795) | 48,688 | — | (193,496) | 3,362 | (156,096) |
| Credited (charged) to profit or loss | 237 | (1,580) | 3,202 | (2,199) | 18,523 | 8,216 | (33) | 26,366 |
| Business combination | 11,015 | 3,569 | — | — | — | (17,400) | — | (2,816) |
| At 31 December 2025 | 35,675 | 7,711 | (41,593) | 46,489 | 18,523 | (202,680) | 3,329 | (132,546) |

(ii) Reconciliation to the consolidated statement of financial position

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| Net deferred tax asset recognised in the consolidated statement of financial position | 45,620 | 23,246 |
| Net deferred tax liability recognised in the consolidated statement of financial position | (178,166) | (179,342) |
| | (132,546) | (156,096) |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

30. Deferred tax assets and liabilities (continued)

(b) Deferred liabilities not recognised

The PRC Corporate Income Tax Law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, for dividend distributions out of earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. The Group has not recognised deferred tax liabilities as at 31 December 2025 in respect of undistributed earnings of RMB1,736,204,000 (2024: RMB1,868,633,000) as the Company controls the dividend policy of the subsidiaries and it has determined that these profit will not be distributed in the foreseeable future.

(c) Deferred assets not recognised

In accordance with the accounting policy set out in Note 3, the Group has not recognised deferred tax assets in respect of cumulative tax losses and deductible temporary differences of RMB418,244,000 (2024: RMB404,188,000) in total as it is not probable that future taxable profits against which the losses and temporary differences can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses in the PRC are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose.

31. Capital, reserves and dividends

(a) Movements in component of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

| | The Company | | | | | | | |
|--|--------------------------|--------------------------|--------------------------------|----------------------------|---------------------------------|-----------------------------|-------------------------------|------------------|
| | Share capital RMB'000 | Share premium RMB'000 | Share Option Scheme RMB'000 | Capital reserve RMB'000 | Share option reserve RMB'000 | Exchange reserve RMB'000 | Accumulated losses RMB'000 | Total RMB'000 |
| Balance at 1 January 2024 | 5,180 | 444,890 | — | 36,253 | 26,204 | 45,968 | (56,168) | 502,327 |
| Profit (loss) and total comprehensive income for the year | — | — | — | — | — | 10,517 | (1,291) | 9,226 |
| Dividends approved in respect of the previous year (Note 31(b)(i)) | — | (37,350) | — | — | — | — | — | (37,350) |
| Repurchase of shares | — | — | (5,257) | — | — | — | — | (5,257) |
| Equity settled share-based transactions | — | — | — | — | (5,827) | — | — | (5,827) |
| Balance at 31 December 2024 and 1 January 2025 | 5,180 | 407,540 | (5,257) | 36,253 | 20,377 | 56,485 | (57,459) | 463,119 |
| Loss and total comprehensive expense for the year | — | — | — | — | — | (10,886) | (9,351) | (20,237) |
| Dividends approved in respect of the previous year (Note 31(b)(i)) | — | (12,326) | — | — | — | — | — | (12,326) |
| Repurchase of shares | — | — | (4,682) | — | — | — | — | (4,682) |
| Equity settled share-based transactions (Note 31(c)) | — | — | — | — | 3,041 | — | — | 3,041 |
| Balance at 31 December 2025 | 5,180 | 395,214 | (9,939) | 36,253 | 23,418 | 45,599 | (66,810) | 428,915 |



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

31. Capital, reserves and dividends (continued)

(b) Dividends

(i) Dividends payable recognised as distribution during the year:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Final dividend of RMB2 cents per ordinary share (2024: RMB3 cents per ordinary share) | 12,326 | 18,675 |
| Nil interim dividend (2024: RMB3 cents per ordinary share) | — | 18,675 |
| | 12,326 | 37,350 |

Such dividend was approved to distribute from share premium of the Company.

(ii) Proposed dividends:

| | 2025 RMB'000 | 2024 RMB'000 |
|---|-----------------|-----------------|
| RMB2 cents per ordinary share final dividend proposed after the end of the reporting period (2024: RMB2 cents per ordinary share) | 12,215 | 12,326 |

The final dividend proposed after the end of the reporting period is subject to approval by the shareholders of the Company in the forthcoming general meeting.

(iii) Other dividends

During the year ended 31 December 2025, no dividend was declared and paid to non-controlling shareholders of subsidiaries of the Group (2024: RMB90,000,000).

Notes to the Consolidated Financial Statements
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31. Capital, reserves and dividends (continued)

(c) Share capital

| | At 31 December 2025 | | At 31 December 2024 | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| | Number of shares (thousand) | Amount HK\$'000 | Number of shares (thousand) | Amount HK\$'000 |
| Ordinary shares, authorised: Ordinary shares of HK\$0.01 each | 622,500 | 6,225 | 622,500 | 6,225 |
| Ordinary shares, issued and fully paid: At 1 January and 31 December | 622,500 | 6,225 | 622,500 | 6,225 |
| RMB equivalent ('000) | | 5,180 | | 5,180 |

During the year ended 31 December 2025, 5,529,000 shares (2024: 6,225,000) were purchased through the Stock Exchange with the aggregate consideration amount of approximately RMB4,682,000 (2024: RMB5,257,000) by the trustee of the Share Option Scheme.

As at 31 December 2025, the Company had outstanding treasury shares of 11,754,000 shares (2024: 6,225,000).

(d) Nature and purpose of reserves

(i) *Capital reserve*

Capital reserve comprises contributions by the controlling shareholder at the respective dates.

(iii) *Share option reserve*

The share option reserve of the Group represents the fair value of equity settled share-based transactions granted to employees in accordance with the Company's Share Option Scheme and Share Awards Scheme.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

31. Capital, reserves and dividends (continued)

(e) Capital risk management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting period.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, lease liabilities, financial liabilities included in other payables and accruals and amounts due to related parties, less cash and cash equivalents, cash in transit and pledged bank deposits. Capital includes equity attributable to equity shareholders of the Company. The gearing ratios as at the end of the reporting periods were as follows:

| | Notes | 2025 RMB'000 | 2024 RMB'000 |
|--|-------|-----------------|-----------------|
| Interest-bearing bank and other borrowings | 24 | 927,452 | 438,445 |
| Trade and bills payables | 26 | 848,468 | 882,144 |
| Lease liabilities | 25 | 252,868 | 235,624 |
| Financial liabilities included in other payables and accruals | 27 | 38,326 | 17,066 |
| Financial liabilities included in amounts due to related parties | | 25,271 | 8,209 |
| Less: Cash and cash equivalents | 23 | (439,461) | (450,605) |
| Cash in transit | 22 | (14,245) | (5,192) |
| Pledged bank deposits | 21 | (452,650) | (430,170) |
| Net debt | | 1,186,029 | 695,521 |
| Equity attributable to equity shareholders of the Company | | 2,609,254 | 2,621,343 |
| Capital and net debt | | 3,795,283 | 3,316,864 |
| Gearing ratio | | 31.3% | 21.0% |

32. Financial risk management and fair value of financial instruments

Categories of financial instruments

| | 2025 RMB'000 | 2024 RMB'000 |
|------------------------------|-----------------|-----------------|
| Financial assets | | |
| At amortised cost | 1,644,704 | 1,417,049 |
| Financial liabilities | | |
| At amortised cost | 1,839,517 | 1,581,488 |

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash, pledged bank deposits, trade receivables and other receivables.

The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash and pledged bank deposits is limited because the counterparties are banks and financial institutions with high credit rating for which the Group considers to have low credit risk.

Trade receivables

Credit risk in respect of trade receivables is limited since credit sales are offered in rare cases subject to high level management's approval. Trade receivables balance mainly represents receivables from individual customers, who obtain mortgages from their financial institutions and used the drawn-down mortgage principal to settle the Group's trade receivables within one month when the mortgages were granted by their financial institutions, indemnity receivables due from insurance companies and warranty receivables from automobile manufacturers. For the receivables from insurance companies and automobile manufacturers, risk of default is considered low, as these are companies with good credit rating. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Based on historical loss ratios, The Group assessed that there is no significant loss allowance recognised in accordance with IFRS 9 for trade receivables as at 31 December 2025 and 2024. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

32. Financial risk management and fair value of financial instruments (continued)

Categories of financial instruments (continued)

(a) Credit risk (continued)

Other receivables

Credit risk in respect of other receivables is limited since the counterparties are of good reputation and their receivables are settled on a regular basis.

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

No significant concentration risks for trade receivables and other receivables as they are widely spread in different sections and regions. There are no other customers who represent more than 5% of the total trade receivable balance as at the end of the reporting periods.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to regularly monitor current and expected liquidity requirements, and to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The management does not consider a significant liquidity risk as a result of its supplier finance arrangements given the limited amounts of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance on similar terms.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

32. Financial risk management and fair value of financial instruments (continued)

Categories of financial instruments (continued)

(b) Liquidity risk (continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

| | At 31 December 2025 | | | | | At 31 December 2024 | | | | |
|---|---------------------------------------|--|-------------------|-----------|-------------------------------|---------------------------------------|--|-------------------|-----------|-------------------------------|
| | Contractual undiscounted cash outflow | | | | Balance sheet carrying amount | Contractual undiscounted cash outflow | | | | Balance sheet carrying amount |
| | Within 1 year or on demand | More than 1 year but less than 5 years | More than 5 years | Total | | Within 1 year or on demand | More than 1 year but less than 5 years | More than 5 years | Total | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Interest-bearing bank and other borrowings | 633,014 | 228,458 | 103,556 | 965,028 | 927,452 | 444,038 | — | — | 444,038 | 438,445 |
| Lease liabilities | 28,773 | 129,640 | 240,048 | 398,461 | 252,868 | 31,484 | 130,032 | 186,856 | 348,372 | 235,624 |
| Financial liabilities included in amounts due to related parties | 493 | 28,123 | — | 28,616 | 25,271 | 8,563 | — | — | 8,563 | 8,209 |
| Financial liabilities included in other payables and accruals | 38,326 | — | — | 38,326 | 38,326 | 17,066 | — | — | 17,066 | 17,066 |
| Trade and bills payables | 848,468 | — | — | 848,468 | 848,468 | 882,144 | — | — | 882,144 | 882,144 |
| Total liquidity exposure other than the financial guarantees issued | 1,549,074 | 386,221 | 343,604 | 2,278,899 | 2,092,385 | 1,383,295 | 130,032 | 186,856 | 1,700,183 | 1,581,488 |

(c) Interest rate risk

(i) Interest rate profile

Cash at bank, pledged bank deposits, restricted cash, interest-bearing borrowings and sales and lease-back payables due to a related party are the major types of the Group's financial instruments subject to interest rate risk. Cash at bank and restricted cash are with floating or fixed interest rates ranging from 0.05% to 0.45% per annum as at 31 December 2025 (2024: 0.10% to 1.55%). Pledged bank deposits are placed to satisfy conditions for issuance of commercial bills and bank loans granted to the Group, with fixed interest rates are 0.05% to 1.60% per annum as at 31 December 2025 (2024: 0.10% to 1.95%).



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

32. Financial risk management and fair value of financial instruments (continued)

Categories of financial instruments (continued)

(c) *Interest rate risk (continued)*

(i) *Interest rate profile (continued)*

The Group's interest-bearing borrowings and interest rates as at 31 December 2025 and 2024 are as follows:

| | At 31 December 2025 RMB'000 |
|---------------|-----------------------------------|
| Fixed rate | |
| — borrowings | 2.70%–8.50% 884,147 |
| Variable rate | |
| — borrowings | 2.45%–3.80% 43,305 |
| | 927,452 |

| | At 31 December 2024 RMB'000 |
|---------------|-----------------------------------|
| Fixed rate | |
| — borrowings | 2.80%–8.50% 321,087 |
| Variable rate | |
| — borrowings | 2.70%–2.95% 117,358 |
| | 438,445 |

The variable rates borrowings are subject to interest at Hong Kong Interbank Offered Rate or China Loan Prime Rate plus a spread.

Details of interest rates for sale and lease-back transactions is set out in Note 35(c).

32. Financial risk management and fair value of financial instruments (continued)

Categories of financial instruments (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

A general increase/decrease of 100 basis points in interest rates prevailing at 31 December 2025, with all other variables held constant, would decrease/increase the Group's profit(loss) after tax and retained earnings by approximately RMB2,992,000 (2024: increase in loss and decrease in retained earnings of RMB2,600,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of next reporting period.

(d) Foreign currency risk

The Group's exposure to currency risk is not significant. The currency used for daily transaction is mainly RMB, which is consistent with the functional currency of the operations to which the transactions relate.

33. Acquisition of Jiguang Project

With reference to the Company's circular dated 5 March 2025, on 7 November 2024, the Group entered into the Creditor's Rights Transfer Agreement with Mengshang Bank, pursuant to which Mengshang Bank agreed to transfer the Creditor's Rights set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million ("**Jiguan Project**"). The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals by realising its rights as creditor. An amount of RMB385,996,000 was paid in 2024 and the remaining consideration was fully settled during the year ended 31 December 2025. For the collaterals, it included (i) the equity interest of Beijing Jiguang Real Estate Development Co., Ltd. ("**Jiguang Real Estate**"), (ii) the business of Beijing Jiguang Xinghui Automobile Sales and Service Co., Ltd. ("**Jiguang Xinghui**") and its subsidiaries (collectively referred to as "**Jiguang Xinghui Group**") and (iii) the two properties located in Beijing (the "**Properties**") (collectively referred to as the "**Collaterals**").

In May 2025, 100% equity interest of Jiguang Real Estate which was a part of the Collaterals, was transferred to the Group. The remaining part of the Collaterals, which representing the business of Jiguang Xinghui and the Properties, were transferred to the Group on 4 August 2025.

Details were disclosed in the announcements of the Company dated 20 March 2025 and 7 November 2024, and the circular dated 5 March 2025.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

33. Acquisition of Jiguang Project (continued)

Within the Collaterals, the consideration of RMB965.0 million has been allocated as follows:

| | RMB'000 |
|---|---------|
| 100% equity interest of Jiguang Real Estate | 875,269 |
| Business of Jiguang Xinghui Group | 34,076 |
| Two properties located in Beijing (Note) | 55,645 |
| | 964,990 |

Note:

The two properties located in Beijing of RMB55,645,000 are classified as the Group's property, plant and equipment upon the acquisition (Note 12).

Net cash outflow on acquisition of the Creditor's Right

| | RMB'000 |
|--|-----------|
| Cash consideration paid | 964,990 |
| Less: prepayment made in prior year (Note 20) | (385,996) |
| Less: cash and cash equivalent balances acquired | (12,302) |
| | 566,692 |

Acquisition-related costs amounting to approximately RMB4,218,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within administrative expenses in the consolidated statement of profit or loss.

For acquisition of Jiguang Real Estate

The principal activity of Jiguang Real Estate is property rental and its identifiable assets are mainly properties, investment properties and right-of-use assets. The Group selected to apply the optional concentration test in accordance with IFRS 3 Business Combinations. The acquisition of Jiguang Real Estate has been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. The assets acquired and liabilities assumed at the date of acquisition of subsidiary comprise the following:

| | 2025 RMB'000 |
|--|-----------------|
| Property, plant and equipment | 212,064 |
| Investment properties | 39,446 |
| Right-of-use assets | 645,653 |
| Prepayments, other receivables and other assets | 73,444 |
| Cash and cash equivalents | 1,767 |
| Other payables and accruals | (97,105) |
| Assets and liabilities recognised at the date of acquisition | 875,269 |
| Satisfied by: | |
| Allocated acquisition consideration of Jiguang Real Estate | (875,269) |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

33. Acquisition of Jiguang Project (continued)

Acquisition of Jiguang Xinghui Group

The acquisition Jiguang Xinghui Group has been accounted for using acquisition method. The amount of goodwill arising as a result of the acquisition was RMB12,430,000. The principal activities of Jiguang Xinghui Group are 4S dealership, organizing automotive activities and motor vehicle brokerage. Jiguang Xinghui Group was acquired so as to continue the expansion of the Group's 4S dealership operations.

Assets acquired and liabilities recognised at the date of obtaining control of Jiguang Xinghui Group are as follows:

| | RMB'000 |
|--|----------|
| Property, plant and equipment | 9,385 |
| Intangible assets | 69,601 |
| Inventories | 55,618 |
| Trade receivables | 1,186 |
| Other receivables | 31,529 |
| Cash and cash equivalents | 10,535 |
| Trade payables | (13,417) |
| Other payables | (63,133) |
| Contract liabilities | (50,402) |
| Interest-bearing bank and other borrowings | (26,440) |
| Deferred tax liabilities | (2,816) |
| | 21,646 |

The fair value of trade and other receivables at the date of acquisition amounted to RMB32,715,000. The gross contractual amounts of those trade and other receivables acquired amounted to RMB32,715,000 at the date of acquisition.

Goodwill arising on acquisition:

| | RMB'000 |
|---------------------------------|----------|
| Consideration transferred | 34,076 |
| Less: net assets acquired | (21,646) |
| Goodwill arising on acquisition | 12,430 |

Goodwill arose in the acquisition of Jiguang Xinghui Group because the benefit of expected synergies, revenue growth, further market development and assembled workforce of Jiguang Xinghui Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

33. Acquisition of Jiguang Project (continued)

Goodwill arising on acquisition: (continued)

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Included in the profit for the year is RMB8,571,000 attributable to the additional business generated by Jiguang Xinghui Group. Revenue for the year included RMB196,672,000 generated from Jiguang Xinghui Group.

Had the acquisition been completed on 1 January 2025, total revenue of the Group for the year would have been RMB8,891,712,000 and loss for the year would have been RMB29,352,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the “pro-forma” revenue and profit of the Group had Jiguang Xinghui Group been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of plant, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

34. Commitments

Capital commitments outstanding at 31 December 2025 not provided for in the financial statements are as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------------------------|-----------------|-----------------|
| Contracted, but not provided for: | | |
| Property, plant and equipment | 1,108 | 2,545 |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

35. Material related party transactions

During the year ended 31 December 2025, the directors are of the view that the following individual/companies are related parties of the Group:

| | Relationship |
|--|---|
| Mr. Chou Patrick Hsiao-Po | Controlling shareholder of the Company |
| Chou Dynasty Holding Co., Ltd. | Immediate holding company |
| Beijing Zhoushi Xingye International Trading Co., Ltd. | A fellow subsidiary |
| Beijing Zhoushi Xingye Branding and Management Co., Ltd. | A fellow subsidiary |
| Beijing Zhoushi Xingye Enterprise Management Co., Ltd. | A fellow subsidiary |
| Oule (Hangzhou) Automobile Technology Co., Ltd. | A fellow subsidiary |
| eCapital (China) Leasing Co., Ltd. | A fellow subsidiary |
| Beijing Xiaobo Technology Co., Ltd. | A fellow subsidiary |
| Tianjin Zhoushi International Trading Co., Ltd. | A fellow subsidiary |
| Chengdu Riyue Industrial Development Co., Ltd. | Jointly controlled by a fellow subsidiary and non-controlling interests |



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

35. Material related party transactions (continued)

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties for the year ended 31 December 2025 and 2024:

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Lease payments: | | |
| Oule (Hangzhou) Automobile Technology Co., Ltd. | 3,149 | 3,404 |
| Beijing Zhoushi Xingye Enterprise Management Co., Ltd. | 33,537 | 36,044 |
| Beijing Zhoushi Xingye International Trading Co., Ltd. | 1,085 | 1,254 |
| Tianjin Zhoushi International Trade Co., Ltd. | 4,236 | 4,569 |
| Chengdu Riyue Industrial Development Co., Ltd. | 1,281 | 1,339 |
| | 43,288 | 46,610 |
| Commission income from: | | |
| eCapital (China) Leasing Co., Ltd. | 148 | 289 |
| Sales of motor vehicles: | | |
| eCapital (China) Leasing Co., Ltd. | 16,086 | 15,675 |
| Property management fees and utilities expenses: | | |
| Beijing Xiaobo Technology Co., Ltd. | — | 683 |
| Chengdu Riyue Industrial Development Co., Ltd. | 12 | — |
| Beijing Zhou's Xingye International Trading Co., Ltd. | — | — |
| Beijing Zhoushi Xingye Enterprise Management Co., Ltd. | 15,031 | 15,083 |
| Tianjin Zhoushi International Trade Co., Ltd. | 309 | 297 |
| | 15,352 | 16,063 |
| Interest expense on sale and lease-back transactions: | | |
| eCapital (China) Leasing Co., Ltd. | 916 | 718 |

35. Material related party transactions (continued)

(b) Rental services

Based on IFRS 16, the minimum amount of rent payable by the Group to related parties under the terms of the arrangement in connection with its use of land use rights and buildings had resulted in recognition of a lease liability with the balance of RMB9,697,000 (2024: RMB53,094,000) and a right-of-use asset with the balance of RMB42,098,000 (2024: RMB83,798,000) as at 31 December 2025. In addition, the Group recorded depreciation of right-of-use asset of RMB39,520,000 (2024: RMB42,905,000) and interest expense of RMB2,841,000 (2024: RMB5,748,000) in its consolidated statement of profit or loss for the year ended 31 December 2025.

(c) Other transactions with related parties

(i) During the year ended 31 December 2025, the Group sold its motor vehicles to eCapital (China) Leasing Co., Ltd., which were leased back for use by the Group, and lease term is one to three years. The proceeds from the sale and lease-back transactions amounted to approximately RMB29,257,000 for the year ended 31 December 2025 (2024: RMB16,102,000). Lease payments of the sale and lease-back transactions amounted to approximately RMB13,174,000 for the year ended 31 December 2025 (2024: RMB20,311,000). The annual interest rates of the sale and lease-back transactions ranged from 0% to 14.00% (2024: 5.99% to 14.00%). In addition, rental fees of utilising the license plates owned by eCapital (China) Leasing Co., Ltd. amounting to approximately RMB1,212,000 for the year ended 31 December 2025 (2024: RMB1,166,000), were incurred.

As at 31 December 2025, sale and lease-back liabilities with eCapital (China) Leasing Co., Ltd. were RMB25,264,000 (2024: RMB8,209,000) and included in amounts due to related parties.

The carrying amount repayable is as follows:

| | 2025 RMB'000 | 2024 RMB'000 |
|-----------------|-----------------|-----------------|
| Within one year | 450 | 8,209 |
| After one year | 24,814 | — |
| | 25,264 | 8,209 |

(ii) During 2025, the Group sold its motor vehicles to certain customers through eCapital (China) Leasing Co., Ltd. The proceeds from sales of motor vehicles of RMB621,000 (2024: RMB4,059,000) were then paid by eCapital (China) Leasing Co., Ltd. on behalf of these customers.



Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

35. Material related party transactions (continued)

(d) Balances with related parties

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Amounts due from related parties: | | |
| eCapital (China) Leasing Co., Ltd. | 3,060 | 6,465 |
| Chengdu Riyue Industrial Development Co. Ltd. | 33 | 33 |
| Beijing Zhoushi Xingye Enterprise Management Co., Ltd. | 8,083 | 9,459 |
| Beijing Zhoushi Xingye International Trade Co., Ltd. | 760 | — |
| Tianjin Zhou's International Trade Co., Ltd. | 1,064 | — |
| Beijing Zhoushi Xingye Branding and Management Co., Ltd. | 249 | — |
| | 13,249 | 15,957 |
| Amounts due to related parties: | | |
| Beijing Zhoushi Xingye Enterprise Management Co., Ltd. | 7 | 39 |
| eCapital (China) Leasing Co., Ltd. (Note) | 25,264 | 8,209 |
| | 25,271 | 8,248 |
| Less: Non-current portion | (24,814) | — |
| Current portion | 457 | 8,248 |

Note:

For amounts due to related parties, it is unsecured with fixed interest rate of 0% to 14.00% (2024: 5.99% to 14.00%) and repayable according to the repayment schedule.

(e) Compensation of key management personnel of the Group

| | 2025 RMB'000 | 2024 RMB'000 |
|--|-----------------|-----------------|
| Salaries, wages and other benefits | 7,031 | 5,670 |
| Contributions to defined contribution retirement plans | 472 | 348 |
| Equity settled share-based transactions | 1,602 | (5,827) |
| Total compensation paid to key management personnel | 9,105 | 191 |

Notes to the Consolidated Financial Statements
For the year ended 31 December 2025

36. Statement of financial position of the company

| | Note | 2025 RMB'000 | 2024 RMB'000 |
|---------------------------------------|-------|-----------------|-----------------|
| Non-current assets | | | |
| Interest in subsidiaries | | 609,214 | 624,365 |
| Amounts due from subsidiaries | | 44,487 | 50,107 |
| | | 653,701 | 674,472 |
| Current asset | | | |
| Cash and cash equivalents | | 42,225 | 62,154 |
| Current liability | | | |
| Amounts due to subsidiaries | | 267,011 | 273,507 |
| Net current liabilities | | (224,786) | (211,353) |
| Total assets less current liabilities | | 428,915 | 463,119 |
| NET ASSETS | | 428,915 | 463,119 |
| Equity | | | |
| Share capital | 31(a) | 5,180 | 5,180 |
| Reserves | | 423,735 | 457,939 |
| TOTAL EQUITY | | 428,915 | 463,119 |

37. Immediate and ultimate controlling party

As at 31 December 2025, the directors of the Company consider the immediate holding company of the Company is Chou Dynasty Holding Co., Ltd., and the ultimate controlling shareholder of the Company is Mr. Chou Patrick Hsiao-Po.



FIVE YEARS SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five years, as extracted from the published audited financial information and financial statements is set out below.

| | Year Ended 31 December | | | | 2025 RMB'000 |
|-----------------------------------|------------------------|-----------------|-----------------|-----------------|--------------------|
| | 2021 RMB'000 | 2022 RMB'000 | 2023 RMB'000 | 2024 RMB'000 | |
| REVENUE | 9,962,870 | 10,081,729 | 10,728,460 | 8,746,040 | 8,624,612 |
| Cost of sales | (8,797,056) | (9,204,186) | (10,150,026) | (8,467,318) | (8,258,123) |
| Gross profit | 1,165,814 | 877,543 | 578,434 | 278,722 | 366,489 |
| Other income and gains | 220,324 | 256,080 | 410,736 | 503,706 | 443,031 |
| Selling and distribution expenses | (418,052) | (513,212) | (565,162) | (529,782) | (495,029) |
| Administrative expenses | (221,149) | (261,178) | (243,108) | (211,952) | (244,806) |
| Finance costs | (19,609) | (37,836) | (47,515) | (31,813) | (58,130) |
| Profit before tax | 727,328 | 321,397 | 133,385 | 8,881 | 11,555 |
| Income tax expense | (166,643) | (78,554) | (49,002) | (25,040) | (3,285) |
| Profit (loss) for the year | 560,685 | 242,843 | 84,383 | (16,159) | 8,270 |
| Attributable to: | | | | | |
| Owners of the parent | 456,030 | 171,528 | 56,813 | (24,059) | 3,128 |
| Non-controlling interests | 104,655 | 71,315 | 27,570 | 7,900 | 5,142 |
| Assets and liabilities | | | | | |
| TOTAL ASSETS | 4,159,100 | 4,840,748 | 4,712,572 | 4,863,840 | 5,518,402 |
| TOTAL LIABILITIES | 1,351,464 | 2,007,996 | 1,819,404 | 2,124,830 | 2,786,339 |
| Total equity | 2,807,636 | 2,832,752 | 2,893,168 | 2,739,010 | 2,732,063 |
| Attributable to: | | | | | |
| Owners of the Company | 2,586,812 | 2,660,613 | 2,693,401 | 2,621,343 | 2,609,254 |
| Non-controlling interests | 220,824 | 172,139 | 199,767 | 117,667 | 122,809 |
| | 2,807,636 | 2,832,752 | 2,893,168 | 2,739,010 | 2,732,063 |



百得利控股有限公司
BetterLife Holding Limited