BetterLife Holding Limited
百 得 利 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6909)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

GROUP FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 increased by approximately 1.0% to approximately RMB3,852.6 million as compared to that of the corresponding period of 2025.
- The Group has sold 9,229 passenger vehicles in total during the six months ended 30 June 2026, representing an increase of approximately 11.1% from that of the corresponding period in 2025.
- The revenue generated from the sales of automobiles for the six months ended 30 June 2026 amounted to approximately RMB3,028.0 million, representing a decrease of approximately 4.1% from that of the corresponding period in 2025.
- For the six months ended 30 June 2026, the Group's revenue from after-sales services reached approximately RMB824.6 million, representing an increase of approximately 26.1% as compared to that of the corresponding period of 2025.
- The loss for the six months ended 30 June 2026 amounted to approximately RMB107.3 million (the profit for the corresponding period in 2025: approximately RMB11.6 million). The net profit margin for the six months ended 30 June 2026 decreased to approximately −2.8%, as compared to the net profit margin of approximately 0.3% for the corresponding period in 2025.
- As at 30 June 2026, the Group had cash and cash equivalents, cash in transit, pledged bank deposits and restricted cash amounted to approximately RMB816.9 million (31 December 2025: approximately RMB909.1 million). The Group achieved a net cash inflow from operating activities of approximately RMB237.5 million during the Period (first half of 2025: RMB361.7 million).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of BetterLife Holding Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**we**" or "**us**") for the six months ended 30 June 2026 (the "**Period**"), together with the comparative figures for the corresponding period in 2025. These results have been reviewed by the Company's audit committee, comprising all of the independent non-executive Directors, with one of them chairing the committee.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**3,852,572**	3,812,566
Cost of sales		**(3,637,348)**	(3,799,606)
Gross profit		**215,224**	12,960
Other income, gains or losses	*5*	**69,176**	363,583
Selling and distribution expenses		**(246,535)**	(228,278)
Administrative expenses		**(116,470)**	(105,290)
Operating (loss)/profit		**(78,605)**	42,975
Finance costs	*6(a)*	**(26,758)**	(29,809)
(Loss)/profit before tax	*6*	**(105,363)**	13,166
Income tax	*7*	**(1,978)**	(1,539)
(Loss)/profit for the period		**(107,341)**	11,627
Attributable to:			
Equity shareholders of the Company		**(101,526)**	7,132
Non-controlling interests		**(5,815)**	4,495
(Loss)/profit for the period		**(107,341)**	11,627
(Loss)/earnings per share			
Basic and diluted (loss)/earnings per share (RMB)	*9*	**(0.17)**	0.01

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(107,341)**	11,627
Other comprehensive (expense)/income for the period (after tax):		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	**(40,511)**	(9,933)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**38,751**	8,870
Other comprehensive expense for the period	**(1,760)**	(1,063)
Total comprehensive (expense)/income for the period	**(109,101)**	10,564
Attributable to:		
Equity shareholders of the Company	**(103,286)**	6,069
Non-controlling interests	**(5,815)**	4,495
Total comprehensive (expense)/income for the period	**(109,101)**	10,564

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026

	Notes	At 30 June 2026 (Unaudited) RMB'000	At 31 December 2025 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		**657,528**	684,529
Investment properties		**86,526**	89,436
Right-of-use assets		**934,161**	983,585
Intangible assets	*10*	**821,813**	842,082
Goodwill	*11*	**380,374**	380,374
Deferred tax assets		**62,726**	45,620
		2,943,128	3,025,626
Current assets			
Inventories	*12*	**842,586**	688,603
Trade receivables	*13*	**96,618**	116,497
Amounts due from related parties		**11,969**	13,249
Prepayments, other receivables and other assets	*14*	**459,488**	765,295
Pledged bank deposits		**245,396**	452,650
Cash in transit		**18,851**	14,245
Restricted cash		**2,801**	2,776
Cash and cash equivalents		**549,802**	439,461
		2,227,511	2,492,776
Current liabilities			
Trade and bills payables	*15*	**789,958**	848,468
Amounts due to related parties		**556**	457
Other payables and accruals		**99,620**	132,562
Contract liabilities		**191,374**	260,392
Interest-bearing bank and other borrowings		**579,385**	627,452
Lease liabilities		**7,798**	10,949
Income tax payables		**54,764**	60,405
		1,723,455	1,940,685
Net current assets		**504,056**	552,091
Total assets less current liabilities		**3,447,184**	3,577,717

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2026

	At 30 June 2026 (Unaudited) ***RMB'000***	At 31 December 2025 (Audited) *RMB'000*
Non-current liabilities		
Interest-bearing bank and other borrowings	**275,000**	300,000
Amounts due to related parties	**33,448**	24,814
Contract liabilities	**118,052**	100,755
Lease liabilities	**232,756**	241,919
Deferred tax liabilities	**176,021**	178,166
	835,277	845,654
NET ASSETS	**2,611,907**	2,732,063
CAPITAL AND RESERVES		
Share capital	**5,180**	5,180
Reserves	**2,489,733**	2,604,074
Total equity attributable to equity shareholders of the Company	**2,494,913**	2,609,254
Non-controlling interests	**116,994**	122,809
TOTAL EQUITY	**2,611,907**	2,732,063

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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.

2 BASIS OF PREPARATION

(a) Statement of compliance

The interim consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which includes all applicable individual IFRS Accounting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"). The interim consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in an accounting policy resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period and are reflected in the interim consolidated financial statements.

(b) Basis of preparation of the financial statements

The interim consolidated financial statements for the six months ended 30 June 2026 are presented in Renminbi ("**RMB**") which is the Group's presentation currency, rounded to the nearest thousand, except for earnings per share information.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except the assets that are stated at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

3 APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the Period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by IASB which are effective for the current accounting period.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

Except as described below, the application of the amendments to IFRS Accounting Standards in the current accounting period has had no material impact on the Group's financial performance and positions for the current or prior periods and/or on the disclosures set out in these interim consolidated financial statements.

Impacts on application of Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments clarify the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the "settlement date" and an accounting policy choice is introduced to derecognise financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments include additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments. The amendments specify new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The application of the amendments in the current period had no material impact on these interim consolidated financial statements.

Impacts on application of Amendments to IFRS Accounting Standards Annual Improvements to IFRS Accounting Standards — Volume 11

The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows. The application of the amendments in the current period had no material impact on these interim consolidated financial statements.

4 REVENUE AND SEGMENT REPORTING

The Group is mainly engaged in sales of passenger motor vehicles and provision of after-sales services. For management purposes, the Group operates in one business unit based on its products, services and locations, and has one reportable operating segment which is the sales of passenger motor vehicles and the provision of related services in the PRC.

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:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sales of passenger motor vehicles	**3,027,968**	3,158,820
Provision of after-sales services	**824,604**	653,746
	3,852,572	3,812,566
Disaggregated by geographical location of customers		
Mainland China	**3,852,572**	3,812,566
Disaggregated by timing of revenue recognition		
Point in time	**3,852,572**	3,812,566

5 OTHER INCOME, GAINS OR LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**876**	2,320
Commission income	**46,116**	312,256
Rental income	**1,313**	273
Government grants	**372**	139
Gain on disposal of items of property, plant and equipment	**989**	7,905
Others	**19,510**	40,690
	69,176	363,583

6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(a) Finance costs:		
Interest on bank and other borrowings	**16,847**	21,167
Interest on lease liabilities	**9,031**	8,404
Interest on sale and lease-back liabilities	**880**	238
	26,758	29,809

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
(b) Staff costs:			
Salaries, wages and other benefits		**153,574**	144,038
Contributions to defined contribution retirement plans	*(i)*	**21,446**	19,108
Equity settled share-based transactions		**1,577**	1,101
		176,597	164,247

(i) 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 as agreed by 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 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 contributions described above.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(c) Other items:		
Cost of inventories	**3,577,770**	3,761,486
Depreciation		
— Property, plant and equipment	**39,502**	42,687
— Right-of-use assets	**48,449**	37,481
— Investment properties	**2,910**	3,140
Amortisation of intangible assets	**19,726**	19,177
Expense relating to short-term leases	**4,535**	3,472
Auditors' remuneration		
— Audit services	**—**	—
— Other services	**—**	1,500

7 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax:		
The PRC	**21,216**	17,808
Deferred tax:		
Current period	**(19,238)**	(16,269)
	1,978	1,539

(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) No provision for Hong Kong Profits Tax was made for the Group's subsidiaries located in Hong Kong as the subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the Period.

(iii) The PRC subsidiaries of the Group are subject to the PRC Corporate Income Tax rate of 25%, except for Hainan Liya Holding Co., Ltd. ("**Hainan Liya**"). Hainan Liya was incorporated in Hainan for automobile accessories business and was granted a preferential rate of 15% for Hainan Free Trade Port from 2022.

Taxation for the Group's PRC subsidiaries is calculated using the estimated annual effective rates of taxation that are expected to be applicable.

8 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB2 cents per ordinary share (six months ended 30 June 2025: RMB2 cents per ordinary share)	**12,215**	12,326

9 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share for the six months ended 30 June 2026 was based on the loss attributable to equity shareholders of the Company of RMB101,526,000 (six months ended 30 June 2025: basic earnings per share was based on the profit attributable to equity shareholders of RMB7,132,000), and the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 of 610,179,901 (six months ended 30 June 2025: 611,524,729).

No adjustment has been made to the basic (loss)/earnings per share amount presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

10 INTANGIBLE ASSETS

	Office Software *RMB'000*	Car Dealerships *RMB'000*	Total *RMB'000*
Cost:			
At 1 January 2025	55,734	998,259	1,053,993
Additions	3,473	69,601	73,074
Disposals	(2,200)	—	(2,200)
At 31 December 2025 and 1 January 2026	57,007	1,067,860	1,124,867
Disposals	(543)	—	(543)
At 30 June 2026	**56,464**	**1,067,860**	**1,124,324**
Accumulated amortisation:			
At 1 January 2025	(30,000)	(213,436)	(243,436)
Charge for the year	(5,107)	(34,242)	(39,349)
At 31 December 2025 and 1 January 2026	(35,107)	(247,678)	(282,785)
Charge for the period	(1,928)	(17,798)	(19,726)
At 30 June 2026	**(37,035)**	**(265,476)**	**(302,511)**
Net book value:			
At 30 June 2026	**19,429**	**802,384**	**821,813**
At 31 December 2025	21,900	820,182	842,082

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.

The amortisation charge for the Period is included in administrative expenses and selling and distribution expenses in the consolidated statement of profit or loss.

11 GOODWILL

	RMB'000
Cost:	
At 1 January 2025	1,019,975
Additions	12,430
At 31 December 2025 and 30 June 2026	1,032,405
Accumulated impairment losses:	
At 1 January 2025, 31 December 2025 and 30 June 2026	(652,031)
Carrying amount:	
At 31 December 2025 and 30 June 2026	380,374

12 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Motor vehicles	**783,490**	626,925
Spare parts and accessories	**78,838**	77,571
	862,328	704,496
Less: Provision for inventories	**(19,742)**	(15,893)
	842,586	688,603

Inventories with a carrying amount of RMB166,829,000 were pledged as security for bank loans and other borrowings as at 30 June 2026 (31 December 2025: RMB178,310,000).

Inventories with a carrying amount of RMB381,255,000 were pledged as security for bills payable as at 30 June 2026 (31 December 2025: RMB252,326,000).

13 TRADE RECEIVABLES

As at the end of the Period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier), is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**74,699**	87,170
3 to 6 months	**1,310**	4,038
6 months to 1 year	**623**	16,640
Over 1 year	**19,986**	8,649
	96,618	116,497

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 expected credit loss for trade receivables as insignificant and thus no loss allowance is recognised as at 30 June 2026 and 31 December 2025.

14 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Prepayments	**114,321**	127,852
Other receivables	**151,020**	177,141
Rebate receivables	**204,951**	465,147
Value-added tax recoverable	**25,658**	31,617
	495,950	801,757
Less: Impairment allowance of other receivables	**(36,462)**	(36,462)
	459,488	765,295

15 TRADE AND BILLS PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables	**75,296**	86,345
Bills payable	**714,662**	762,123
	789,958	848,468

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

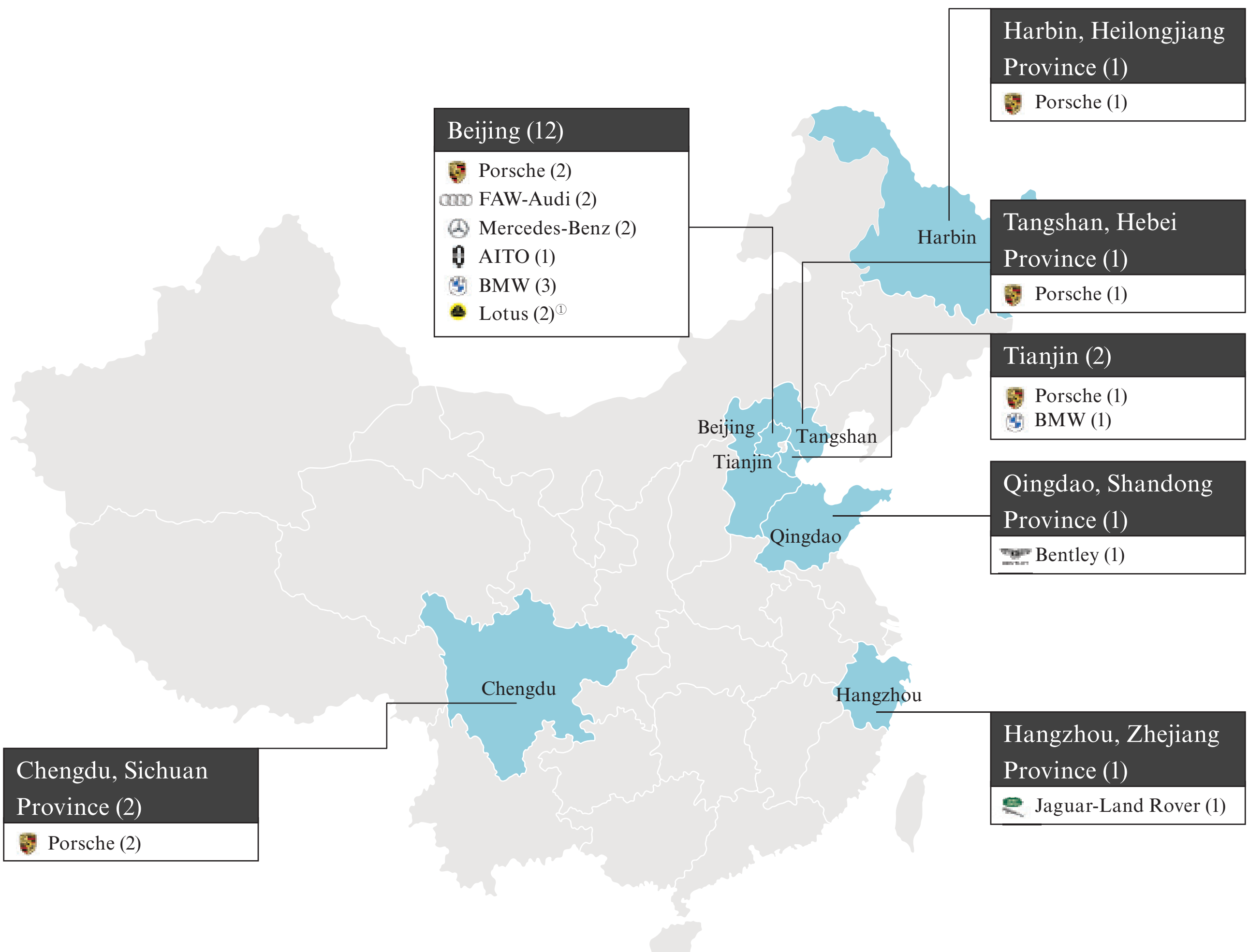
	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 3 months	**779,970**	774,008
Over 3 months but within 6 months	**9,145**	72,691
Over 6 months but within 12 months	**40**	307
Over 1 year	**803**	1,462
Trade and bills payables	**789,958**	848,468

Bills payable was secured by inventories with a carrying amount of RMB381,255,000 as at 30 June 2026 (31 December 2025: RMB252,326,000) and pledged bank deposits with an amount of RMB245,396,000 as at 30 June 2026 (31 December 2025: RMB452,650,000).

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 announcement, we operated 19 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover, AITO and Lotus and one Lotus showroom across seven provinces and municipalities in China, namely Beijing, Tianjin, Shandong, Sichuan, Zhejiang, Hebei, 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 and Harbin.



*Note: ① One 4S store and one showroom

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.

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 Period, the Group has sold 9,229 passenger vehicles in total, representing an increase of approximately 11.1% from 8,307 passenger vehicles sold during the corresponding period in 2025. The revenue generated from the sales of automobiles for the Period amounted to approximately RMB3,028.0 million, representing a decrease of approximately 4.1% over that of the corresponding period in 2025, which accounted for approximately 78.6% of the Group's total revenue. During the Period, the Group's revenue from after-sales services amounted to approximately RMB824.6 million, representing an increase of approximately 26.1% as compared to that of the corresponding period in 2025, which accounted for approximately 21.4% of the Group's total revenue.

Revenue from our top five customers for the Period represented approximately 11.3% of our total revenue, as compared to approximately 8.9% for the corresponding period in 2025. The sales to our largest customer accounted for approximately 4.8% of our total revenue in the Period, as compared to approximately 3.1% for the corresponding period in 2025.

Our top five suppliers are automobile manufacturers that supply new automobiles and spare parts to us. During the Period, purchases from our top five suppliers represented approximately 69.4% of our total purchases compared to approximately 64.4% for the corresponding period in 2025. And the purchases from our largest supplier represented approximately 22.2% of our total purchases for the Period, as compared to approximately 26.1% for the corresponding period in 2025.

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.

Financial Review

Revenue

Our revenue increased by approximately RMB40.0 million, or approximately 1.0%, from approximately RMB3,812.6 million for the corresponding period in 2025 to approximately RMB3,852.6 million for the Period.

Revenue from sales of automobiles decreased by approximately RMB130.8 million, or approximately 4.1%, from approximately RMB3,158.8 million for the corresponding period in 2025 to approximately RMB3,028.0 million for the Period, accounting for approximately 78.6% (first half of 2025: approximately 82.9%) of the total revenue. It was mainly attributable to the decrease in average selling price (the "**ASP**") of new vehicles during the Period.

The Group sold 9,229 units of passenger vehicles for the Period, representing an increase of approximately 11.1% from 8,307 units of passenger vehicles sold during the corresponding period in 2025, and the ASP of vehicles decreased by approximately 13.7% from approximately RMB380,300 for the corresponding period in 2025 to approximately RMB328,100 for the Period. The decrease in ASP during the Period was mainly due to the consumers consumption power adversely affected by macro-economy and weak market sentiment.

Revenue from after-sales services increased by approximately RMB170.8 million, or approximately 26.1%, from approximately RMB653.8 million for the corresponding period in 2025 to approximately RMB824.6 million for the Period, which was mainly attributable to the increase in business volume. During the Period, revenue from after-sales services accounted for approximately 21.4% (first half of 2025: approximately 17.1%) of the total revenue.

Cost of Sales

Cost of sales decreased by approximately 4.3% from approximately RMB3,799.6 million for the corresponding period in 2025 to approximately RMB3,637.3 million for the Period, which was primarily due to the favorable shift in the vehicle model mix.

Gross Profit and Gross Profit Margin

During the Period, the Group recorded gross profits of approximately RMB215.2 million, representing an increase of approximately 1,555.4% from the gross profit of approximately RMB13.0 million for the corresponding period in 2025. Our gross profit margin increased from approximately 0.3% for the corresponding period in 2025 to approximately 5.6% during the Period. It was primarily due to the increase in the revenue from after-sales services.

Other Income, Gains or Losses

Other income, gains or losses decreased by approximately 81.0% from approximately RMB363.6 million for the corresponding period in 2025 to approximately RMB69.2 million during the Period. Other income, gains or losses mainly included 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 which was mainly related to sales of test-drive vehicles, etc. The decrease of other income, gains or losses during the Period was mainly due to the decrease in commission income generated from the other value-added automobile services.

Selling and Distribution Expenses

Our selling and distribution expenses increased by approximately 8.0% from approximately RMB228.3 million for the corresponding period in 2025 to approximately RMB246.5 million during the Period, which was mainly due to the increase in the number of 4S dealership stores. It accounted for approximately 6.4% of the total revenue of the Group and increased slightly from approximately 6.0% for the corresponding period in 2025.

Administrative Expenses

Our administrative expenses increased by approximately 10.6% from approximately RMB105.3 million for the corresponding period in 2025 to approximately RMB116.5 million during the Period. The increase of administrative expenses was mainly due to the increase in depreciation and amortisation expenses during the Period. It accounted for approximately 3.0% of the total revenue and increased slightly from approximately 2.8% for the corresponding period in 2025.

Financial Costs

Our finance costs decreased by approximately 10.1% from approximately RMB29.8 million for the corresponding period in 2025 to approximately RMB26.8 million during the Period, primarily due to the decrease in our bank and other borrowings during the Period. It accounted for approximately 0.7% of the total revenue and decreased slightly from approximately 0.8% for the corresponding period in 2025.

Loss/(profit) before Tax

As a result of the foregoing, loss before tax for the six months ended 30 June 2026 amounted to approximately RMB105.4 million (profit before tax for the six months ended 30 June 2025: approximately RMB13.2 million).

Income Tax Expense

Our income tax expense increased by approximately 33.3% from approximately RMB1.5 million incurred for the corresponding period in 2025 to approximately RMB2.0 million incurred for the Period, primarily due to additional tax assessments and related settlements during the Period.

Loss/(profit) for the Period

As a result of the foregoing, loss for the six months ended 30 June 2026 amounted to approximately RMB107.3 million (profit for the six months ended 30 June 2025: approximately RMB11.6 million). The net profit margin for the Period was approximately –2.8%, comparing to the net profit margin of approximately 0.3% for the corresponding period in 2025.

Loss/(profit) Attributable to Equity Shareholders of the Company

The loss attributable to equity shareholders of the Company for the six months ended 30 June 2026 amounted to approximately RMB101.5 million as a result of the foregoing (the profit attributable to equity shareholders of the Company for the six months ended 30 June 2025: approximately RMB7.1 million).

Inventory Turnover Days

There was an increase in inventory balance of approximately 22.4% from approximately RMB688.6 million as at 31 December 2025 to approximately RMB842.6 million as at 30 June 2026. The Group continued to focus on inventory management and to achieve a healthy liquidity position throughout the Period. The average inventory turnover days as at 30 June 2026 totaled approximately 38.1 days (31 December 2025: approximately 33.5 days).

Liquidity and Financial Resources

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 Period. 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 Period, the Group has adequate financial resources to meet all contractual obligations and operating requirements.

As at 30 June 2026, the total equity of the Group amounted to approximately RMB2,611.9 million (31 December 2025: approximately RMB2,732.1 million). As at 30 June 2026, the current asset of the Group amounted to approximately RMB2,227.5 million (31 December 2025: approximately RMB2,492.8 million) while current liabilities amounted to approximately RMB1,723.5 million (31 December 2025: approximately RMB1,940.7 million).

As at 30 June 2026, the Group's interest-bearing bank and other borrowings amounted to RMB854.4 million, representing a decrease of approximately 7.9% as compared to RMB927.5 million as at 31 December 2025. The Group's loans and borrowings were denominated in Renminbi. The decrease in the Group's interest-bearing bank and other borrowings during the Period was primarily due to the repayment of the loan and other borrowings, by using cash generated from our operating activities. The annual interest rates of interest-bearing bank and other borrowings ranged from approximately 2.5% 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 interest-bearing bank and other borrowings divided by total equity) was approximately 32.7% as at 30 June 2026 (31 December 2025: approximately 33.9%). The Group achieved a net cash inflow from operating activities of approximately RMB237.5 million during the Period (first half of 2025: RMB361.7 million).

As at 30 June 2026, cash and cash equivalents, cash in transit, pledged bank deposits and restricted cash amounted to approximately RMB816.9 million (31 December 2025: approximately RMB909.1 million). The cash and cash equivalents and pledged bank deposits were mainly denominated in Renminbi and Hong Kong Dollars. Apart from 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 Period, the Group did not employ any significant financial instruments such as forward foreign exchange contracts for foreign exchange 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 acquisitions. As at 30 June 2026, the capital commitments were approximately RMB1.7 million (31 December 2025: approximately RMB1.1 million). Save as disclosed above, the Group did not make any significant commitments during the six months ended 30 June 2026.

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. 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 Period, the Group did not make any significant acquisition or disposal of subsidiaries.

Capital Expenditures and Investment

The Group's capital expenditures mainly comprised expenditures on property, plant and equipment and business acquisitions. For the six months ended 30 June 2026, the Group's total capital expenditures were approximately RMB52.2 million (six months ended 30 June 2025: approximately RMB699.7 million). Save as disclosed above, the Group did not make any significant investments during the six months ended 30 June 2026.

Contingent Liabilities

As at 30 June 2026, there was no material contingent liability (31 December 2025: nil).

Charges on Group Assets

The Group pledged its group assets as securities for bills payable and interest-bearing bank and other borrowings which were used to finance daily business operation. As of 30 June 2026, certain of our bills payable and interest-bearing bank and other borrowings were secured by (i) mortgages over our inventories, which had an aggregate carrying amount of approximately RMB548.1 million (31 December 2025: approximately RMB430.6 million); (ii) mortgages over the deposits, which had an aggregate carrying amount of approximately RMB245.4 million (31 December 2025: approximately RMB452.7 million), and (iii) mortgages over the properties, which had an aggregate carrying amount of approximately RMB138.6 million (31 December 2025: approximately RMB141.0 million). Save as disclosed above, as at 30 June 2026, no other assets of the Group were pledged.

Human Resources

As of 30 June 2026, the Group had 1,791 (31 December 2025: 1,761) employees. The remuneration of the existing includes basic salaries, discretionary bonus, social security contributions and share-based incentives. Payment levels of the employees are commensurate with their responsibilities, performance and contribution.

Important Events after the Period

The Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2026 and up to the date of this announcement.

OTHER INFORMATION

Purchase, Sale or Redemption of Listed Securities of the Company

During the Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, if any). As at 30 June 2026, the Company did not hold any treasury shares.

Significant Investments Held

The Group did not hold any significant investment in equity interest in any company during the Period.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Company did not acquire and/or dispose any of its subsidiaries, associates, interests in joint ventures or affiliated companies.

Corporate Governance Code

During the Period, the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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, each of them has complied with the required standard as set out in the Model Code during the Period.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditor, and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The Audit Committee consists of three members, being Mr. Lou Sai Tong, Mr. Liu Dengqing, and Dr. Chu Fumin, with Mr. Lou Sai Tong being the chairman of the Audit Committee.

An Audit Committee meeting was held on 31 August 2026 and the Audit Committee has reviewed the unaudited interim financial results for the six months ended 30 June 2026.

Interim Dividend

The Board proposed not to declare any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

Public Float

During the Period and as at the date of this announcement, the Company had maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Publication of Interim Results Announcement and Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.blchina.com. The interim report of the Company for the Period containing all the information required by the Listing Rules will be published on the above websites and despatched to the shareholders of the Company who have already provided instructions indicating their preference to receive hard copies in due course.

By order of the Board
BetterLife Holding Limited
Chou Patrick Hsiao-Po
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the executive Directors are Mr. Chou Patrick Hsiao-Po, Ms. Sun Jing, and Ms. Li Dan; and the independent non-executive Directors are Mr. Liu Dengqing, Mr. Lou Sai Tong and Dr. Chu Fumin.

This announcement is available for viewing on the Company's website at www.blchina.com and the website of the Stock Exchange at www.hkexnews.hk.