



China MeiDong Auto Holdings Limited

中國美東汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1268

2026

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

YE Fan (*Chairman*)
YE Tao (*Chief Executive Officer*)
LUO Liuyu

Independent Non-Executive Directors

CHEN Guiyi
WANG, Michael Chou
TO Siu Lun

AUTHORISED REPRESENTATIVES

YE Tao
CHAN Charmayne
ACG (CS, CGP), HKACG (CS, CGP)

COMPANY SECRETARY

CHAN Charmayne
ACG (CS, CGP), HKACG (CS, CGP)

AUDIT COMMITTEE

TO Siu Lun (*Chairman*)
CHEN Guiyi
WANG, Michael Chou

REMUNERATION COMMITTEE

WANG, Michael Chou (*Chairman*)
CHEN Guiyi
TO Siu Lun

NOMINATION COMMITTEE

YE Fan (*Chairman*)
TO Siu Lun
WANG, Michael Chou
LUO Liuyu
CHEN Guiyi

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

13th Floor, Unit A1
Tian An Tech Industry Building
Huangjin Road
Nancheng District, Dongguan
Guangdong, PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2404
24th Floor, World-Wide House
19 Des Voeux Road Central
Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered
in accordance with the Accounting
and Financial Reporting Council
Ordinance
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

HW Lawyers

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia)
Corporation Limited
Bank of China (Hong Kong) Limited

STOCK CODE

1268

COMPANY'S WEBSITE

www.meidongauto.com

MANAGEMENT DISCUSSION AND ANALYSIS

Despite the strengthening and expansion of the car trade-in policy, the continuation of purchase tax incentives for new energy vehicles, and the successive implementation of consumption promotion policies across various regions, the passenger vehicle market in Chinese Mainland remained under pressure in the first half of 2026. According to the data released by China Passenger Car Association (“**CPCA**”) of China Automobile Dealers Association, affected by factors such as the pre-emptive consumption of some car purchase demand due to earlier promotional policies, weak consumer sentiment among residents, and continued market wait-and-see attitudes, the cumulative retail sales volume of domestic passenger vehicles during the six months ended 30 June 2026 (the “**Period**” or “**Reporting Period**”) was 8.701 million units, representing a year-on-year decrease of 20.2%. Among these, the retail penetration rate of new energy vehicles has exceeded 60% for three consecutive months, reflecting the continuous shift of the automotive market towards new energy vehicles.

As new energy vehicle brands continue to penetrate the luxury car market, and consumers’ demand for intelligence and electrification continues to increase, the market share of traditional luxury brands is under sustained pressure. Concurrently, affected by the geopolitical condition in the Middle East, domestic oil prices have also shown a trend of “more increases than decreases”, further increasing the cost of using fuel vehicles, and thereby enhancing the competitiveness of new energy vehicles. Multiple luxury brands recorded varying degrees of sales decline in the first half of 2026. In addition, the reduction in support policies and subsidy efforts for certain brands has further weakened terminal market demand and dealers’ profitability.

According to the “2025-2026 China Automobile Dealership Industry Development Report” released by the China Automobile Dealers Association, 81.9% of automobile dealers experienced varying degrees of price inversion, reflecting that losses on new car sales have become the new normal. Some dealers, facing inventory backlogs and cash flow pressure, have been compelled to stimulate sales by increasing discounts and sacrificing gross profit, leading to a further increase in operating pressure. Against the backdrop of approximately 5,000 dealers exiting the network nationwide in 2025, the number of authorised dealer nationwide outlets closed in the first half of 2026 was estimated at around 1,800, bringing the cumulative total of 4S stores that have withdrawn in Chinese Mainland over the past five years to nearly 15,000.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to pressure faced by traditional luxury brands, automotive manufacturers and dealers are also facing issues such as declining profitability and increasing operational pressure in the new energy vehicle market, which is seeing the rise of numerous brands. Therefore, automobile dealers not only need to make cautious attempts with new energy vehicle brands, but also need to balance network efficiency, inventory levels, capital utilisation, and short-term profitability, in order to maintain sustainable business development amidst the ongoing industry consolidation and concentration trends.

BUSINESS AND FINANCIAL REVIEW

Affected by weak end-market demand, ongoing adjustments in the luxury brand market, and a further increase in new energy vehicle penetration, the Group's sales of new passenger vehicles decreased year-on-year. Facing the continuously changing market environment, the Group actively adjusted its store network and adopted a more prudent operating strategy, striving to maintain a better balance among sales scale, inventory levels and profitability. Therefore, although the profitability of the new vehicle business remains under pressure, the gross profit margin for passenger vehicles has improved compared to the same period last year. Regarding after-sales and mortgage facilitation services, the number of vehicles served during the Period remained largely stable despite the impact of store network adjustments. However, demand and commission rates for mortgage facilitation services decreased significantly year-on-year, resulting in a certain decline in the segment's revenue. The absorption rate (excluding finance costs and impairment losses on goodwill and intangible assets) remained at a healthy level of 126.9% (first half of 2025: 257.9%).

The Group has also continuously strengthened its cost, inventory and capital management to cope with the operating pressure brought about by industry adjustments. As of 30 June 2026, cash and cash equivalents increased by 31.4% compared to the end of last year, and the amount of loans and borrowings further decreased by approximately 8.7% compared to the end of last year. The Group maintained a sound financial position. The net loss for the Period was approximately RMB286.3 million (first half of 2025: loss of approximately RMB818.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue for the Period

The Group recorded a revenue of approximately RMB7,378.0 million for the Period, representing a year-on-year decrease of approximately 27.2% (first half of 2025: approximately RMB10,134.7 million). In particular, affected by factors such as weak market demand, adjustments to the store network, and intensified market competition, revenue from new passenger vehicle sales decreased by approximately 26.4% year-on-year to approximately RMB5,839.1 million (first half of 2025: approximately RMB7,929.8 million), accounting for approximately 79.1% of total revenue (first half of 2025: approximately 78.2%). Revenue from after-sales and mortgage facilitation services was approximately RMB1,538.8 million, representing a year-on-year decrease of approximately 30.2% (first half of 2025: approximately RMB2,204.9 million), and accounted for approximately 20.9% of total revenue (first half of 2025: approximately 21.8%). The decrease was primarily attributable to the decline in demand and commission rates for mortgage facilitation services during the Period.

Cost of Sales

Cost of sales decreased by approximately 27.7% year-on-year from approximately RMB9,658.9 million in the first half of 2025 to approximately RMB6,983.3 million for the Period. The decrease in cost of sales was primarily attributable to a year-on-year decrease in revenue from passenger vehicle sales, which led to a year-on-year reduction of approximately 31.2% in its cost of sales.

Gross Profit

Gross profit decreased by approximately 17.0% year-on-year from approximately RMB475.7 million in the first half of 2025 to approximately RMB394.6 million, impacted by the decrease in revenue during the Period. The overall gross profit margin increased by 0.6 percentage point year-on-year to approximately 5.3% (first half of 2025: approximately 4.7%). In particular, with the Group actively maintaining a better balance among sales scale, inventory levels and profitability, the gross profit margin of the passenger vehicle sales business segment increased by 7.3 percentage points year-on-year to approximately -3.5% (first half of 2025: approximately -10.8%).

MANAGEMENT DISCUSSION AND ANALYSIS

Costs and Expenses

The Group continues to optimise its store network and strengthen cost control. Its total operating expenses (including distribution costs, administrative expenses and finance costs) decreased in the Period year-on-year. Distribution costs amounted to approximately RMB246.7 million (first half of 2025: approximately RMB259.8 million). Administrative expenses amounted to approximately RMB226.8 million (first half of 2025: approximately RMB258.2 million). Finance costs amounted to approximately RMB54.8 million (first half of 2025: approximately RMB156.3 million).

Taxation

During the Period, the Group's income tax expense amounted to approximately RMB20.4 million, as compared to the income tax credit of approximately RMB202.8 million for the corresponding period of last year. The change was primarily attributable to the reversal of deferred tax liabilities resulting from the impairment loss on intangible assets in the corresponding period last year, with no such items in the Period.

Loss for the Period and Loss Attributable to Shareholders for the Period

During the Period, affected by the store network adjustments, the decline in demand for mortgage facilitation services and commission rates, and unrealised loss on financial assets measured at FVPL, the Group recorded a loss for the Period of approximately RMB286.3 million (first half of 2025: loss of approximately RMB818.2 million), with the profit margin improving by 4.2 percentage points from approximately -8.1% in the same period last year to approximately -3.9%. The loss attributable to shareholders for the Period also decreased from approximately RMB814.7 million for the same period last year to approximately RMB275.5 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Dividend

The Board resolved not to declare an interim dividend for the Period (first half of 2025: nil) due to the loss for the Period. The Company's 2025 annual report sets out more information about its dividend policy.

Joint Venture

During the Period, share of loss of three joint ventures amounted to approximately RMB5.6 million, compared with a profit of approximately RMB4.4 million for the corresponding period of last year. During the Period, the Group established two Porsche joint ventures, each with the Group holding 50% of its equity interests.

Passenger Vehicle Sales

During the Period, affected by factors such as weak market demand, adjustments to the store network, and a decline in market share of luxury brands, revenue from sales of new passenger vehicles decreased by approximately 26.4% as compared with the same period last year to approximately RMB5,839.1 million (first half of 2025: approximately RMB7,929.8 million). Sales of premium brand vehicles remained the major revenue contributor, accounting for approximately 83.2% of the Group's new passenger vehicle sales revenue (first half of 2025: 85.4%). Revenue from sales of new passenger vehicles of Porsche, BMW, and Lexus amounted to approximately RMB1,523.4 million, RMB2,146.8 million, and RMB1,183.4 million respectively, accounting for approximately 26.1%, 36.8%, and 20.3% of total new passenger vehicle sales. In terms of sales volume, 22,614 units of new passenger vehicles were sold during the Period (first half of 2025: 28,214 units), representing a year-on-year decrease of approximately 19.8%. Among which, sales volume of Porsche, BMW, and Lexus was 2,334 units, 8,238 units and 4,439 units, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

After-Sales and Mortgage Facilitation Services

Revenue from after-sales and mortgage facilitation services consists principally of spare parts sales, provision of repair and maintenance services, provision of certain automobile-related services such as vehicle registration services and mortgage facilitation services. During the Period, affected by store network adjustments and a decrease in demand and commission rates for facilitation, revenue from after-sales and mortgage facilitation services was approximately RMB1,538.8 million (first half of 2025: approximately RMB2,204.9 million), representing a year-on-year decrease of approximately 30.2%; the number of vehicles served was 378,473 units, representing a year-on-year decrease of approximately 1.5%.

Current Network

The Group continues to implement its proven strategy of focusing on luxury brands, and expands its distribution network through new store openings and acquisitions on a single-city-single-store strategy. During the period ended 30 June 2026, the Group had 72 self-operated stores situated in provinces and cities such as Beijing, Hebei, Hubei, Hunan, Jiangxi, Fujian, Guangdong, Gansu and Anhui, including three joint ventures operated by the Group and one Tesla after-sales service center.

During the period ended 30 June 2026, the number of stores/service centers operated by the Group was as follows:

Number of stores under operation	30 June 2026	30 June 2025	Change
Porsche	15	15	–
BMW	27	27	–
Lexus	20	20	–
Toyota	9	11	-2
Tesla after-sales service center	1	1	–
Total	72	74	-2

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Position

As at 30 June 2026, the total equity of the Group amounted to approximately RMB1,810.1 million (31 December 2025: approximately RMB2,135.9 million). Current assets amounted to approximately RMB3,709.8 million (31 December 2025: approximately RMB4,366.4 million). The decrease in current assets was mainly due to a decrease in trade and other receivables during the Period. Current liabilities amounted to approximately RMB3,455.0 million (31 December 2025: approximately RMB3,725.4 million). The decrease in current liabilities was mainly due to a decrease in trade and other payables. Therefore, net current assets amounted to approximately RMB254.8 million (31 December 2025: approximately RMB641.0 million).

As at 30 June 2026, the Group's loans and borrowings amounted to approximately RMB896.5 million, representing a decrease of approximately 8.7% as compared to approximately RMB981.8 million as of 31 December 2025. Of which, short-term loans and borrowings amounted to approximately RMB680.2 million; and long-term loans and borrowings amounted to approximately RMB216.3 million. The gearing ratio (being the sum of loans and borrowings and lease liabilities divided by total equity attributable to equity shareholders of the Company) was approximately 115.7% (31 December 2025: approximately 108.5%).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2026, cash and cash equivalents, fixed deposits with more than three months to maturity when placed, and pledged bank deposits amounted to approximately RMB1,605.8 million. Most of the cash and cash equivalents, fixed deposits with more than three months to maturity when placed, and pledged bank deposits were denominated in Renminbi, USD, and Hong Kong dollars. Apart from part of the cash that are denominated in USD and Renminbi held by the Group's overseas companies, the Group's business operations are principally located in Chinese Mainland and a majority of its transactions are denominated in Renminbi. Therefore, the Group expects that foreign exchange risks will have a limited effect on the Group, and are unlikely to have any material adverse effect on its normal operations. During the Period, the Group did not employ any significant financial instruments such as forward foreign exchange contracts, nor did it employ any financial instruments for hedging purposes. The management of the Company closely monitors foreign exchange risks, and will consider hedging significant foreign exchange risks when necessary or appropriate.

The operating and capital expenditure of the Group is principally funded by cash flow from operations, internal cash flow, financing agreements with banks and financing companies of automobile manufacturers, and proceeds from equity financing. The Group has adequate financial resources to meet its contractual obligations and operating requirements during the Period and as of the date of this report.

Contingent Liabilities

As of 30 June 2026, the Group did not have any material contingent liabilities.

Significant Investments, Material Acquisitions and Disposals

The Group did not hold any significant investments, and did not make any material acquisitions nor disposals of subsidiaries, associates, or joint ventures during the Period. There were no future plans for material investments or capital assets which have been approved by the Board as of the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pledged Assets of the Group

As of 30 June 2026, the Group pledged property, plant and equipment, right-of-use assets, inventories, trade and other receivables, and pledged bank deposits of approximately RMB1,848.1 million in aggregate (31 December 2025: approximately RMB2,135.7 million) to secure certain bills payable, loans and borrowings.

PROSPECTS

Looking ahead to the second half of 2026, the automotive industry faces challenges such as slow demand recovery, persistent price competition, and accelerated industry consolidation. The market environment is expected to remain highly uncertain. The Group will adhere to a prudent and cautious operating strategy, continuously advance the consolidation of its store network, strengthen cost control, and enhance capital utilisation efficiency. The Company's strategy is to maintain ample cash levels and a healthy asset-liability structure, so as to respond more flexibly to market changes and potential risks.

At the same time, the Group will continue to review its existing brand portfolio and business layout, and prudently evaluate development opportunities related to new energy vehicles, including actively exploring the feasibility of transforming existing store resources and introducing cooperation with new energy brands. The Group will also pay attention to new business opportunities in the automotive sales and related services sector, injecting greater impetus into future business development while maintaining financial stability and controllable risks.

MANAGEMENT DISCUSSION AND ANALYSIS

STAFF TRAINING AND DEVELOPMENT

As of 30 June 2026, the Group had a total of 3,628 employees (31 December 2025: 3,763), with the majority of them based in Chinese Mainland.

The total staff costs of the Group for the Period was approximately RMB336.8 million (first half of 2025: approximately RMB359.7 million). In addition to offering competitive remuneration packages, discretionary bonuses and equity-based incentive which may be granted to eligible employees based on individual performance, the Group leverages its simple, direct, and data-driven corporate culture to serve as one of its key elements in attracting talents. The management team of the Group values the satisfaction of employees, and strives to create a better working environment and career path for all employees.

The Company operates a share option scheme (the 2025 Share Option Scheme) to recognise and acknowledge the contributions of its staff and other eligible participants. During the Period, the Company granted share options carrying rights to subscribe for a total of 8,559,000 ordinary shares of the Company with an exercise price of HK\$1.38 per share to eligible participants (being directors and employees of the Group) under such share option scheme. As at the date of this report, the total number of Shares available for issue under the 2025 Share Option Scheme was 126,065,720, representing 9.36% of the entire issued share capital of the Company as at the date of this report.

As of 30 June 2026, there were 19,250,250 outstanding share options under the Company's current and prior share option schemes (with 216,000 share options lapsed during the Period).

MANAGEMENT DISCUSSION AND ANALYSIS

NON-COMPETITION UNDERTAKING

Each of the controlling shareholders of the Company has provided the Company a written confirmation in respect of his/its compliance with the non-compete undertakings dated 13 November 2013 for the Period. The independent non-executive Directors have reviewed the status of compliance that, as far as they can ascertain, they were not aware of any breach of such non-compete undertakings during the Period.

STATUS UPDATE FOR RECTIFICATION OF PROPERTIES TITLE DEFECT

As disclosed in the prospectus of the Company dated 22 November 2013, the Company will provide timely updates on the status of rectifications for properties with title defects with respect to owned and leased properties. The Group has no status update on the property title defect for the Period. The Group will promptly announce the progress of the relevant matters in accordance with relevant regulations.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS FROM PRIOR YEARS

In January 2023, the Company placed 68,000,000 new shares of the Company (“**Shares**”) at the subscription price of HK\$15.05 per Share. The Company received a net proceeds of approximately HK\$1,012 million, after deducting the relevant placement cost. Set out below is the Company’s current plan on the use of such proceeds:

Intended use of net proceeds as at 30 June 2026	Percentage of total net proceeds of such issue	Utilised during the Period	Unutilised proceeds as at 30 June 2026 (in HK\$ million, approximately)
	(approximately)		
Business expansion (including strategic investments and acquisitions) (<i>Note</i>)	50%	–	0
Working capital and other general corporate purposes	50%	0	506
(i) Staff costs (including wages and other benefits);	35%		
(ii) Short-term lease expenses and other lease payments; and	10%		
(iii) Purchase of inventories (including motor vehicles and spare parts)	5%		
Total	100%	0	506

Note: Such portion of proceeds was fully utilised prior to the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

As disclosed in the 2025 Interim Report, upon evaluation of the Group's operations and business strategy, the Board resolved to change the use of the unutilised net proceeds of approximately HK\$506 million for working capital and other general corporate purposes, which is expected to be fully utilised by the end of 2028. Following such change, the remaining unutilised net proceeds are intended to be used for the Group's working capital requirements, principally comprising approximately 70% for staff costs (including wages and other benefits); approximately 20% for short-term lease expenses and other lease payments; and approximately 10% for purchase of inventories (including motor vehicles and spare parts).

As the automotive dealership industry is expected to face ongoing challenges, the Group will continue to adhere to its prudent and cautious approach in order to maintain its agility in the face of the dynamic market, reduce future business risks and maintain strong liquidity. The Directors consider that the change of use of the unutilised net proceeds will allow the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole. The Directors will continuously assess the changing market conditions and may amend the use of any unutilised net proceeds if and when necessary.

Save as disclosed in this report, the Company has had no material event during the Period and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities (including treasury shares, as defined under the Listing Rules) during the Period and until the date of this report. As of 30 June 2026, the Company did not hold any treasury shares.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE

The Company met the applicable code provisions set out in Part 2 of the Corporate Governance Code in Appendix C1 of the Listing Rules in force during the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in such Model Code throughout the Period.

REVIEW BY AUDIT COMMITTEE AND EXTERNAL AUDITOR

The interim results and this report have been reviewed by the Audit Committee of the Company.

KPMG, the Group’s external auditor, has carried out a review of the interim financial report for the Period in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests and short positions of the Directors and chief executive in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long Positions or Short Positions in Shares and Underlying Shares of the Company

Name of Director	Capacity	Number of Shares (Long position)	Number of underlying Shares ⁽³⁾	Percentage to issued Shares (approximate) ⁽²⁾
YE Fan ⁽¹⁾	Interest of controlled corporation	703,916,000	–	52.29%
YE Tao	Beneficial owner	2,000,000	2,000,000	0.30%
LUO Liuyu	Beneficial owner	48,000	975,000	0.08%
CHEN Guiyi	Beneficial owner	750,000	500,000	0.09%
WANG, Michael Chou	Beneficial owner	188,000	750,000	0.07%
TO Siu Lun	Beneficial owner	–	250,000	0.02%

Notes:

- (1) Mr. YE Fan is the settlor of the Ye Family Trust, a revocable discretionary family trust. The entire capital of Apex Holdings Enterprises Limited ("**Apex Holdings**") is an asset of such family trust, and Apex Holdings in turn holds the entire issued share capital of Apex Sail Limited ("**Apex Sail**"). Apex Sail directly holds 703,916,000 Shares and by virtue of the SFO, Mr. YE Fan is deemed to be interested in the Shares held by Apex Sail.
- (2) The percentage is calculated based on the total number of issued shares as at 30 June 2026, being 1,346,247,201.
- (3) Details of the Directors' interests in share options granted by the Company are set out in "Share Option Schemes" below.

Save for the above, none of the Directors and chief executives had any interests or short positions in the shares, or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares

Other than the Company's share schemes, and options and benefits thereunder, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their spouses or children under the age of 18, was granted any right to subscribe for equity or debt securities of the Company, nor had any such person exercised any such right during the Period.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' OR OTHER PERSONS INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following persons (other than the Directors or chief executives of the Company) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name of Shareholder	Capacity	Number of Shares (Long position)	Approximate Percentage to issued shares ⁽¹⁾
Substantial Shareholders			
Apex Sail ⁽²⁾	Beneficial owner	703,916,000	52.29%
Apex Holdings ⁽²⁾	Interest in a controlled corporation	703,916,000	52.29%
IQ EQ (Switzerland) Limited ⁽²⁾	Trustee	703,916,000	52.29%
HU Huanran ⁽³⁾	Interest of spouse	703,916,000	52.29%
Other persons			
Partners Bay Asia Limited	Investment manager	80,794,000	6.00%
Aikya Investment Management Limited	Investment manager	70,424,150	5.23%

Notes:

- (1) The percentage is calculated based on the total Shares in issue as at 30 June 2026, being 1,346,247,201.
- (2) Apex Sail is wholly owned by Apex Holdings. The entire issued share capital of Apex Holdings is wholly owned by IQ EQ (Switzerland) Limited as the trustee of the Ye Family Trust. The Ye Family Trust is a revocable discretionary family trust founded by Mr. YE Fan as the settlor. The Ye Brothers and certain of their family members are the discretionary objects of the Ye Family Trust.
- (3) Mr. YE Fan is the settlor of the Ye Family Trust. By virtue of the SFO, Mr. YE Fan is deemed to be interested in the Shares of Apex Sail. Mr. YE Fan's spouse, Ms. HU Huanran, is deemed to be interested in such shareholding interests of Mr. YE Fan by virtue of the SFO.

OTHER INFORMATION

Save for the above, the Company had not been notified of any substantial shareholder or other person (other than the Directors and chief executives of the Company) who had an interest or a short position in the Shares or underlying Shares as recorded as at 30 June 2026 in the register kept by the Company under Section 336 of the SFO or was required to be disclosed under Divisions 2 and 3 of Part XV of the SFO and the Listing Rules.

SHARE OPTION SCHEMES

2013 Share Option Scheme

On 13 November 2013, the Company has adopted the 2013 Share Option Scheme with the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the 2013 Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group.

Pursuant to the 2013 Share Option Scheme, the Company may, at its discretion, invite full-time or part-time employees of the Group, including directors of the Company and subsidiaries of the Company, and any suppliers, customers, consultants, agents and advisors, whether on a contractual or honorary basis and whether paid or unpaid, who have contributed or will contribute to the Group to take up options to subscribe for Shares. The exercise price of the Option will be determined by the Board but in any event cannot fall below the higher of the average of closing prices of the Shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the option, the closing price of the Shares on the Stock Exchange on the date of grant or the nominal value of the Shares.

OTHER INFORMATION

The 2013 Share Option Scheme lapsed in November 2023. No further share options were or could be granted thereunder during the Period or thereafter. The options under the 2013 Share Option Scheme are exercisable at any time for a period to be determined by the Directors, which shall not be more than 10 years after the date of grant.

The total number of Shares in respect of which options may be granted under the 2013 Share Option Scheme is not permitted to exceed 10% of the Shares in issue on the date of the listing of the Company on 5 December 2013 without prior approval from the Shareholders. No option may be granted in any 12-month period to any one employee which if exercised in full would result in the total number of Shares already issued and issuable to him under all the options previously granted to him and the said option exceeding 1% of the number of Shares issued and issuable under all the options which may be granted under the 2013 Share Option Scheme or any other share option schemes at the time it is proposed to grant the relevant options to that employee.

Options granted under the 2013 Share Option Scheme must be taken up within 21 days of the date of grant, upon payment of HK\$1.00 per grant.

OTHER INFORMATION

The 2013 Share Option Scheme has expired and no further options may be granted thereunder. During the Period, no options were granted under the scheme. Further information of the outstanding options under the 2013 Share Option Scheme during the Period is set out below:

	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period
Directors								
YE Tao	04.01.2018	2.58	500,000	-	-	-	500,000	04.01.2018 – 03.01.2028
		2.58	500,000	-	-	-	500,000	04.01.2018 – 03.01.2028
		2.58	500,000	-	-	-	500,000	04.01.2018 – 03.01.2028
		2.58	500,000	-	-	-	500,000	04.01.2018 – 03.01.2028
LUO Liuyu	04.01.2018	2.58	75,000	-	-	-	75,000	04.01.2021 – 03.01.2028
	18.07.2019	6.00	42,500	-	-	-	42,500	18.07.2021 – 17.07.2029
		6.00	57,500	-	-	-	57,500	18.07.2022 – 17.07.2029
	25.05.2022	26.20	60,000	-	-	-	60,000	25.05.2022 – 24.05.2032
		26.20	60,000	-	-	-	60,000	25.05.2022 – 24.05.2032
		26.20	60,000	-	-	-	60,000	25.05.2022 – 24.05.2032
		26.20	60,000	-	-	-	60,000	25.05.2022 – 24.05.2032
CHEN Guiyi	18.07.2019	6.00	250,000	-	-	-	250,000	18.07.2022 – 17.07.2029
WANG, Michael Chou	18.07.2019	6.00	250,000	-	-	-	250,000	18.07.2021 – 17.07.2029
		6.00	250,000	-	-	-	250,000	18.07.2022 – 17.07.2029
Subtotal (Directors and chief executives)			3,165,000	-	-	-	3,165,000	

OTHER INFORMATION

	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period
Employee(s) who is/ are five highest paid individual(s) (not being Director or chief executive of the Company)	04.01.2018	2.58	120,000	–	–	–	120,000	04.01.2018 – 03.01.2028
		2.58	120,000	–	–	–	120,000	04.01.2019 – 03.01.2028
		2.58	120,000	–	–	–	120,000	04.01.2020 – 03.01.2028
		2.58	120,000	–	–	–	120,000	04.01.2021 – 03.01.2028
	18.07.2019	6.00	300,000	–	–	–	300,000	18.07.2019 – 17.07.2029
		6.00	300,000	–	–	–	300,000	18.07.2020 – 17.07.2029
		6.00	300,000	–	–	–	300,000	18.07.2021 – 17.07.2029
		6.00	300,000	–	–	–	300,000	18.07.2022 – 17.07.2029
		6.00	300,000	–	–	–	300,000	18.07.2023 – 17.07.2029
	25.05.2022	26.2	67,500	–	–	–	67,500	25.05.2022 – 24.05.2032
		26.2	67,500	–	–	–	67,500	25.05.2023 – 24.05.2032
		26.2	67,500	–	–	–	67,500	25.05.2024 – 24.05.2032
		26.2	67,500	–	–	–	67,500	25.05.2025 – 24.05.2032
		26.2	67,500	–	–	–	67,500	25.05.2026 – 24.05.2032
		26.2	67,500	–	–	–	67,500	25.05.2027 – 24.05.2032

OTHER INFORMATION

	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period
Other senior management (not being a Director, chief executive or five highest paid individuals)	25.05.2022	26.2	55,000	–	–	–	55,000	25.05.2022 – 24.05.2032
		26.2	55,000	–	–	–	55,000	25.05.2023 – 24.05.2032
		26.2	55,000	–	–	–	55,000	25.05.2024 – 24.05.2032
		26.2	55,000	–	–	–	55,000	25.05.2025 – 24.05.2032
Other employees	04.01.2018	2.58	7,500	–	–	–	7,500	04.01.2018 – 03.01.2028
		2.58	157,500	–	–	–	157,500	04.01.2018 – 03.01.2028
		2.58	232,500	–	–	–	232,500	04.01.2018 – 03.01.2028
		2.58	275,000	–	–	–	275,000	04.01.2018 – 03.01.2028
	18.07.2019	6.00	337,500	–	–	–	337,500	18.07.2021 – 17.07.2029
		6.00	352,500	–	–	–	352,500	18.07.2021 – 17.07.2029
		6.00	427,500	–	–	–	427,500	18.07.2021 – 17.07.2029
		6.00	446,250	–	–	–	446,250	18.07.2021 – 17.07.2029

OTHER INFORMATION

Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period
16.01.2020	10.8	–	–	–	–	–	16.01.2020 – 15.01.2030
	10.8	7,500	–	–	–	7,500	16.01.2020 – 15.01.2030
	10.8	10,000	–	–	–	10,000	16.01.2020 – 15.01.2030
	10.8	15,000	–	–	–	15,000	16.01.2020 – 15.01.2030
25.05.2022	26.2	1,368,375	–	–	(24,000)	1,344,375	25.05.2022 – 24.05.2032
	26.2	1,368,375	–	–	(24,000)	1,344,375	25.05.2022 – 24.05.2032
	26.2	1,368,375	–	–	(24,000)	1,344,375	25.05.2022 – 24.05.2032
	26.2	1,368,375	–	–	(24,000)	1,344,375	25.05.2022 – 24.05.2032
Subtotal (employees)		7,742,250	–	–	(96,000)	7,646,250	
Total (All category)		10,907,250⁽⁴⁾	–	–	(96,000)	10,811,250⁽⁵⁾	

Notes:

1. The term of the 2013 Share Option Scheme ended prior to the Period, and no further Options were available for grant thereunder throughout the Period.
2. A consideration of HK\$1 was payable by each grantee upon acceptance of the Option.
3. The options are subject to a vesting period from the date of grant to the date immediately before the commencement of the exercise period. The vesting period and exercise period is also subject to earlier cancellation, lapse or termination in accordance with the 2013 Share Option Scheme.
4. Representing approximately 0.81% of the total issued Shares as of the beginning of the Period.
5. Representing approximately 0.80% of the total issued Shares as of end of the Period.

2025 Share Option Scheme

The Company has adopted the current share option scheme on 10 June 2025 (the “**2025 Share Option Scheme**”). The purposes of the 2025 Share Option Scheme are to recognise and acknowledge the contributions which the eligible participants have made or may make to the Group, with the view to (i) provide the Company with a flexible means of remunerating and/or providing benefits to the eligible participants; (ii) attract, retain and motivate the eligible participants to continue to contribute to the growth and development of the Group; and (iii) to align the interests of the eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire proprietary interests in the Company and becoming shareholders, so as to optimise their performance and efficiency for the benefit of the Group and particularly in its fulfilment of strategic targets. The Directors consider the 2025 Share Option Scheme is an effective instrument to encourage, retain and attract talents of significant importance to the future business development of the Group.

OTHER INFORMATION

The following is a summary of the principal terms of the 2025 Share Option Scheme:

(i) *Duration*

The 2025 Share Option Scheme will remain valid and effective for a period of 10 years from 10 June 2025.

(ii) *Eligible participants*

In assessing the eligibility of the participants, the Remuneration Committee will consider, in its sole discretion, on a case-by-case basis, the following factors: (i) contribution or potential contribution to the development, growth and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his/her duties, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iv) length of service or contribution of the Group; and (v) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

Eligible participant means any directors and employees of the Company or any member of the Group (including persons who are granted options under the 2025 Share Option Scheme as an inducement to enter into employment contracts (whether full time or part time) with these companies).

(iii) *Total number of shares available for issue*

The total number of shares to be issued upon exercise of all options to be granted under the 2025 Share Option Scheme is 134,624,720 shares, being no more than 10% of the total number of Shares in issue (excluding Treasury Shares, if any) as at the Adoption Date, (i.e. 10 June 2025).

(iv) Maximum entitlement of each participant

The maximum number of Shares underlying the options granted to an eligible participant under the 2025 Share Option Scheme and at any time, any other share scheme (as defined in Chapter 17 of the Listing Rules) adopted by the Company pursuant to Chapter 17 of the Listing Rules (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue from time to time.

(v) Grant of options

The Company may at any time within 10 years from 10 June 2025 offer the grant of an option to eligible participant.

(vi) Offer and acceptance

Consideration of HK\$1.00 is required to be paid by the eligible participants for the grant under the 2025 Share Option Scheme and such payment must be made within 21 days from the date on which the option is granted.

OTHER INFORMATION

(vii) Subscription price

The price per Share at which any eligible participant who accepts an offer for the grant of an option (“**Offer**”) in accordance with the terms of the 2025 Share Option Scheme may subscribe for Shares on the exercise of an Option shall, subject to any adjustments made pursuant to the terms of the 2025 Share Option Scheme, be determined by the remuneration committee of the Company and notified to an any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted options as an inducement to enter into employment contract with or as a recognition of the contribution of the employees of, any member of the Group and shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on, in respect of any option, the day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for the transaction of normal business but excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m. (“**Business Day**”) on which the Board resolves to make an offer to an eligible participant (unless otherwise specified in the terms of the offer and acceptance letter between the Company and the grantee evidencing the terms and conditions of an Option) (the “**Date of Grant**”), which must be a Business Day;
- (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five Business Days immediately preceding the Date of Grant; and
- (c) the nominal value of a share on the Date of Grant, and as subsequently adjusted pursuant to the terms of the 2025 Share Option Scheme, if relevant.

(viii) Vesting of options

The minimum period for which any option must be held before it vests shall not be less than 24 months, unless otherwise determined and approved by the remuneration committee of the Company, and in any event shall not be less than 12 months.

During the Period, 8,559,000 options were granted and 120,000 options were exercised, cancelled or lapsed under the 2025 Share Option Scheme. There were 8,439,000 outstanding options as at 30 June 2026. As at 30 June 2026, the total number of Shares available for issue under the 2025 Share Option Scheme was 126,065,720 representing 9.36% of the issued Shares of the Company as at the date of this report. The number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Period divided by the weighted average number of shares in issue during the Period, being 1,346,247,000, was 0.006, which was attributable to grants made under the 2025 Share Scheme. Further information of the outstanding Options under the 2025 Share Option Scheme during the Period is set out below:

Name/ Description of grantees	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period ^(a)
Directors								
LUO Liuyu	29.01.2026	1.38	-	140,000	-	-	140,000	29.01.2027 – 28.01.2036
		1.38	-	140,000	-	-	140,000	29.01.2028 – 28.01.2036
		1.38	-	140,000	-	-	140,000	29.01.2029 – 28.01.2036
		1.38	-	140,000	-	-	140,000	29.01.2030 – 28.01.2036
CHEN Guiyi	29.01.2026	1.38	-	62,500	-	-	62,500	29.01.2027 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2028 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2029 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2030 – 28.01.2036

OTHER INFORMATION

Name/ Description of grantees	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period ⁽⁸⁾
WANG, Michael Chou	29.01.2026	1.38	-	62,500	-	-	62,500	29.01.2027 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2028 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2029 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2030 – 28.01.2036
TO Siu Lun	29.01.2026	1.38	-	62,500	-	-	62,500	29.01.2027 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2028 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2029 – 28.01.2036
		1.38	-	62,500	-	-	62,500	29.01.2030 – 28.01.2036
Subtotal (Director, chief executive)			-	1,310,000	-		1,310,000	
Employees								
Employee(s) who is/ are five highest paid individual(s) (not being Director or chief executive of the Company)	29.01.2026	1.38	-	245,000	-	-	245,000	29.01.2027 – 28.01.2036
		1.38	-	245,000	-	-	245,000	29.01.2028 – 28.01.2036
		1.38	-	245,000	-	-	245,000	29.01.2029 – 28.01.2036
		1.38	-	245,000	-	-	245,000	29.01.2030 – 28.01.2036
Other senior management (not being a Director, chief executive or five highest paid individuals)	29.01.2026	1.38	-	135,000	-	-	135,000	29.01.2027 – 28.01.2036
		1.38	-	135,000	-	-	135,000	29.01.2028 – 28.01.2036
		1.38	-	135,000	-	-	135,000	29.01.2029 – 28.01.2036
		1.38	-	135,000	-	-	135,000	29.01.2030 – 28.01.2036

OTHER INFORMATION

Name/ Description of grantees	Date of grant	Exercise price (HK\$)	Outstanding 01.01.2026	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding 30.06.2026	Exercise period ^(a)
Other employees	29.01.2026	1.38	-	1,812,250	-	30,000	1,782,250	29.01.2027 – 28.01.2036
		1.38	-	1,812,250	-	30,000	1,782,250	29.01.2028 – 28.01.2036
		1.38	-	1,812,250	-	30,000	1,782,250	29.01.2029 – 28.01.2036
		1.38	-	1,812,250	-	30,000	1,782,250	29.01.2030 – 28.01.2036
Subtotal (employees)			-	7,249,000	-	120,000	7,129,000	
Total (All category)			- ^(b)	8,559,000	-	120,000	8,439,000^(b)	

Notes:

1. Representing 0% of the total issued Shares as of the beginning of the Period.
2. Representing approximately 0.63% of the total issued Shares as of end of the Period.
3. The outstanding options in the above chart are subject to a vesting period from the Date of Grant to the date immediately before the commencement of the exercise period. The vesting period and exercise period is also subject to earlier cancellation, lapse or termination in accordance with the 2025 Share Option Scheme. The outstanding options do not specify any performance targets.

The closing price per Share as stated in the daily quotations sheets of the Stock Exchange immediately before the date of grant was HK\$1.34. The fair value of the options granted on 29 January 2026 at the Date of Grant and the accounting standard and policy adopted was HK\$0.6455.

ISSUE OF SHARES, BONDS AND WARRANTS

There were no issue or placing of shares, bonds or warrants during the Period except for the grant and/or exercise of options under the Company's share scheme mentioned above.

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT



Review report to the board of directors of China MeiDong Auto Holdings Limited *(Incorporated in the Cayman Islands with limited liability)*

INTRODUCTION

We have reviewed the interim financial report set out on pages 36 to 76 which comprises the consolidated statement of financial position of China MeiDong Auto Holdings Limited as of 30 June 2026 and the related consolidated statement of comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
	Note	2026 RMB'000	2025 RMB'000
Revenue	3	7,377,980	10,134,666
Cost of sales	5	(6,983,336)	(9,658,922)
Gross profit		394,644	475,744
Other revenue and other net (loss)/income	4	(126,583)	41,024
Distribution costs		(246,738)	(259,769)
Administrative expenses		(226,815)	(258,216)
Impairment losses on goodwill and intangible assets	5(c)	–	(867,874)
Loss from operations		(205,492)	(869,091)
Finance costs	5(a)	(54,837)	(156,259)
Share of (losses)/profits of joint ventures		(5,612)	4,405
Loss before taxation	5	(265,941)	(1,020,945)
Income tax	6	(20,387)	202,795
Loss for the period		(286,328)	(818,150)
Other comprehensive 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		7,961	142
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(2,098)	271

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June 2026 RMB'000	2025 RMB'000
	Note		
Other comprehensive income for the period		5,863	413
Loss and total comprehensive income for the period		(280,465)	(817,737)
Loss attributable to:			
Equity shareholders of the Company		(275,467)	(814,662)
Non-controlling interests		(10,861)	(3,488)
Loss for the period		(286,328)	(818,150)
Total comprehensive income attributable to:			
Equity shareholders of the Company		(269,604)	(814,249)
Non-controlling interests		(10,861)	(3,488)
Total comprehensive income for the period		(280,465)	(817,737)
Loss per share			
Basic (RMB cents)	7(a)	(20.46)	(60.51)
Diluted (RMB cents)	7(b)	(20.46)	(60.51)

The notes on pages 44 to 76 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	1,033,291	1,244,647
Investment property	8	31,650	–
Right-of-use assets	9	1,205,734	1,392,751
Intangible assets		229,654	237,801
Interests in joint ventures		54,324	30,436
Pledged bank deposits	13	24,100	24,634
Other non-current assets		109,652	70,046
Deferred tax assets		135,012	147,243
		2,823,417	3,147,558
Current assets			
Inventories	11	1,204,987	914,601
Trade and other receivables	12	852,440	1,435,094
Pledged bank deposits	13	606,097	1,088,668
Financial assets measured at fair value through profit or loss (“FVPL”)	10	70,720	171,375
Fixed deposits with more than three months to maturity when placed	14	13,000	24,000
Cash and cash equivalents	14	962,595	732,615
		3,709,839	4,366,353
Current liabilities			
Loans and borrowings	15	680,178	512,935
Trade and other payables	16	2,626,897	3,022,704
Income tax payables		55,834	94,618
Lease liabilities		92,140	95,119
		3,455,049	3,725,376
Net current assets		254,790	640,977
Total assets less current liabilities		3,078,207	3,788,535

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Loans and borrowings	15	216,311	468,845
Lease liabilities		986,534	1,116,412
Deferred tax liabilities		65,300	67,351
		1,268,145	1,652,608
NET ASSETS		1,810,062	2,135,927
EQUITY			
Share capital	17	107,888	107,888
Reserves		1,599,134	1,913,050
Total equity attributable to equity shareholders of the Company		1,707,022	2,020,938
Non-controlling interests		103,040	114,989
TOTAL EQUITY		1,810,062	2,135,927

Approved and authorised for issue by the board of directors on 26 August 2026.

Ye Fan
Director

Ye Tao
Director

The notes on pages 44 to 76 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserves RMB'000	PRC statutory reserves RMB'000	Retained earnings RMB'000	Exchange reserve RMB'000	Other reserve RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	107,888	609,993	986	8,660	491,548	1,435,050	(66,075)	186,353	2,834,301	122,482	2,956,783
Loss for the period	-	-	-	-	-	(814,662)	-	-	(814,662)	(3,488)	(818,150)
Other comprehensive income for the period	-	-	-	-	-	-	413	-	413	-	413
Total comprehensive income for the period	-	-	-	-	-	(814,662)	413	-	(814,249)	(3,488)	(817,737)
Dividends approved in respect of the previous year (Note 17(a))	-	(59,908)	-	-	-	-	-	-	(59,908)	-	(59,908)
Dividends paid to non-controlling interests (Note 17(a))	-	-	-	-	-	-	-	-	-	(4,783)	(4,783)
Equity-settled share-based payment (Note 5(b))	-	-	-	1,061	-	-	-	-	1,061	-	1,061
Redemption of convertible bonds	-	-	-	-	-	186,353	-	(186,353)	-	-	-
Balance at 30 June 2025 and 1 July 2025	107,888	609,993	986	9,721	491,548	806,741	(65,662)	-	1,961,205	114,211	2,075,416
Profit for the period	-	-	-	-	-	59,672	-	-	59,672	4,473	64,145
Other comprehensive income for the period	-	-	-	-	-	-	61	-	61	-	61
Total comprehensive income for the period	-	-	-	-	-	59,672	61	-	59,733	4,473	64,206
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,695)	(3,695)
Appropriation to reserves	-	-	-	-	12,002	(12,002)	-	-	-	-	-
Balance at 31 December 2025	107,888	609,993	986	9,721	503,550	854,411	(65,601)	-	2,020,938	114,989	2,135,927

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company											
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	PRC				Exchange reserve RMB'000	Other reserve RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
				Capital reserves RMB'000	statutory reserves RMB'000	Retained earnings RMB'000						
Balance at 1 January 2026	107,888	609,983	986	9,721	503,350	854,411	(65,601)	-	-	2,020,938	114,989	2,135,927
Loss for the period	-	-	-	-	-	(275,467)	-	-	-	(275,467)	(10,861)	(286,328)
Other comprehensive income for the period	-	-	-	-	-	-	5,863	-	-	5,863	-	5,863
Total comprehensive income for the period	-	-	-	-	-	(275,467)	5,863	-	-	(269,604)	(10,861)	(280,465)
Dividends approved in respect of the previous year (Note 17(a))	-	(45,369)	-	-	-	-	-	-	-	(45,369)	-	(45,369)
Capital reduction to non-controlling interests (Note 17(a))	-	-	-	-	-	-	-	-	-	-	(1,088)	(1,088)
Equity-settled share-based payment (Note 5(b))	-	-	-	1,057	-	-	-	-	-	1,057	-	1,057
Balance at 30 June 2026	107,888	564,614	986	10,778	503,350	578,944	(59,738)	-	-	1,707,022	103,040	1,810,062

The notes on pages 44 to 76 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June 2026 RMB'000	2025 RMB'000
	Note		
Operating activities			
Cash generated from operations		448,378	349,616
Income tax paid		(48,991)	(71,369)
Net cash generated from operating activities		399,387	278,247
Investing activities			
Payment for purchase of property, plant and equipment		(74,303)	(85,856)
Proceeds from disposal of property, plant and equipment		83,260	54,531
Net decrease/(increase) in fixed deposits with more than three months to maturity when placed	14	11,000	(11,000)
Dividends received from a joint venture		–	19,543
Dividends received from investment in equity security measured at FVPL		1,281	–
Interest received		2,546	7,608
Payment for investment in joint venture		(29,500)	–
Others		–	2,220
Net cash used in investing activities		(5,716)	(12,954)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June 2026	2025
	Note	RMB'000	RMB'000
Financing activities			
Capital element of lease rentals paid		(39,826)	(49,789)
Interest element of lease rentals paid		(32,680)	(36,131)
Proceeds from loans and borrowings		2,360,007	3,426,091
Repayment of loans and borrowings		(2,434,982)	(3,486,012)
Decrease/(increase) in pledged bank deposits	13	4,410	(18,920)
Dividends paid to non-controlling interests	17(a)	–	(4,783)
Capital reduction to non-controlling interests		(1,088)	–
Redemption of convertible bonds		–	(1,848,964)
Interest paid		(18,243)	(24,844)
Others		–	9
Net cash used in financing activities		(162,402)	(2,043,343)
Net increase/(decrease) in cash and cash equivalents		231,269	(1,778,050)
Cash and cash equivalents at 1 January	14	732,615	2,644,539
Effect of foreign exchange rate changes		(1,289)	2,292
Cash and cash equivalents at 30 June	14	962,595	868,781

The notes on pages 44 to 76 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION AND THE BASIS OF PRESENTATION

China MeiDong Auto Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 24 February 2012 as an exempted company with limited liability. Its registered address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in 4S dealership business in the People’s Republic of China (the “**PRC**”).

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any change in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION AND THE BASIS OF PRESENTATION (continued)

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the board of directors is included on pages 34 to 35.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The amendments do not have a material impact on this interim report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of passenger vehicles	5,839,142	7,929,796
– After-sales and mortgage facilitation services	1,538,838	2,204,870
	7,377,980	10,134,666

All revenue was recognised at a point in time.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of passenger vehicles and provision of after-sales and mortgage facilitation services.

(i) Information about geographical area

All of the Group's revenue is derived from the sales of passenger vehicles and provision of after-sales and mortgage facilitation services in Chinese Mainland, and the principal non-current assets employed by the Group are located in Chinese Mainland. Accordingly, no analysis by geographical segment has been provided for the reporting period.

(ii) Information about major customers

The Group's customer base is diversified, and no customer with whom transactions have exceeded 10% of the Group's revenues.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

4 OTHER REVENUE AND OTHER NET (LOSS)/INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other revenue		
Commission income	16,255	26,823
Bank interest income	2,697	7,173
Management service income	1,131	1,317
	20,083	35,313

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other net (loss)/income		
Unrealised loss on financial assets measured at FVPL	(95,431)	–
Net loss on disposal of property, plant and equipment	(93,225)	(4,866)
Gain on lease termination	34,782	1,502
Net foreign exchange gain/(loss)	183	(1,364)
Dividend income from investment in equity security measured at FVPL	1,281	–
Others	5,744	10,439
	(146,666)	5,711
	(126,583)	41,024

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
(a) Finance costs:		
Interest on:		
– loans and borrowings	16,102	19,224
– convertible bonds	–	2,975
– lease liabilities	32,680	36,131
Total interest expense	48,782	58,330
Loss on redemption of convertible bonds	–	92,315
Other finance costs	6,055	5,614
Total finance costs	54,837	156,259

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

5 LOSS BEFORE TAXATION (continued)

		Six months ended 30 June 2026 RMB'000	2025 RMB'000
	Note		
(b) Staff costs:			
Salaries, wages and other benefits		321,046	344,742
Equity settled share-based payment expenses	17(b)	1,057	1,061
Contributions to defined contribution retirement plans	(i)	14,686	13,917
		336,789	359,720

		Six months ended 30 June 2026 RMB'000	2025 RMB'000
(c) Other items:			
Cost of inventories		6,824,473	9,469,146
Write-down of inventories		70,392	52,595
Depreciation charge			
– owned property, plant and equipment		89,026	113,776
– right-of-use assets		64,658	67,551
– investment property		4,578	–
Impairment losses			
– goodwill		–	17,527
– intangible assets		–	850,347
Amortisation of intangible assets		8,147	33,478
Short-term lease expenses		1,410	996
Net foreign exchange (gain)/loss		(183)	1,364

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

5 LOSS BEFORE TAXATION (continued)

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

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 Group's contributions made to the defined contribution retirement scheme are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

6 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Current tax:		
Provision for PRC income tax for the period	10,208	25,826
Deferred tax:		
Reversal/(origination) of temporary differences	10,179	(228,621)
	20,387	(202,795)

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No provision for Hong Kong Profits Tax was made for the subsidiaries located in Hong Kong as the subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the reporting period. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

Under the Corporate Income Tax Law of the PRC, the statutory income tax rate is 25%. The Group's PRC subsidiaries are subject to income tax at the statutory tax rate.

One subsidiary of the Group enjoys preferential Corporate Income Tax rate which is lower than 25% as it operated in designated areas with preferential CIT policies in the PRC.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

6 INCOME TAX (continued)

- (ii) Since the Company obtained certificate of resident status and became a resident of the Hong Kong Special Administrative Region under the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”. Under such arrangement, dividend distributions out of earnings of the PRC enterprises imposed a withholding tax at 5% during the period ended 30 June 2026.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share for the six months ended 30 June 2026 is based on the loss attributable to equity shareholders of the Company of RMB275,467,000 (six months ended 30 June 2025: RMB814,662,000) and the weighted average of 1,346,247,000 ordinary shares in issue (six months ended 30 June 2025: 1,346,247,000 ordinary shares) during the reporting period.

(b) Diluted loss per share

For the six months ended 30 June 2026 and 2025, the effects of share options issued under employee share option scheme and outstanding convertible bonds redeemed in January 2025 were not included in the calculation of diluted loss per share because their effects would have been anti-dilutive.

Therefore, diluted loss per share is equal to basic loss per share for the six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

8 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with original costs of RMB71,856,000 (six months ended 30 June 2025: RMB81,198,000). Items of property, plant and equipment with a net book value of RMB176,485,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB59,397,000), resulting in a net loss on disposal of RMB93,225,000 (six months ended 30 June 2025: RMB4,866,000).

During the six months ended 30 June 2026, the Group transferred items of property, plant and equipment and land use rights to investment property with net book value of RMB13,123,000 and RMB18,527,000, respectively.

9 RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group entered into a few of new tenancy agreements and therefore recognised additions to right-of-use assets of RMB42,416,000 (six months ended 30 June 2025: RMB332,000).

10 FINANCIAL ASSETS MEASURED AT FVPL

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Investment in equity security listed on Hong Kong capital market	70,720	171,375

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

11 INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprised:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Motor vehicles	1,098,008	784,855
Others	106,979	129,746
	1,204,987	914,601

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Carrying amount of inventories sold	6,824,473	9,469,146
Write-down of inventories	70,392	52,595

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 3 months	130,067	163,757
Over 3 months	2,429	408
Trade receivables (i)	132,496	164,165
Prepayments	132,481	228,933
Other receivables and deposits	574,361	1,040,016
Amounts due from third parties	839,338	1,433,114
Amounts due from related parties (Note 19(c))	13,102	1,980
Trade and other receivables	852,440	1,435,094

- (i) Credit sales are offered in rare cases subject to senior management's approval. Trade receivables balance mainly represents mortgage granted by financial institutions to customers of the Group, which is normally settled within one month directly by the financial institutions.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

13 PLEDGED BANK DEPOSITS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current:		
Restricted bank deposits pledged in respect of loans and borrowings (i)	30,618	35,028
Restricted bank deposits pledged in respect of bills payable (i)	575,479	1,053,640
	606,097	1,088,668
Non-current:		
Others	24,100	24,634
	630,197	1,113,302

- (i) The pledged bank deposits will be released upon the settlement of relevant loans and borrowings and bills payable.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

14 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS WITH BANKS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Fixed deposits with banks with more than three months to maturity when placed	13,000	24,000
Cash at banks and in hand	962,595	732,615

15 LOANS AND BORROWINGS

- (a) As of the end of the reporting period, loans and borrowings were repayable as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 1 year or on demand	680,178	512,935
After 1 year but within 2 years	—	243,900
After 2 years but within 5 years	216,311	224,945
	216,311	468,845
	896,489	981,780

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

15 LOANS AND BORROWINGS (continued)

- (b) As of the end of the reporting period, loans and borrowings were secured as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Secured bank loans – supplier finance arrangement (i)	142,688	141,227
Secured borrowings from other financial institutions – supplier finance arrangement (i)	109,884	82,114
Unsecured borrowings from a related party (note 19(c))	216,311	224,945
Other secured bank loans (i)	427,606	533,494
	896,489	981,780

- (i) As of the end of the reporting period, loans and borrowings were secured by property, plant and equipment, right-of-use assets, inventories, trade and other receivables and pledged banks deposits of the Group, and certain loans and borrowings were also guaranteed by related parties.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

16 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables	145,163	160,060
Bills payable – supplier finance arrangement (i)	1,542,542	1,851,744
	1,687,705	2,011,804
Within 3 months	1,638,134	1,750,073
Over 3 months but within 6 months	49,571	261,731
Total trade payables and bills payable (i)	1,687,705	2,011,804
Contract liabilities	648,275	722,623
Other payables and accruals	235,493	224,462
Dividends payable	45,369	59,908
Amounts due to third parties	2,616,842	3,018,797
Amounts due to related parties (Note 19(c))	10,055	3,907
Trade and other payables	2,626,897	3,022,704

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

16 TRADE AND OTHER PAYABLES (continued)

- (i) As at 30 June 2026, bills payable were all under supplier finance arrangement with amount of RMB1,542,542,000 (31 December 2025: RMB1,851,744,000), and certain bills payable were guaranteed by a related party (see Note 19(d)) or secured by inventories, trade and other receivables and pledged banks deposits.
- (ii) All trade and other payables are expected to be settled within one year.

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

No interim dividend was declared after the end of reporting period of six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Dividends (continued)

- (ii) 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 RMB0.0337 per ordinary share (six months ended 30 June 2025: RMB0.0445 per ordinary share)	45,369	59,908

(iii) Other dividends

During the six months ended 30 June 2026, none of the Group's subsidiaries declared and paid dividends to its non-controlling shareholders (six months ended 30 June 2025: RMB4,783,000).

(iv) Capital reduction to non-controlling interests

During the six months ended 30 June 2026, the Group reduced the registered capital of a certain subsidiary and repaid capital of RMB1,088,000 to its non-controlling shareholder.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Equity settled share-based transactions

(i) *The term and conditions of the grants are as follows:*

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors:			
– On 20 January 2014	4,150,000	25% on 1 January 2015 25% on 1 January 2016 25% on 1 January 2017 25% on 1 January 2018	9.82 years
– On 4 January 2018	4,150,000	25% on 4 January 2018 25% on 4 January 2019 25% on 4 January 2020 25% on 4 January 2021	10.00 years
– On 18 July 2019	3,230,000	25% on 18 July 2019 25% on 18 July 2020 25% on 18 July 2021 25% on 18 July 2022	10.00 years
– On 25 May 2022	240,000	25% on 25 May 2022 25% on 25 May 2023 25% on 25 May 2024 25% on 25 May 2025	10.00 years

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Equity settled share-based transactions (continued)

**(i) The term and conditions of the grants are as follows:
(continued)**

	Number of instruments	Vesting conditions	Contractual life of options
– On 29 January 2026	1,310,000	25% on 29 January 2027 25% on 29 January 2028 25% on 29 January 2029 25% on 29 January 2030	10.00 years
Options granted to employees:			
– On 20 January 2014	7,250,000	25% on 1 January 2015 25% on 1 January 2016 25% on 1 January 2017 25% on 1 January 2018	9.82 years
– On 4 January 2018	7,830,000	25% on 4 January 2018 25% on 4 January 2019 25% on 4 January 2020 25% on 4 January 2021	10.00 years
– On 18 July 2019	6,470,000	25% on 18 July 2019 25% on 18 July 2020 25% on 18 July 2021 25% on 18 July 2022	10.00 years

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Equity settled share-based transactions (continued)

**(i) The term and conditions of the grants are as follows:
(continued)**

	Number of instruments	Vesting conditions	Contractual life of options
– On 16 January 2020	1,940,000	25% on 16 January 2020 25% on 16 January 2021 25% on 16 January 2022 25% on 16 January 2023	10.00 years
– On 25 May 2022	8,661,000	25% on 25 May 2022 25% on 25 May 2023 25% on 25 May 2024 25% on 25 May 2025	10.00 years
– On 29 January 2026	7,249,000	25% on 29 January 2027 25% on 29 January 2028 25% on 29 January 2029 25% on 29 January 2030	10.00 years
Total share options granted	52,480,000		

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Equity settled share-based transactions (continued)

(ii) *The number and weighted average exercise prices of share options are as follows:*

	At 30 June 2026		At 31 December 2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the period/year	HK\$15.73	10,907,250	HK\$16.75	12,478,250
Granted during the period/year	HK\$1.38	8,559,000	–	–
Forfeited during the period/year	HK\$12.41	(216,000)	HK\$23.80	(1,571,000)
Outstanding at the end of the period/year	HK\$9.39	19,250,250	HK\$15.73	10,907,250
Exercisable at the end of the period/year	HK\$9.39	10,811,250	HK\$15.73	10,907,250

The options outstanding at 30 June 2026 are under exercise price of HK\$1.38, HK\$2.58, HK\$6.00, HK\$10.80 or HK\$26.20, respectively (31 December 2025: HK\$2.58, HK\$6.00, HK\$10.80 or HK\$26.20, respectively) and a weighted average remaining contractual life of 6.53 years (31 December 2025: 4.66 years).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

18 COMMITMENTS

No material capital commitments outstanding at 30 June 2026 and 31 December 2025.

19 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2026, the directors are of the view that the following companies are related parties of the Group:

Name of party	Relationship
Ye Fan 葉帆	Controlling Shareholder
Ye Tao 葉濤	Close family member of the Controlling Shareholder
Guangdong Dadong Automotive Group Co., Ltd. (" Dadong Group ") 廣東大東汽車集團有限公司	Controlled by the Controlling Shareholder
Dongguan Meidong 東莞美東汽車服務有限公司	Joint venture
Nanchang Yongmei 南昌永美汽車銷售服務有限公司	Joint venture
Ganzhou Yongmei 贛州永美汽車銷售服務有限公司	Joint venture
Apex Sail	Immediate parent company

Note: The English translation of the company names is for reference only. The official names of the companies established in the PRC are in Chinese.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Recurring transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Other income:		
– Nanchang Yongmei	480	–
– Ganzhou Yongmei	440	–
Management service income:		
– Dongguan Meidong	1,131	1,317

(b) Non-recurring transactions

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Sales of passenger vehicles and spare parts:		
– Dongguan Meidong	13,465	15,074
– Nanchang Yongmei	1,119	–
– Ganzhou Yongmei	520	–
Purchases of passenger vehicles:		
– Dongguan Meidong	11,865	20,463

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Non-recurring transactions (continued)

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Interest expenses on borrowings from a related party:		
Apex Sail	4,399	—
Loan to a related party:		
Nanchang Yongmei	4,100	—
Sales of property, plant and equipment:		
– Nanchang Yongmei	25,425	—
– Ganzhou Yongmei	6,309	—

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

At 30 June 2026, the Group had the following balances with related parties:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Other receivables due from:		
Dongguan Meidong (i)	1,802	1,980
Ye Fan (i)	1,391	—
Ye Tao (i)	979	—
Nanchang Yongmei (i)	4,100	—
Nanchang Yongmei (ii)	4,830	—
	13,102	1,980
Other payables due to:		
Dadong Group (i)	2,195	2,124
Apex Sail (ii)	6,182	1,783
Ganzhou Yongmei (i)	1,678	—
	10,055	3,907

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties (continued)

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Other non-current assets due from:		
Nanchang Yongmei (ii)	38,611	–
Borrowings from a related party:		
Apex Sail (iii)	216,311	224,945

- (i) These amounts due from/to related parties are unsecured, interest free and have no fixed terms of repayment.
- (ii) The other receivables and other non-current assets due from Nanchang Yongmei are unsecured, with 6.5-year fixed terms of repayment till January 2032. These amounts are settled semi-annually.
- (iii) The borrowing from a related party is unsecured, with fixed interest rate of 4.00% per annum. The loan principal has 3-year fixed terms of repayment due in October 2028 and the related interest will be paid annually.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Guarantees and securities issued by related parties

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Guarantees issued by related parties in respect of loans and borrowings borrowed by the Group:		
– Ye Fan	563,195	594,387
Guarantees issued by a related party in respect of bills issued by the Group:		
– Ye Fan	329,936	432,660

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(e) Guarantees issued by the Group

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Guarantees issued by the Group in respect of financial facilities granted to a related party:		
– Dongguan Meidong	40,000	40,000
Guarantees issued by the Group in respect of bank loans and borrowings granted to a related party:		
– Dongguan Meidong	37,000	37,000

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

19 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(f) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Short-term employee benefits	4,647	5,816
Equity compensation benefits	433	205
	5,080	6,021

The above remuneration is included in staff costs (see Note 5(b)).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to HKAS 21, Translation to a hyperinflationary presentation currency	1 January 2027
HKFRS 20, Regulatory assets and regulatory liabilities	1 January 2027
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group does not plan to early adopt HKFRS 18. HKFRS 18 will impact the presentation of financial statements and is not expected to have a significant impact on the financial performance and positions of the Group.