China Yongda Automobiles Services Holdings Limited
（中國永達汽車服務控股有限公司）
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 03669)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

The board of directors (the "**Board**") of China Yongda Automobiles Services Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the six months ended June 30, 2023, together with comparative figures for the six months ended June 30, 2022.

FINANCIAL HIGHLIGHTS OF THE GROUP

- Comprehensive revenue including revenue from agency services for the six months ended June 30, 2023 was RMB35,684 million, a 11.6% increase from RMB31,986 million for the six months ended June 30, 2022.

- Revenue from new vehicles distribution for the six months ended June 30, 2023 was RMB27,043 million, a 6.5% increase from RMB25,399 million for the six months ended June 30, 2022.

- Revenue of after-sales services for the six months ended June 30, 2023 was RMB5,204 million, a 17.8% increase from RMB4,419 million for the six months ended June 30, 2022.

- Transactional volume of pre-owned vehicles for the six months ended June 30, 2023 was 41,084 units, a 30.6% increase from 31,454 units for the six months ended June 30, 2022.

- Revenue from agency services for the six months ended June 30, 2023 was RMB822 million, a 38.3% increase from RMB595 million for the six months ended June 30, 2022.

- Net profit for the six months ended June 30, 2023 was RMB425 million, a 38.9% decrease from RMB695 million (restated) for the six months ended June 30, 2022.

- Net profit attributable to the owners of the Company for the six months ended June 30, 2023 was RMB407 million, a 38.9% decrease from RMB666 million (restated) for the six months ended June 30, 2022.

- Turnover days of inventories for the six months ended June 30, 2023 was 24.4 days, which was generally in line with that of 23.7 days for the six months ended June 30, 2022.

- Net cash generated from operating activities for the six months ended June 30, 2023 was RMB1,099 million, a 65.1% decrease from RMB3,152 million for the six months ended June 30, 2022.

- The net gearing ratio as of June 30, 2023 was 11.3%, which was generally in line with that of 10.5% as of December 31, 2022.

MARKET REVIEW

According to the data from China Passenger Cars Association (the "**CPCA**"), in the first half of 2023, the overall retail sales of passenger vehicles reached 9.524 million units, representing a year-on-year increase of 2.7%. Among them, the sales volume of luxury vehicles reached 1.414 million units, representing a year-on-year increase of 11.8%. According to the data of the Compulsory Motor Insurance in the first half of 2023, the retail sales of BMW (including MINI) was 393,000 units, representing a year-on-year increase of 4.0%, and the retail sales of Porsche was 44,000 units, representing a year-on-year increase of 3.8%. In the first half of 2023, after the comprehensive adjustment of pandemic control policies in China, the overall passenger vehicle market has been under significant growth pressure due to complex factors such as the domestic and international macro situation, economic and demand recovery. Although the overall sales volume has maintained a positive growth trend, the downward trend of new vehicle prices was obvious.

According to the data from CPCA, in the first half of 2023, the retail sales of new energy vehicles reached 3.086 million units, representing a year-on-year increase of 37.3%. Sales volume of new energy vehicles accounted for 32.4% of the total sales volume of new vehicles. Traditional self-owned brands of new energy vehicles, such as BYD, Geely, Great Wall, Chang'an and GAC, maintained rapid growth. Among them, BYD ranked first in new energy vehicle sales with a sales volume of 1.256 million units in half a year, while other self-owned brands of new energy vehicles such as Voyah, AITO and Zhiji achieved steady growth. Among the emerging vehicle brands, Tesla maintained the leading position, while NIO, Xiaopeng and Li Auto performed differently. Li Auto achieved sales of over 140,000 units in the first half of the year. In terms of traditional joint venture brands, the sales of BMW pure electric vehicles reached 45,000 units in the first half of the year, representing an increase of 283%.

According to the data from China Automobile Dealers Association, the transaction volume of pre-owned vehicles in China reached 8.769 million units in the first half of 2023, representing a year-on-year increase of 15.6%. Since 2022, pre-owned vehicles have ushered in a series of policy adjustments. The abolition of the "migration restrictions" policy has played a positive role in promoting the circulation of pre-owned vehicles. The tax reduction policy for pre-owned vehicles distribution helped enterprises achieve large-scale development of pre-owned vehicles sales, while the implementation of the temporary property registration system for pre-owned vehicles has returned pre-owned vehicles to their original commodity attributes. In the first half of 2023, although also affected by the increase in sales of new energy vehicles and the slow recovery of overall market demand, the overall pre-owned vehicles trading market maintained good growth.

According to the statistics of the Traffic Management Bureau of the Ministry of Public Security of the PRC (中國公安部交通管理局), as at the end of June 2023, the passenger vehicle ownership in China reached 328 million units, of which 16.20 million units are new energy vehicles, accounting for 4.9% of the total number of vehicles. With the rapid growth of the ownership of luxury vehicles and new energy vehicles, it is expected that luxury vehicles and new energy vehicles will become the most potential consumer groups in the post market in the future.

BUSINESS REVIEW

In the first half of 2023, our comprehensive revenue taking into account the revenue from agency services amounted to RMB35,684 million, representing an increase of 11.6% compared with the same period of 2022. In the first half of 2023, our comprehensive gross profit amounted to RMB3,423 million, representing a decrease of RMB253 million or 6.9% compared with the same period of 2022. Among them, the gross profit of new vehicles distribution decreased by RMB777 million or 85.5%, while other comprehensive gross profit excluding gross profit of new vehicles distribution increased by RMB524 million or 18.9%. Affected by the decrease in gross profit of new vehicles distribution, our net profit and net profit attributable to owners of the Company amounted to RMB425 million and RMB407 million respectively in the first half of 2023, representing a decrease of RMB271 million and RMB259 million or 38.9% and 38.9% respectively compared with the same period of 2022.

In the first half of 2023, we continued to implement strict control over the rhythm of our inventory purchases and sales and the amount of capital expended. As of June 30, 2023, our inventory balance amounted to RMB4,055 million, representing a decrease of 11.0% as of the end of 2022. We maintained a relatively healthy inventory turnover of 24.4 days. In the first half of 2023, our net cash from operating activities was RMB1,099 million, and our net gearing ratio as of June 30, 2023 was 11.3%.

Set forth below is a summary of our business development in the first half of 2023:

Gradual Stabilization of New Vehicle Sales Business

In the first half of 2023, the sales volume of new vehicles reached 85,759 units, representing a year-on-year increase of 11.7%. In the first half of 2023, the withdrawal of fuel vehicle purchase tax incentives, uncertainty in local policy expectations and slow recovery in consumer demand led to a slight sluggishness in terminal sales of vehicles. However, we leveraged on good brand gradient and existing customers to further increase the proportion of new vehicles purchase and replacement. In addition, we further improved the information allocation and circulation mechanism of the same brand and across brands in the same region through digital management tools, promoted continuous improvement of utilization and conversion rate of sales information, and achieved steady growth in the sales volume of new vehicles. Among them, the sales volume of new vehicles of Porsche was 5,220 units, representing a year-on-year increase of 6.4%, while the sales volume of new vehicles of BMW was 36,732 units, representing a year-on-year increase of 1.7%.

In the first half of 2023, our gross profit margin of new vehicle distribution was 0.49%, representing a year-on-year decrease of 3.09 percentage points. Although the decline in new vehicle prices led to the decrease in the gross margin of new vehicles in the first half of the year, we ensured the stability of comprehensive income from new vehicle sales by implementing the management measures of sales price approval of single vehicle + extended businesses (finance, decoration, service income) and improving the revenue from new vehicle sales extended business, etc. Starting from the second quarter of 2023, Porsche, BMW and other luxury brand OEMs reduced the wholesale and retail task indicators of each dealer, which has stabilized new vehicle prices to a certain extent. We actively utilized resource integration and business synergies between enterprises of the same brand to optimize the inventory structure of new vehicles and maximize the acquisition of brand commercial and political rebates, thereby ensuring the comprehensive profitability of new vehicles.

In the first half of 2023, the revenue of our finance agency business reached RMB610 million, representing a year-on-year increase of 39.4%; the penetration rate of financial services was 67.1%, representing a year-on-year increase of 2.1 percentage points. We further strengthened the management of financial business operation quality while ensuring the number of businesses, and continued to increase revenue of our finance agency business based on the financial policies of various brand manufacturers, differentiated product portfolios of financial institutions and the marketing strategy of increasing the number of financial product periods.

In the first half of 2023, the turnover days of our new vehicle were 24.4 days. Through internal digital management tools, we continuously improved the matching of inventories (including inventories in transit) and orders, and effectively enhanced the accuracy and balance between new vehicle working capital and sales volume and inventory turnover efficiency. Moreover, we strengthened the refined management of the procurement and sales ends by conducting limit management and assessment of inventory occupancy of funds, effectively shortened the delivery cycle, and continuously maintained an efficient inventory turnover level.

Maintained Stable Growth in After-sales Business

In the first half of 2023, our after-sales service business, including repair and maintenance services and extended automotive products and services, recorded a revenue of RMB5,204 million, representing an increase of 17.8% over the same period in 2022. Among them, the revenue from repair and maintenance services was RMB4,424 million, representing an increase of 26.1% over the same period of 2022. In the first half of 2023, the gross profit margin of our after-sales service was 43.07%.

In terms of user operation capabilities and efficiency improvement, we have completed the construction of a new user rights center and focused on establishing a more efficient online user maintenance channel to bring users a more convenient experience. In 2023, our online user base continued to expand, with over 1.50 million of registered users on the Yongda Auto APP by the end of June 2023, representing an increase of 93.0% compared with the end of 2022. In addition, with continuous increase in user penetration rate of sticky products, our user full-life-cycle management capabilities and effectiveness have been further strengthened. As of the end of June 2023, the number of our managed users reached 1.181 million, representing a year-on-year increase of 7.2%.

In terms of business enhancement in accident vehicle business insurance, we continuously improved the quality and scale of insurance business, and have developed and introduced new car-related insurance products: accident repair compensation insurance and mobility scooter insurance. Our premium scale in the first half of 2023 increased by 3.1% compared with the same period of 2022, which have increased our right to communicate with insurance companies so as to win policy support from insurance commissions, accident vehicle claims and other aspects. Moreover, we have effectively improved the efficiency, quality of accident information acquisition and the effectiveness of in-store conversion by leveraging on digital management tools and based on the full staff marketing of accident information and car-related insurance products. In the first half of 2023, the scale of our accident vehicle business increased by 31.4% compared with the same period of 2022.

In terms of inventory efficiency control, we regularly analyzed changes in the ex-warehouse frequency of various spare parts and supplies, adjusted procurement strategies in a timely manner, strictly controlled the procurement of spare parts and supplies not commonly used, allocated spare parts of deficiency from same brand enterprise in priority, enabling our turnover efficiency to continue to improve while ensuring timely supply.

In terms of after-sales skill improvement, on one hand, we have set up online repair skill training courses and exams so that technicians could study by utilizing spare time frequently; on the other hand, we have improved the efficiency of metal spray technicians by conducting skills training such as offline seamless repair and partial paint make-up. In addition, we also actively cooperated with colleges and universities to cultivate after-sales business talents on a targeted basis, ensuring the healthy structure of after-sales talent echelon.

Continuous Rapid and High-Quality Development of Pre-owned Vehicle Business

In the first half of 2023, we adopted the business strategy of "deepening inventory and expanding increment", achieved continuous rapid growth in our pre-owned vehicle business and efficient and stable inventory turnover, and further consolidated our business pattern of distribution, retailing and digitalization. In the first half of 2023, our pre-owned vehicles transaction volume was 41,084 units, representing a year-on-year increase of 30.6%, of which the distribution volume was 19,916 units, representing a year-on-year increase of 207.8%, and the revenue from distribution amounted to RMB2,452 million, representing a year-on-year increase of 74.3%; the gross profit from pre-owned vehicles amounted to RMB187 million, representing a year-on-year increase of 7.5%, of which the gross profit from distribution amounted to RMB160 million, representing a year-on-year increase of 23.4%. The Group's overall new-to-pre-owned ratio was 45.4%, representing an increase of 5.1 percentage points from 40.3% in the first half of 2022.

We continued to deepen the "2+1" new retail business model of pre-owned vehicles, and achieved the digital and omnichannel business layout with online and offline integration. We continued to strengthen the brand building of "Yongda Officially Certified Pre-owned Vehicles (永達官方認證二手車)", consolidated the policy of "quality assurance, 30 days return without reason" and eight service commitments, so as to create new product and service system. By rapidly increasing the proportion of pre-owned vehicle retail business, we promoted the growth of extended businesses including finance and insurance, and further improved the profitability and customer retention scale of pre-owned vehicles. Meanwhile, many of our 4S stores of Porsche, BMW, Audi, Volvo, Jaguar Land Rover and other brands were in a national leading position in the manufacturers' official annual certification evaluation.

We actively explored and captured incremental opportunities in the inventory market. On one hand, we cooperated with many new energy vehicle brands on bulk vehicle sources to help manufacturers realize vehicle disposal and stabilize residual values, as well as to bring stable and high-quality retail vehicle sources to our own pipeline; secondly, we accelerated the deployment of new energy pipeline for pre-owned vehicles, and started cooperation with a number of new energy manufacturers on new pipeline for pre-owned vehicle replacement and retailing. In response to the new pre-owned vehicles replacement scenario in the new energy pipeline, we newly launched an independent sub-brand for vehicle collection, implemented a centralized pricing and disposal model, and explored open, market-oriented and platform-based operations; and we actively promoted the export of pre-owned vehicles to realize a diversified sales strategy.

We continued to strengthen our core competence in pre-owned vehicles, improved our capabilities in assessment, testing, pricing and disposal, and implemented standardized business controls to ensure business compliance and maximize the benefits. We strictly controlled the turnover of our inventory, and formulated refined inventory management and strong close-out mechanism for retail and wholesale vehicles to ensure healthy inventory and smooth operation. We continued to strengthen our digital operation capabilities, actively built a marketing matrix that combines our official website, new media and vertical media, and strengthened the construction of our private domains to push forward our online transactions. We successfully hosted the "Yongda Pre-owned Vehicles Purchase Festival (永達二手車購車節)" activities.

Rapid Growth of New Energy Vehicle Business

In the first half of 2023, we carried out a pragmatic layout of our independent new energy brands. Among the existing brands, we adjusted and expanded our network of high-end independent new energy brands with core competitiveness and high brand awareness, and the total number of authorized outlets reached 38. In terms of outlet types, we began to gradually reduce the number of independent superstore showrooms and integrate the sales stores of independent new energy brands into the automobile shopping district, returning to the comprehensive service center model with full business closed loop to improve operational efficiency.

In terms of sales volume, in the first half of 2023, the sales volume of our new energy vehicles of all brands reached 16,240 units, representing a year-on-year increase of 116.5% and accounting for 18.0% of the total sales volume.

Among the sales of new energy vehicles of traditional luxury brands, in particular the BMW brand, in the first half of 2023, we completed the sales of 4,622 units, representing a year-on-year increase of 103.3%. It is worth mentioning that more than 30% of all BMW brand new energy sales were achieved through additional purchases and replacement by existing customers.

Our independent new energy brands also achieved further sales growth, with sales volume of 7,687 units in the first half of 2023, representing a year-on-year increase of 169.8%, of which 3,024 units were sold under the dealership model and 4,663 units under the direct sales model.

In the first half of 2023, the after-sales business of our independent new energy vehicle brand demonstrated rapid growth momentum. Maintenance revenue for the first half of 2023 amounted to RMB70.83 million, representing an increase of 81.2% compared to the last period, with an average vehicle yield of RMB2,478. The number of after-sales customers of independent new energy brands reached 19,688 at the end of June 2023, representing an increase of 94.1% as compared to the end of 2022.

In the first half of 2023, the total number of registered users of our new energy vehicle mini programs reached 61,600, of which 10,500 were owner-members. In the first half of 2023, through registered users fission, the number of users with information recorded was 25,200, initially formed the profit-making ability of private traffic.

In the first half of 2023, we have actively laid a foundation for the new energy-related power battery sector, and initially formed and planned out four business development directions: battery leasing, battery maintenance, battery recycling, and battery monitoring and protection, and deployed the entire battery ecosystem and lifecycle management by taking advantage of our strengths in automobile sales service channel.

High-quality Development of Outlets

In terms of outlet planning, we will continue to consolidate the market share of our existing key luxury brands while expanding the outlets of other key luxury brands. On the other hand, through our own pipelines and management advantages, we will actively plan for outlet cooperations with new energy brands. While expanding our outlets, we have also made efforts to improve the quality and efficiency of our outlets, and have accelerated the closure and transfer of outlets with poor operating quality. In the first half of 2023, we closed 6 outlets.

In the first half of 2023, we built and opened 6 outlets, including 3 luxury brands and 3 new energy brands. In addition, we acquired 2 new licenses for new energy brands.

As at the end of the first half of 2023, we operated a total of 260 outlets, and we have 9 outlets authorized to open. Based on the analysis of brand structure, luxury brands account for 63.1%, mid-to-high-end brands account for 17.7%, independent new energy brands account for 14.6%, and Yongda Pre-owned Vehicle Malls account for 4.6%.

Set out below are the details and changes of our opened outlets as of June 30, 2023:

	Outlets opened as of December 31, 2022	**Outlets opened as of June 30, 2023**	**Changes of outlet**
4S dealerships of luxury and ultra-luxury brands	136	136	0
City showrooms of luxury brands	24	25	+1
Authorized maintenance centers of luxury brands	3	3	0
Sub-total of luxury and ultra-luxury brands outlets	**163**	**164**	**+1**
4S dealerships of mid-to-high-end brands	43	40	-3
City showrooms of mid-to-high-end brands	6	6	0
Sub-total of mid-to-high-end brands outlets	**49**	**46**	**-3**
4S dealerships of independent new energy brands	30	32	+2
Authorized maintenance centers of independent new energy brands	6	6	0
Sub-total of independent new energy brands outlets	**36**	**38**	**+2**
Outlets of Yongda Pre-owned Vehicle Malls	12	12	0
Total outlets	**260**	**260**	**0**

Continuous Improvement in Management

In the first half of 2023, the recovery of the domestic economy and consumer demand was much lower than expected, and the oversupply in the overall market has brought about more serious competitions. We expect that it will take some more time for the industry and the sector to adjust and recover. In order to better cope with the market and business situation during this special period of time in the near future, in the short term, we will make rapid adjustments to cope with the situation, while at the same time taking into account the need for transformation and upgrading in the medium to long term, we will focus on the following management enhancements in our operations in 2023.

Continuously optimize the traditional vehicle brands and outlets to enhance the efficiency of core assets

Affected by the overall economic environment, passenger vehicles market in China is expected to enter an inventory market period with low growth rate in the coming future, and it is expected that the differentiation and elimination in both branded OEMs and distribution enterprises will accelerate. In terms of brands, we will continue to focus on the development of core luxury brands with better potential, such as BMW and Porsche, based on the brand power, products and technology, domestic management system and the progress of new energy development, while accelerating the closure and transformation of smaller and less profitable outlets; in terms of regions, we will continue to focus on the optimization of the first-tier and second-tier cities as well as provincial capitals as the core regions for future development.

Continuously monitor the development trend of new energy brands and build up core operational capabilities

It is expected that new energy vehicle brands will still face significant changes and challenges in the next two to three years. We will pay close attention to the development trend of the leading new energy vehicle brands and prioritize the development of brands with a certain brand foundation, core technologies and supply chain integration capabilities, including Xiaopeng, Geely's smart, Lotus, and Huawei's AITO. We will continue to pay attention to the development opportunities of the three leading unlicensed brands, namely, Tesla, NIO and Li Auto. We will also focus on the closure and transition of some brands with uncertain development prospects and make timely adjustments to them. Our outlets will gradually return to centralized operation from the early stage of supermarket, delivery and service segregation, in order to improve operation efficiency.

Further deepen the cost reduction and efficiency enhancement work through sharing to continuously improve the operational efficiency

We further optimized and adjusted the position division and responsibilities within the enterprise, further coordinated and integrated part of positions among the enterprise, and gradually implemented the shared operation and management in users, business, human resources and finance so as to further improve the overall operation efficiency and cost reduction through the optimization of organizational structure. In terms of operation, we continued to conducted management in new vehicle procurement, inventory, sales and working capital, strengthened the integration and coordination of resources within the brands, making sure that the inventory turnover efficiency was maintained at a high level. Besides, we ensured that the Group was under safe operation, that current assets could cover liabilities and that net assets could cover long-term assets; and enabled the gearing ratio to run at a lower level.

We are user-centric and have actively promoted data-driven digital transformation

We continued to promote user-centric digitalization with the goal of realizing the transformation from traditional dealers to new digital retail service providers in the future. We continuously optimized and improved the completed digital business and financial system as the back office, and further improved the management efficiency by combining financial sharing strategies. We sped up the construction of the business middle office system on basis of business sharing strategies, together with the promoting brand new digital marketing system, and we proposed to further improve the highly efficient operation management of our full-domain users through the business middle office. Meanwhile, we continuously improved the relevant functions based on the online Yongda Automobile Service Platform (APP), and expected to realize the integrated digital operation system of front, middle and back offices by the end of 2023.

Continue to strengthen talent training and reserve, and constantly optimize the performance appraisal system

In recent years, we have closely focused on three major business growth directions of luxury vehicles, new energy and pre-owned vehicles, adhered to the promotion of digital transformation, and constantly paid attention to the new business opportunities in the industry. Therefore, in terms of internal talent training, we also closely focused on the overall industry and strategic development direction. In addition, in response to recent changes in the market and the overall industry, we also further strengthened the appraisal and evaluation of the core operation and management team, and strengthened the survival of the fittest so as to further improve the efficiency of enterprise operation.

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2023, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	NOTES	**Six months ended June 30, 2023** *RMB'000* **(Unaudited)**	2022 *RMB'000* (Unaudited and restated)
Revenue			
Goods and services	*3A*	**34,620,315**	31,172,940
Rental		**241,603**	218,682
Total revenue	*3B*	**34,861,918**	31,391,622
Cost of sales and services		**(32,261,746)**	(28,310,909)
Gross profit		**2,600,172**	3,080,713
Other income and other gains and losses	*4*	**941,326**	616,669
Distribution and selling expenses		**(1,852,775)**	(1,659,700)
Administrative expenses		**(1,020,952)**	(968,363)
Profit from operations		**667,771**	1,069,319
Share of profits (losses) of joint ventures		**524**	(943)
Share of profits of associates		**52,235**	44,634
Finance costs		**(168,526)**	(168,517)
Profit before tax	*5*	**552,004**	944,493
Income tax expense	*6*	**(127,180)**	(249,104)
Profit for the period		**424,824**	695,389
Profit for the period attributable to:			
Owners of the Company		**406,544**	665,752
Non-controlling interests		**18,280**	29,637
		424,824	695,389
Earning per share – basic		**RMB0.21**	RMB0.34
Earning per share – diluted		**RMB0.21**	RMB0.34

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2023

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Profit for the period	**424,824**	695,389
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss:		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**184**	(130)
Total comprehensive income for the period	**425,008**	695,259
Total comprehensive income for the period attributable to:		
Owners of the Company	**406,728**	665,622
Non-controlling interests	**18,280**	29,637
	425,008	695,259

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2023

	NOTES	**June 30, 2023** *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited and restated)
Non-current assets			
Property, plant and equipment		**6,082,166**	6,059,015
Right-of-use assets		**2,987,046**	2,995,670
Goodwill		**1,672,160**	1,672,160
Other intangible assets		**2,825,086**	2,817,249
Deposits paid for acquisition of property, plant and equipment		**65,384**	94,196
Deposits paid for acquisition of right-of-use assets		**18,058**	144,728
Equity instruments at FVTOCI		**8,219**	8,035
Financial assets at fair value through profit or loss ("**FVTPL**")		**288,596**	312,142
Interests in joint ventures		**49,948**	51,951
Interests in associates		**857,103**	750,178
Deferred tax assets		**379,484**	319,346
Other assets	*11*	**66,195**	68,195
Time deposits		**–**	2,500
		15,299,445	15,295,365
Current assets			
Inventories	*10*	**4,054,546**	4,555,391
Trade and other receivables	*11*	**6,879,763**	8,017,640
Financial assets at FVTPL		**5,137**	255,011
Amounts due from related parties		**145,642**	69,809
Cash in transit		**54,600**	68,816
Time deposits		**7,500**	5,000
Restricted bank balances		**1,725,970**	2,008,024
Bank balances and cash		**1,811,575**	2,185,797
Derivative financial assets		**–**	3,878
		14,684,733	17,169,366

	NOTES	June 30, 2023 RMB'000 (Unaudited)	December 31, 2022 RMB'000 (Audited and restated)
Current liabilities			
Trade and other payables	*12*	**6,825,087**	8,390,619
Amounts due to related parties		**102,231**	87,396
Tax liabilities		**1,075,211**	1,205,786
Borrowings		**2,072,475**	2,287,511
Contract liabilities		**1,612,894**	1,723,948
Lease liabilities		**335,343**	274,157
Medium-term note	*13*	**–**	369,763
		12,023,241	14,339,180
Net current assets		**2,661,492**	2,830,186
Total assets less current liabilities		**17,960,937**	18,125,551
Non-current liabilities			
Borrowings		**1,387,801**	1,079,905
Lease liabilities		**1,311,541**	1,508,717
Deferred tax liabilities		**799,070**	814,333
		3,498,412	3,402,955
Net assets		**14,462,525**	14,722,596
Capital and reserves			
Share capital		**16,047**	16,233
Treasury shares		**(20,150)**	(46,659)
Reserves		**14,003,540**	14,246,492
Equity attributable to owners of the Company		**13,999,437**	14,216,066
Non-controlling interests		**463,088**	506,530
Total equity		**14,462,525**	14,722,596

1. GENERAL INFORMATION

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**") and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2023 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2022.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual periods beginning on January 1, 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	*Insurance Contracts*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS12	*International Tax Reform-Pillar Two model Rules*

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

2.1 Impacts and changes in accounting policies on application of Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The effects of the changes in accounting policy as a result of application of amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* on the condensed consolidated statement of profit or loss and other comprehensive income and earnings per share, are as follows:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impact on profit for the period		
Increase in income tax expense	**15,193**	7,913
Net decrease in profit for the period	**15,193**	7,913
Impact on total comprehensive income for the period		
Net decrease in total comprehensive income for the period	**15,193**	7,913
Decrease in profit for the period attributable to:		
– Owners of the Company	**14,542**	7,505
– Non-controlling interests	**651**	408
	15,193	7,913
Decrease in total comprehensive income for the period attributable to:		
– Owners of the Company	**14,542**	7,505
– Non-controlling interests	**651**	408
	15,193	7,913

	For the six months ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Impact on basic earnings per share		
Basic earnings per share before adjustments	**RMB0.21**	RMB0.34
Net adjustments arising from change in accounting policy in relation to:		
– Deferred tax impact on leasing transactions	**–**	–
Reported basic earnings per share	**RMB0.21**	RMB0.34
Impact on diluted earnings per share		
Diluted earnings per share before adjustments	**RMB0.21**	RMB0.34
Net adjustments arising from change in accounting policy in relation to:		
– Deferred tax impact on leasing transactions	**–**	–
Reported diluted earnings per share	**RMB0.21**	RMB0.34

The effects of the changes in accounting policy as a result of application of amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* on the condensed consolidated statement of financial position as at the end of the immediately preceding financial year, December 31, 2022, is as follows:

	December 31, 2022 (Originally stated) *RMB'000*	**Adjustment** *RMB'000*	**December 31, 2022 (Restated)** *RMB'000*
Deferred tax assets	255,875	63,471	319,346
Deferred tax liabilities	808,583	5,750	814,333
Total effects on net assets	(552,708)	57,721	(494,987)

	December 31, 2022 (Originally stated) *RMB'000*	**Adjustment** *RMB'000*	**December 31, 2022 (Restated)** *RMB'000*
Non-controlling interests	504,109	2,421	506,530
Reserves	14,191,192	55,300	14,246,492
Total effects on net assets	14,695,301	57,721	14,753,022

The effect of the changes in accounting policy as a result of application of amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* on the condensed consolidated statement of financial position as at the beginning of the comparative period, January 1, 2022, is as follows:

	January 1, 2022 (Originally stated) *RMB'000*	**Adjustment** *RMB'000*	**January 1, 2022 (Restated)** *RMB'000*
Deferred tax assets	186,868	77,297	264,165
Deferred tax liabilities	776,066	5,295	781,361
Total effects on net assets	(589,198)	72,002	(517,196)

	January 1, 2022 (Originally stated) *RMB'000*	**Adjustment** *RMB'000*	**January 1, 2022 (Restated)** *RMB'000*
Non-controlling interests	580,399	3,087	583,486
Reserves	13,701,157	68,915	13,770,072
Total effects on net assets	14,281,556	72,002	14,353,558

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of new vehicles:		
– Luxury and ultra-luxury brands *(note a)*	**23,637,843**	22,459,089
– Mid-to high-end brands *(note b)*	**2,798,557**	2,650,120
– Independent new energy brands *(note c)*	**529,349**	239,192
Sale of pre-owned vehicles distribution *(note d)*	**2,451,947**	1,406,530
	29,417,696	26,754,931
Services		
– After-sales services	**5,202,619**	4,418,009
	34,620,315	31,172,940
Geographical markets		
Mainland China	**34,620,315**	31,172,940
Timing of revenue recognition		
A point in time	**29,417,696**	26,754,931
Over time	**5,202,619**	4,418,009
	34,620,315	31,172,940

Notes:

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

b. Mid-to high-end brands include Buick, Chevrolet, Volkswagen, Ford, Skoda, Toyota, Honda, Roewe, Lynk and others.

c. Independent new energy brands include BYD, AITO, Great Wall Auto, IM, NETA and Others.

d. The revenue on sale of pre-owned automobile business under the distribution model was recognized on a gross basis.

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

	For the six months ended June 30, 2023		For the six months ended June 30, 2022	
	Sale of passenger vehicles ***RMB'000*** **(Unaudited)**	**After-sales services** ***RMB'000*** **(Unaudited)**	Sale of passenger vehicles *RMB'000* (Unaudited)	After-sales services *RMB'000* (Unaudited)
Revenue disclosed in segment information				
External customers	**29,417,696**	**5,202,619**	26,754,931	4,418,009
Inter-segment	**77,457**	**1,756**	50,460	1,073
Total	**29,495,153**	**5,204,375**	26,805,391	4,419,082
Eliminations	**(77,457)**	**(1,756)**	(50,460)	(1,073)
Revenue from contracts with customers	**29,417,696**	**5,202,619**	26,754,931	4,418,009

3B. OPERATING SEGMENTS

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

For the six months ended June 30, 2023

	Passenger vehicle sales and services *RMB'000* **(Unaudited)**	**Automobile operating lease services** *RMB'000* **(Unaudited)**	**Eliminations** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
External revenue	**34,620,315**	**241,603**	**–**	**34,861,918**
Inter-segment revenue	**79,213**	**5,519**	**(84,732)**	**–**
Segment revenue *(note a)*	**34,699,528**	**247,122**	**(84,732)**	**34,861,918**
Segment cost *(note b)*	**(32,166,875)**	**(174,084)**	**79,213**	**(32,261,746)**
Segment gross profit	**2,532,653**	**73,038**	**(5,519)**	**2,600,172**
Service income	**822,464**	**–**	**–**	**822,464**
Segment results	**3,355,117**	**73,038**	**(5,519)**	**3,422,636**
Other income and other gains and losses *(note c)*				**118,862**
Distribution and selling expenses				**(1,852,775)**
Administrative expenses				**(1,020,952)**
Finance costs				**(168,526)**
Share of profits of joint ventures				**524**
Share of profits of associates				**52,235**
Profit before tax				**552,004**

For the six months ended June 30, 2022

	Passenger vehicle sales and services *RMB'000* (Unaudited)	Automobile operating lease services *RMB'000* (Unaudited)	Eliminations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
External revenue	31,172,940	218,682	–	31,391,622
Inter-segment revenue	51,533	7,852	(59,385)	–
Segment revenue *(note a)*	31,224,473	226,534	(59,385)	31,391,622
Segment cost *(note b)*	(28,190,790)	(170,579)	50,460	(28,310,909)
Segment gross profit	3,033,683	55,955	(8,925)	3,080,713
Service income	594,545	–	–	594,545
Segment results	3,628,228	55,955	(8,925)	3,675,258
Other income and other gains and losses *(note c)*				22,124
Distribution and selling expenses				(1,659,700)
Administrative expenses				(968,363)
Finance costs				(168,517)
Share of losses of joint ventures				(943)
Share of profits of associates				44,634
Profit before tax				944,493

Notes:

a. The segment revenue of passenger vehicles sales and services for the six months ended June 30, 2023 was approximately RMB34,699,528,000 (for the six months ended June 30, 2022: RMB31,224,473,000) which included the sales revenue of passenger vehicles amounting to approximately RMB29,495,153,000 (for the six months ended June 30, 2022: RMB26,805,391,000) and the after-sales services revenue amounting to approximately RMB5,204,375,000 (for the six months ended June 30, 2022: RMB4,419,082,000).

b. The segment cost of passenger vehicles sales and services for the six months ended June 30, 2023 was approximately RMB32,166,875,000 (for the six months ended June 30, 2022: RMB28,190,790,000) which included the cost of sales of passenger vehicles amounting to approximately RMB29,204,181,000 (for the six months ended June 30, 2022: RMB25,767,941,000) and the cost of after-sales services amounting to approximately RMB2,962,694,000 (for the six months ended June 30, 2022: RMB2,422,849,000).

c. The amount excludes the service income generated from the passenger vehicle sales and services segment, which is included in the segment result above.

The accounting policies of the operating segments are the same as those of the Group. Segment result represents the profit before tax earned by each segment without allocation of other income and other gains and losses other than service income *(Note 4)*, distribution and selling expenses, administrative expenses, finance costs, share of (losses) profits of joint ventures and share of profits of associates. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment. No analysis of segment assets and liabilities is presented as they are not regularly reviewed by the executive directors of the Company.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income comprises:		
Service income *(note a)*	**822,464**	594,545
Government grants *(note b)*	**13,068**	11,836
Interest income on bank deposits	**18,066**	22,890
	853,598	629,271
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment	**(10,729)**	(5,716)
Loss on fair value change of financial assets at FVTPL	**(192)**	(1,276)
Net foreign exchange gain (loss)	**7,536**	(53,303)
Net (loss) gain on changes in fair value of derivative financial instruments	**(3,878)**	53,500
Gain on disposal of a subsidiary	**95,877**	–
Others	**(886)**	(5,807)
	87,728	(12,602)
Total	**941,326**	616,669

Notes:

a. Service income was primarily related to agency income derived from distribution of automobile insurance products, automobile financial products and suppliers' vehicles in the PRC. It is recognized when the agency services have been completed, which is the point of time being when the services are accepted by customers. The normal credit term is 30 to 60 days upon invoiced. The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied in respect of service income as the related contracts have an original expected duration of less than one year.

b. Government grants represent unconditional grants received from local finance bureaus in compensation for expenses incurred by the Group.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	**1,022,752**	834,811
Retirement benefits scheme contributions	**97,729**	78,487
Share-based payment expenses	**26,991**	21,934
Total staff costs	**1,147,472**	935,232
Depreciation of property, plant and equipment	**407,505**	373,420
Depreciation of right-of-use assets	**186,154**	179,918
Amortization of other intangible assets	**51,675**	50,166

6. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**196,614**	297,156
Under (over) provision of PRC EIT in prior years	**5,967**	(8,874)
	202,581	288,282
Deferred tax		
Current period credit	**(75,401)**	(39,178)
	127,180	249,104

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

Grouprich International Investment Holdings Limited and Hongda Automobiles Co., Ltd, both subsidiaries of the Company, are incorporated in Hong Kong and had no assessable profits subject to Hong Kong Profits Tax during the six months ended June 30, 2023 and 2022.

Under the Law of the PRC on EIT and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%. The income tax rate of 25% is applicable to all of the Company's PRC subsidiaries, except for some small profit-making PRC subsidiaries which are entitled to a preferential tax rate of 5% with the expiry date on December 31, 2024.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 1, 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to RMB8,886,579,000 (2022: RMB9,375,396,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

7. DIVIDENDS

During the current interim period, a final dividend of RMB0.292 per share in respect of the year ended December 31, 2022 (2021: RMB0.479 per share) was declared and paid to the owners of the Company in Hong Kong dollars (the "**HK$**"). The aggregate amount of the 2022 final dividend declared and paid in the interim period amounted to approximately RMB575,981,000 (for the six months ended June 30, 2022: RMB948,826,000).

The board of directors of the Company has determined that a dividend of RMB0.105 per share will be paid in respect of the interim period for the six months ended June 30, 2023 (for the six months ended June 30, 2022: nil).

8. EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Earnings figures are calculated as follow:		
Profit for the period attributable to owners of the Company	**406,544**	665,752

	For the six months ended June 30,	
	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,948,591**	1,967,888
Effect of dilutive potential ordinary shares:		
Restricted shares	**475**	–
Share options	**–**	1,071
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,949,066**	1,968,959

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment

During the current interim period, the Group acquired property, plant and equipment of approximately RMB883,162,000 (for the six months ended June 30, 2022: RMB587,215,000).

During the current interim period, the Group disposed of property, plant and equipment with a carrying amount of approximately RMB319,367,000 (for the six months ended June 30, 2022: RMB283,819,000) for cash proceeds of approximately RMB308,638,000 (for the six months ended June 30, 2022: RMB278,103,000), resulting in a loss on disposal of approximately RMB10,729,000 (for the six months ended June 30, 2022: loss RMB5,716,000).

Right-of-use assets

	June 30, 2023 *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
Leased properties	**1,781,676**	1,746,323
Leasehold land	**1,205,370**	1,249,347
	2,987,046	2,995,670

During the current interim period, the Group entered into some new lease agreements for the use of operation ranging from 2 years to 20 years (for six months ended June 30, 2022: 2 years to 19 years).

10. INVENTORIES

	June 30, 2023 *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
Motor vehicles	**3,519,656**	4,007,158
Spare parts and accessories	**534,890**	548,233
	4,054,546	4,555,391

11. TRADE AND OTHER RECEIVABLES/OTHER ASSETS

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

a. In general, deposits and advances are required and no credit period is allowed for sales of automobiles, while after-sales services are typically settled on a cash basis upon completion of the relevant services. However, for certain corporate customers for passenger vehicles sales and after-sales services, a credit period not exceeding 60 days is granted; and

b. For automobile operating lease services, the Group typically allows a credit period of 30 to 90 days to its customers.

	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
Trade receivables	**948,173**	976,182
Bills receivables	**2,416**	–
	950,589	976,182
Prepayments and other receivables comprise:		
Prepayments to suppliers	**2,173,677**	3,101,871
Deposits to suppliers	**280,462**	476,606
Deposits to entities controlled by suppliers for borrowings	**104,654**	128,177
Prepayments and rental deposits on properties	**199,139**	171,571
Rebate receivables from suppliers	**2,363,454**	2,443,162
Finance and insurance commission receivables	**375,233**	258,908
Staff advances	**8,514**	3,531
Value-added tax recoverable	**193,670**	203,964
Advances to non-controlling interests *(note)*	**37,000**	36,510
Advances to independent third parties *(note)*	**7,520**	2,090
Consideration receivables from disposal of a subsidiary	**27,000**	–
Others	**158,851**	215,068
	5,929,174	7,041,458
	6,879,763	8,017,640
Non-current		
Other assets		
Receivables from disposal of land use right	**66,195**	68,195

Note: The non trade-related balances are unsecured, interest-free and repayable on demand for the period ended June 30, 2023.

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

	June 30, 2023 *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
0 to 90 days	**950,589**	976,182

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

12. TRADE AND OTHER PAYABLES

	June 30, 2023 *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
Current		
Trade payables	**1,023,225**	926,892
Bills payables	**5,026,138**	6,537,661
	6,049,363	7,464,553
Other payables		
Other tax payables	**151,330**	152,664
Payable for acquisition of property, plant and equipment	**142,960**	79,707
Salary and welfare payables	**98,317**	249,077
Accrued interest	**3,294**	25,860
Accrued audit fee	**2,200**	5,320
Consideration payables for acquisition of subsidiaries	**2,430**	6,783
Advance from non-controlling interests *(note)*	**34,311**	39,211
Dividend payable to non-controlling interests	**–**	448
Other accrued expenses	**111,257**	93,873
Others	**229,625**	273,123
	775,724	926,066
	6,825,087	8,390,619

Note: The non trade-related balances are unsecured, interest-free and repayable on demand for the period ended June 30, 2023.

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

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

	June 30, 2023 *RMB'000* **(Unaudited)**	December 31, 2022 *RMB'000* (Audited)
0 to 90 days	**5,963,979**	7,399,105
91 to 180 days	**85,384**	65,448
	6,049,363	7,464,553

13. MEDIUM-TERM NOTE

On May 24, 2018, Shanghai Yongda Investment Holding Group Co., Ltd. ("**Shanghai Yongda Investment**"), an indirect wholly-owned subsidiary of the Company, received a notice of acceptance of registration issued from National Association of Financial Market Institutional Investors to issue a medium-term note with an aggregate registered amount of RMB1,200 million. According to the notice, the registered amount shall be effective for two years commencing from the date of issuance.

On March 17, 2020, Shanghai Yongda Investment issued a medium-term note, with an aggregate registered amount of RMB370 million, which is repayable within three years from the date of issuance.

The medium-term note is unsecured and carries interest at a rate of 4.8% per annum. The interest is payable annually. The medium-term note was issued to domestic institutional investors in the PRC which are independent third parties. The net proceeds from the issue of the medium-term notes are intended to be used for repayment of bank loans.

Movement of the medium-term note during the six months ended June 30, 2023 was as follows:

	Amount *RMB'000*
At January 1, 2023 (audited)	369,763
Add: interest expense – amortization of transaction costs	237
Less: repayment of medium-term note	(370,000)
At June 30, 2023 (unaudited)	–

FINANCIAL REVIEW

Revenue was RMB34,861.9 million for the six months ended June 30, 2023, representing a 11.1% increase from RMB31,391.6 million for the six months ended June 30, 2022. The table below sets forth a breakdown of our revenue and relevant information of various business segments for the periods indicated:

	First half of 2023			First half of 2022		
	Amount *(RMB'000)*	**Sales Volume** *(Units)*	**Average Selling Price** *(RMB'000)*	Amount *(RMB'000)*	Sales Volume *(Units)*	Average Selling Price *(RMB'000)*
New vehicle distribution						
Luxury and ultra-luxury brands	**23,671,537**	**62,233**	**380**	22,476,921	57,835	389
Mid-to-high-end brands	**2,842,320**	**20,502**	**139**	2,682,748	17,284	155
Independent new energy brands	**529,349**	**3,024**	**175**	239,192	1,633	146
Subtotal	**27,043,206**	**85,759**	**315**	25,398,861	76,752	331
Pre-owned vehicles distribution	**2,451,947**	**19,916**	**123**	1,406,530	6,471	217
After-sales services	**5,204,375**			4,419,082		
Automobile rental services	**247,122**			226,534		
Less: inter-segment eliminations	**(84,732)**			(59,385)		
Total	**34,861,918**			31,391,622		

The distribution sales volume of new vehicles of the passenger vehicle sales and services segment was 85,759 units for the six months ended June 30, 2023, a 11.7% increase from 76,752 units for the six months ended June 30, 2022.

Among them, the distribution sales volume of luxury and ultra-luxury brand new vehicles was 62,233 units for the six months ended June 30, 2023, a 7.6% increase from 57,835 units for the six months ended June 30, 2022.

Revenue from the distribution sales of new vehicles of the passenger vehicle sales and services segment was RMB27,043.2 million for the six months ended June 30, 2023, a 6.5% increase from RMB25,398.9 million for the six months ended June 30, 2022.

Among them, revenue from the distribution sales of luxury and ultra-luxury brand new vehicles was RMB23,671.5 million for the six months ended June 30, 2023, a 5.3% increase from RMB22,476.9 million for the six months ended June 30, 2022.

The distribution volume of pre-owned vehicles was 19,916 units for the six months ended June 30, 2023, a 207.8% increase from 6,471 units for the six months ended June 30, 2022.

Revenue from distribution of pre-owned vehicles was RMB2,451.9 million for the six months ended June 30, 2023, a 74.3% increase from RMB1,406.5 million for the six months ended June 30, 2022.

Revenue of after-sales services from the passenger vehicle sales and services segment was RMB5,204.4 million for the six months ended June 30, 2023, a 17.8% increase from RMB4,419.1 million for the six months ended June 30, 2022.

Revenue from the automobile rental services segment was RMB247.1 million for the six months ended June 30, 2023, a 9.1% increase from RMB226.5 million for the six months ended June 30, 2022.

Cost of Sales and Services

Cost of sales and services was RMB32,261.7 million for the six months ended June 30, 2023, a 14.0% increase from RMB28,310.9 million for the six months ended June 30, 2022.

Cost of sales for distribution of new vehicles of the passenger vehicle sales and services segment was RMB26,911.9 million for the six months ended June 30, 2023, a 9.9% increase from RMB24,490.8 million for the six months ended June 30, 2022.

The distribution costs of pre-owned vehicles were RMB2,292.3 million for the six months ended June 30, 2023, a 79.5% increase from RMB1,277.1 million for the six months ended June 30, 2022.

Cost of after-sales services for the passenger vehicle sales and services segment was RMB2,962.7 million for the six months ended June 30, 2023, a 22.3% increase from RMB2,422.8 million for the six months ended June 30, 2022.

Cost of services for the automobile rental services segment was RMB174.1 million for the six months ended June 30, 2023, a 2.1% increase from RMB170.6 million for the six months ended June 30, 2022.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit was RMB2,600.2 million for the six months ended June 30, 2023, a 15.6% decrease from RMB3,080.7 million for the six months ended June 30, 2022.

Gross profit margin was 7.46% for the six months ended June 30, 2023, a decrease of 2.35 percentage points from the gross profit margin of 9.81% for the six months ended June 30, 2022. The decrease in gross margin was mainly due to the decline in gross profit margin on new vehicles as a result of the decline in new vehicle prices.

Gross profit from the distribution of new vehicles of the passenger vehicle sales and services segment was RMB131.3 million for the six months ended June 30, 2023, a 85.5% decrease from RMB908.1 million for the six months ended June 30, 2022.

Gross profit margin for the distribution of new vehicles decreased to 0.49% for the six months ended June 30, 2023 from 3.58% for the six months ended June 30, 2022.

The gross profit from distribution of pre-owned vehicles was RMB159.7 million for the six months ended June 30, 2023, a 23.4% increase from RMB129.4 million for the six months ended June 30, 2022.

The gross profit margin from distribution of pre-owned vehicles was 6.51% for the six months ended June 30, 2023, a decrease of 2.69 percentage points from the gross profit margin of 9.20% for the six months ended June 30, 2022.

Gross profit for after-sales services from the passenger vehicle sales and services segment was RMB2,241.7 million for the six months ended June 30, 2023, a 12.3% increase from RMB1,996.2 million for the six months ended June 30, 2022.

Gross profit margin for after-sales services was 43.07% for the six months ended June 30, 2023, a decrease of 2.1 percentage points from 45.17% for the six months ended June 30, 2022.

Gross profit from the automobile rental services segment was RMB73.0 million for the six months ended June 30, 2023, a 30.5% increase from RMB56.0 million for the six months ended June 30, 2022.

Gross profit margin for the automobile rental services segment was 29.56% for the six months ended June 30, 2023, an increase of 4.86 percentage points from 24.70% for the six months ended June 30, 2022.

Other Income and Other Gains and Losses

Other income and other gains and losses were net gains of RMB941.3 million for the six months ended June 30, 2023, a 52.6% increase from net gains of RMB616.7 million for the six months ended June 30, 2022.

Among those, revenue from the finance and insurance related post-market agency services business of the passenger vehicle sales and services segment was RMB758.2 million for the six months ended June 30, 2023, a 31.9% increase from RMB574.7 million for the six months ended June 30, 2022.

The sales volume of direct agency sales of independent new energy brand vehicles was 4,663 units for the six months ended June 30, 2023, a 283.5% increase from 1,216 units for the six months ended June 30, 2022.

Revenue from direct agency sales service of independent new energy brand vehicles was RMB64.3 million for the six months ended June 30, 2023, a 224.7% increase from RMB19.8 million for the six months ended June 30, 2022.

Distribution and Selling Expenses and Administrative Expenses

Distribution and selling expenses and administrative expenses were RMB2,873.7 million for the six months ended June 30, 2023, a 9.3% increase from RMB2,628.1 million for the six months ended June 30, 2022. The percentage of the distribution and selling expenses and administrative expenses to revenue for the six months ended June 30, 2023 was 8.24%, a decrease of 0.13 percentage point from 8.37% for the six months ended June 30, 2022.

Operating Profit

As a result of the foregoing, operating profit was RMB667.8 million for the six months ended June 30, 2023, a 37.6% decrease from RMB1,069.3 million for the six months ended June 30, 2022.

Finance Costs

Finance costs were RMB168.5 million for the six months ended June 30, 2023, which was the same as RMB168.5 million for the six months ended June 30, 2022.

The percentage of the finance costs to revenue for the six months ended June 30, 2023 decreased to 0.48% from 0.54% for the six months ended June 30, 2022.

Profit before Tax

As a result of the foregoing, profit before tax was RMB552.0 million for the six months ended June 30, 2023, a 41.6% decrease from RMB944.5 million for the six months ended June 30, 2022.

Income Tax Expense

Income tax expense was RMB127.2 million for the six months ended June 30, 2023, a 48.9% decrease from RMB249.1 million (restated) for the six months ended June 30, 2022. Our effective income tax rate was 23.0% for the six months ended June 30, 2023, a decrease of 3.4 percentage points from 26.4% for the six months ended June 30, 2022.

Profit

As a result of the foregoing, the profit was RMB424.8 million for the six months ended June 30, 2023, a 38.9% decrease from RMB695.4 million (restated) for the six months ended June 30, 2022.

Profit Attributable to the Owners of the Company

As a result of the foregoing, the profit attributable to the owners of the Company was RMB406.5 million for the six months ended June 30, 2023, a 38.9% decrease from RMB665.8 million (restated) for the six months ended June 30, 2022.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

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

For the six months ended June 30, 2023, our net cash from operating activities was RMB1,099.4 million. For the six months ended June 30, 2022, our net cash from operating activities was RMB3,152.4 million.

For the six months ended June 30, 2023, our net cash used in investing activities was RMB130.6 million, mainly including RMB857.2 million used for the purchase of fixed assets, right-of-use assets and intangible assets which was partially offset by the proceeds of RMB316.3 million from the disposal of property, plant and equipment, the proceeds of RMB222.5 million from the disposal of financial assets at fair value through profit or loss and the proceeds of RMB112.4 million from the disposal of subsidiaries. For the six months ended June 30, 2022, our net cash used in investing activities was RMB599.8 million.

For the six months ended June 30, 2023, our net cash used in financing activities was RMB1,343.0 million, which mainly included the net repayment of interest-bearing liabilities of RMB273.3 million, the payment of dividend of RMB576.0 million, the payment of interest of RMB190.9 million, repayment of leasing liabilities of RMB193.9 million and repurchase of Shares of RMB72.8 million. For the six months ended June 30, 2022, our net cash used in financing activities was RMB1,218.1 million.

Inventories

Our inventories mainly include new vehicles, pre-owned vehicles, spare parts and accessories.

Our balance of inventories was RMB4,054.5 million as of June 30, 2023, a 11.0% decrease from RMB4,555.4 million as of December 31, 2022. The following table sets forth our average inventory turnover days for the periods indicated:

	For the six months ended June 30,	
	2023	2022
Average inventory turnover days	**24.4**	23.7

Capital Expenditures and Investment

Our capital expenditures primarily included expenditures on purchase of property, plant and equipment, right-of-use assets and intangible assets, which was partially offset by the proceeds from the disposal of property, plant and equipment. For the six months ended June 30, 2023, our total capital expenditures were RMB540.9 million. The following table sets forth a breakdown of our capital expenditures for the period indicated:

	For the six months ended June 30, 2023 *(in RMB millions)*
Expenditures on purchase of property, plant and equipment – mainly test-drive automobiles and vehicles for operating lease purposes	**537.6**
Expenditures on purchase of property, plant and equipment and right-of-use assets – primarily used for establishing and upgrading automobile sales and service outlets	**253.5**
Expenditures on purchase of intangible assets (vehicle license plates and software)	**66.1**
Proceeds from the disposal of property, plant and equipment (mainly test-drive automobiles and vehicles for operating lease purposes)	**(316.3)**
Total	**540.9**

Borrowings and Bonds

We obtained borrowings (consisting of bank loans and other borrowings from designated automobile finance companies of automobile manufacturers) and issued bonds to fund our working capital and network expansion. As of June 30, 2023, the outstanding amount of our borrowings and bonds amounted to RMB3,460.3 million, a decrease of 7.4% from RMB3,737.2 million as of December 31, 2022. The following table sets forth the maturity profile of our borrowings and bonds as of June 30, 2023:

	As of June 30, 2023 *(in RMB millions)*
Within one year	**2,072.5**
One to two years	**568.8**
Two to five years	**819.0**
Total	**3,460.3**

As of June 30, 2023, our net gearing ratio (being net liabilities divided by total equity) was 11.3% (as of December 31, 2022: 10.5%). Net liabilities represent borrowings and medium-term notes minus cash and cash equivalents and time deposits.

Mortgage and Charge on Assets

As of June 30, 2023, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of June 30, 2023 consisted of (i) inventories of RMB855.3 million; (ii) property, plant and equipment of RMB34.2 million; (iii) land use rights of RMB60.6 million; and (iv) equity interests of the subsidiaries of RMB622.1 million.

Contingent Liabilities

References are made to the announcements published by the Company on June 29, 2021 and December 22, 2021, which disclosed that the Company made direct or indirect disposal of 80% equity interest in Shanghai Yongda Finance Leasing Co., Ltd. ("**Yongda Finance Leasing**") (the "**Disposal**"). The Disposal was completed on December 22, 2021.

Upon the Disposal of Yongda Finance Leasing, the Group guaranteed the additional credits (the "**Additional Credits**") and corresponding debts of Yongda Finance Leasing in proportion to the Group's 20% shareholding in Yongda Finance Leasing. These guarantees were conducted on normal commercial terms and on several basis. As of June 30, 2023, the balance of the borrowings drawn under the Additional Credits of Yongda Finance Leasing upon the Disposal was RMB1,376 million, of which the guarantee amount provided by the Group was RMB275 million.

As of June 30, 2023, save for the above, we did not have any material contingent liabilities.

Interest Rate Risk and Foreign Exchange Risk

We are exposed to interest rate risk resulting from fluctuations in the interest rate on our borrowings. Certain of our borrowings were floating rate borrowings that are linked to the benchmark rates of the People's Bank of China. Increases in interest rates could result in an increase in our cost of borrowing, which in turn could adversely affect our finance costs, profit and our financial condition.

Substantially all of our revenue, costs and expenses are denominated in Renminbi. We also use Renminbi as our reporting currency. As of June 30, 2023, we had no financial liabilities denominated in foreign currencies.

DEVELOPMENT OUTLOOK AND STRATEGIES

In the first half of 2023, the competition became more fierce and the survival of the fittest became more obvious affected by the price war and downturn demand in the domestic automobile market. Meanwhile, the country has frequently introduced a number of favorable policies to support the steady development of the automobile market. The domestic automobile industry showed strong resilience again in the face of pressure and challenges. China's new energy vehicle industry entered into a new development phase driven by both policy and market. New technology revolution promoted the rapid development of big data, intelligent networking and cloud computing. China has become an important force leading the transformation of global automobile industry and "wind wane", and the market is undergoing unprecedented changes.

In the face of the new normal of huge challenges and opportunities in the automobile market, we will closely follow the market trends, embrace the change, constantly make timely adjustments to the development strategies of the Group, and explore new opportunities and growth points in the continuous reform. **We will further implement the overall strategies for promoting the corporate development by three growth curves, i.e. the luxury vehicles, pre-owned vehicles and new energy vehicles, focus on three strategic fulcrums of "electrification, digitalization and sharing", strengthen the asset turnover efficiency, carry out the strict control of labor cost and other cost reduction and efficiency enhancement measures, and dedicate to improving the Company's operation quality and profitability.**

Continuously stabilize the "cash cow" business of luxury vehicles

In addition to continuously consolidating and improving our leading position and competitive barriers in the two luxury vehicle brands namely BMW and Porsche, we will continue to work intensively in the "cash cow" business of traditional gasoline vehicles. In terms of new vehicles, on the premise of maintaining the scale, we will maximize the cash subsidy and additional rebates provided by the manufacturers, and strive to stabilize the gross margin of luxury vehicle sales. In terms of after-sales maintenance business, we will, by virtue of digital tools, continuously improve the service quality, reduce the customer turnover rate, and ensure the long-term and stable growth of after-sales business. For small-sized outlets with poor profitability, we will adopt continuous optimization measures such as closure, merger and transfer, and focus on the continuous improvement of operation quality and output of the core traditional luxury brand outlets.

Accelerate the expansion of "Yongda Pre-owned Vehicles"

As the leading dealer group of Porsche and BMW brands in the world in terms of scale, we have rich resources of brand certified pre-owned vehicles, and we will continue to promote the retail capacity building of officially certified pre-owned vehicles and Yongda certified pre-owned vehicles, and form a new business pattern of distribution, retail and digitalization. We will newly upgrade the brand of "Yongda Officially Certified Pre-owned Vehicles" while constantly maintaining the position of outlets officially certified by Porsche, BWM, Audi, Volvo, Jaguar Land Rover and other luxury brand manufacturers as the pre-owned vehicle benchmarks, and take the lead in the industry to implement "quality assurance, 30 days return without reason" and eight service commitments, so as to create new product and service system. Under the “2+1” channel strategies, i.e. the dual channels of offline 4S dealership outlets and pre-owned chain malls combining with the online pre-owned mall portal, we will form an omni channel “new retail” model by combining online and offline channels. And through proactive implementation of batch vehicle source synergies with manufacturers, we will further broaden the quality pre-owned vehicle sources. Through the channel capability construction and enhancement of Yongda pre-owned vehicle brand marketing, we will further improve the certified pre-owned retail scale and profitability and quality. **Yongda pre-owned vehicles business is also becoming the locomotive of our growth in the automotive service business.**

Deepen the development of “Yongda New Energy”

We will maintain the first mover advantages, continuously focus on new energy vehicle market expansion, regional brand new retail mode, new energy vehicle industry chain service, Internet user operation and other automobile related businesses, and carry out all-round strategic cooperation with domestic leading new energy brand vehicle enterprises. We will fully exert our leading advantages in service network, refined operation management, digital customer operation and new media operation, break through the original industrial layout, and respond to the consumption trend of the new generation of consumers. We will realize the practical development of the new energy vehicle service industry, and commit to becoming the “automobile service expert with most electrification capacity” in the industry.

Also, we will actively cooperate with the traditional luxury brands for new energy transformation, reserve product, marketing and service ability, fully support the iteration and updating of new energy products of traditional luxury brands, assist them in establishment and consolidation of luxury new energy vehicle market, and play the role of dealer group as loyal partners of manufacturers.

We will also continue to perspectively set foot in the new business of “Yongda battery butler”, and explore battery cycle related industries. We will, according to the development trend of battery, focus on four business models, i.e. battery recycling, battery leasing, battery maintenance, and battery monitoring and security, exert our existing channels, customers, technology, industrial chain synergy and other resources advantage, develop the social resources cooperation channel, and gradually build the battery business as the key factors for promoting the industrial and layout upgrading and achieving the growth of new business of the Group.

Big data and artificial intelligence empower digital transformation, new media releases new drivers of private domain operation, and sharing supports cost reduction and efficiency enhancement

We will implement a comprehensive digital retail process, establish a digital user service platform with customer demand as the core, apply big data and artificial intelligence customer service, focus on the customer end use experience and efficiency improvement, and explore the full life cycle value of customers; and we will further perfect the new media communication matrix, and strive to improve the end-to-end seamless integrated cross-channel whole process customer experience. Through private domain operation and service, we will explore the value of existing users, realize word-of-mouth marketing, promote customer referral, and retain new customers, which would help us quickly realize the efficient closed-loop operation of customer acquisition and customer retention. We are also building a “sharing platform” which integrates the middle and back office resources, refined cost control, and with collaboration and sharing as the core, to achieves the improvement of overall operating efficiency and the simultaneous enhancement of user stickiness and profitability.

Forward-looking reserve and training of the talent team to continuously enhance the competitiveness and value of the Company

The reform era of the "new four modernizations" of the automobiles has put forward new requirements for the talents in the automobile industry. In this regard, we continue to promote the talent forward-looking reserve and training. In the future, we will also strengthen the talent reserve in the field of new energy, pre-owned vehicles, new media and Internet, optimize our appraisal management and incentive mechanism, and build a comprehensive cross-border management talent echelon and professional technology talent echelon with digital capability in line with the future trend.

In the great reform era in the automobile industry, we are determined to face the difficulties bravely, embrace the trend, overcome the difficulties, and seek new opportunities and growth points in the everchanging reform. We will take advantages of our solid group industry chain of more than three decades in the automobile industry, consolidate the base of luxury vehicles, deepen the new energy business development, improve the increment of pre-owned vehicle business, promote the digital transformation, and perspectively layout battery cycle industry and sheet spray maintenance sharing center. In the future, we will rely on a more complete product and service matrix of Yongda Automobile, a more complete online and offline national marketing network, a more competitive new retail business model, a more efficient digital integrated marketing platform and a complete talent echelon with more comprehensive cross-border integration capabilities, and we will actively participate in and continuously respond to the national "low carbon" strategy and commit ourselves to fulfilling ESG-related corporate social responsibilities, and build the ability for long-term sustainable growth, so that we will always grasp the market initiative in the future competitions, and return the shareholders and investors of the Company with more stable performance growth.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and has complied with the code provisions in the CG Code during the six months ended June 30, 2023.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2023.

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

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended June 30, 2023, the Company repurchased a total of 15,965,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$ 82,368,562.40. Particulars of the Shares Repurchased are as follows:

Month/Year	**Number of Shares Repurchased**	**Price Paid per Share Highest** *(HK$)*	**Lowest** *(HK$)*	**Aggregate Consideration** *(HK$)*
January 2023	3,500,000	6.97	5.51	22,534,150.00
March 2023	1,204,500	5.60	5.21	6,443,766.55
April 2023	5,265,500	5.43	4.83	27,131,217.65
May 2023	3,374,500	5.16	4.06	15,662,601.25
June 2023	2,621,000	4.31	3.87	10,596,826.95
Total	15,965,500			82,368,562.40

A total of 10,679,000 shares repurchased from January 3, 2023 to May 5, 2023 and a total of 5,286,500 shares repurchased from May 11, 2023 to June 30, 2023 were cancelled on May 17, 2023 and August 11, 2023, respectively. The repurchase of the Company's shares during six months ended June 30, 2023 was effected by the directors pursuant to the general mandates granted to the directors at the annual general meetings dated June 1, 2022 and June 1, 2023, with a view to benefiting the Company and the shareholders of the Company by enhancing the net asset value per share and/or earnings per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2023.

Audit and Compliance Committee

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

The Audit and Compliance Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2023. The Audit and Compliance Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2023 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditors of the Company, Deloitte Touche Tohmatsu, have carried out a review of the condensed consolidated financial statements of the Group for the six months ended June 30, 2023 in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the reporting period need to be brought to the attention of the shareholders of the Company.

INTERIM DIVIDEND

The Board resolved to distribute an interim dividend of RMB0.105 per share for the six months ended June 30, 2023 (for the six months ended June 30, 2022: nil) after considering the Group's business, financial and cash flow condition. The interim dividend will be paid in Hong Kong dollars on or around October 30, 2023 (Monday) to the shareholders whose names are listed on the register of members of the Company on September 13, 2023 (Wednesday) based on the medium exchange rate between Renminbi and Hong Kong dollars as announced by the People's Bank of China on August 25, 2023 (HK$1.00 to RMB0.91653). The dividend payable per share is HK$0.11456. On the basis of the total number of the Company's issued share capital of 1,935,573,013 shares as at the date of this announcement, it is estimated that the aggregate amount of interim dividend would be approximately HK$222 million. The actual total amount of interim dividends to be paid will be subject to the total number of issued shares of the Company as at the record date for determining the entitlement of shareholders to the interim dividend. There is no arrangement that a shareholder has waived or agreed to waive any dividend. The dividend warrants will be posted by ordinary mail to shareholders who are entitled to receive the dividend at their own risk on or around October 30, 2023 (Monday). The Board believes that, after the payment of interim dividend, the Company will still have adequate cash to continue as a going concern.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from September 11, 2023 (Monday) to September 13, 2023 (Wednesday), both days inclusive, in order to determine the entitlement of the shareholders to the interim dividend. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on September 8, 2023 (Friday).

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.ydauto.com.cn).

The interim report of the Company for the six months ended June 30, 2023 will be despatched to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

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

The PRC, August 25, 2023

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Cheung Tak On, Mr. Cai Yingjie, Mr. Wang Zhigao, Mr. Xu Yue, Ms. Chen Yi and Mr. Tang Liang; and (ii) three independent non-executive Directors, namely Ms. Zhu Anna Dezhen, Mr. Lyu Wei and Mr. Mu Binrui.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and development strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of the Group. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Furthermore, this announcement also contains statements based on the Group's management accounts, which have not been audited by the Group's auditor. Shareholders and potential investors of the Company should therefore not place undue reliance on such statements.