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**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, 2025**

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, 2025, together with comparative figures for the six months ended June 30, 2024.

**FINANCIAL HIGHLIGHTS OF THE GROUP**

- Revenue for the six months ended June 30, 2025 was RMB27,072 million, representing a decrease of 12.8% from RMB31,036 million for the six months ended June 30, 2024.
- Revenue from new vehicles distribution for the six months ended June 30, 2025 was RMB18,777 million, representing a decrease of 18.0% from RMB22,911 million for the six months ended June 30, 2024.
- The repair and maintenance related revenue for the six months ended June 30, 2025 was RMB4,660 million, which remained flat as compared to RMB4,654 million for the six months ended June 30, 2024.
- Transactional volume of pre-owned vehicles for the six months ended June 30, 2025 was 30,427 units, representing a decrease of 13.6% from 35,236 units for the six months ended June 30, 2024.
- The total amount of selling expenses, administrative expenses and finance costs for the six months ended June 30, 2025 was RMB2,382 million, representing a decrease of 7.3% from RMB2,568 million for the six months ended June 30, 2024.

- Adjusted net profit (under non-IFRSs measurement) for the six months ended June 30, 2025 was RMB54 million, representing a decrease of 46.3% from RMB101 million for the six months ended June 30, 2024.
- Adjusted net profit attributable to owners of the Company (under non-IFRSs measurement) for the six months ended June 30, 2025 was RMB63 million, representing a decrease of 43.8% from RMB111 million for the six months ended June 30, 2024.
- Turnover days of inventories for the six months ended June 30, 2025 were 26.3 days, representing a decrease of 0.4 days from 26.7 days for the six months ended June 30, 2024.
- Net cash generated from operating activities for the six months ended June 30, 2025 was RMB1,167 million, representing an increase of 66.9% from RMB699 million for the six months ended June 30, 2024.
- The net gearing ratio as of June 30, 2025 was 9.8%, representing a decrease of 0.4 percentage points compared to 10.2% as of December 31, 2024.

## MANAGEMENT DISCUSSION & ANALYSIS

### MARKET REVIEW

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

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

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

## **BUSINESS REVIEW**

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

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

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

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

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

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

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

## **New Vehicle Sales Business**

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

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

## **New Energy Vehicle Business**

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

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

nearly 6,000, laying the foundation for sustained business growth in the second half of the year.

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

### **After-sales Business**

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

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

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



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

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

### **Pre-owned Vehicle Business**

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

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

to assist manufacturers carry out subscription, leasing and sale, vehicle disposal and residual value management, as well as to bring stable and high-quality retail vehicle sources to our own channels; accelerating the deployment of new channels for new energy pre-owned vehicles, and cooperating with a number of new energy manufacturers on new channels for pre-owned vehicle replacement and retailing; implementing centralized pricing and disposal models, and exploring open, market-oriented and platform-based operations; actively promoting the export of pre-owned vehicles to establish a diversified sales strategy.

## **Changes of Outlets**

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

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

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



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

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

## INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2025, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2025

	NOTES	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue			
Goods and services	3A	26,879,212	30,820,150
Rental		192,722	215,684
Total revenue	3B	27,071,934	31,035,834
Cost of sales and services		(24,701,567)	(28,451,590)
Gross profit		2,370,367	2,584,244
Other income and other gains and losses	4	21,971	60,143
Distribution and selling expenses		(1,487,725)	(1,571,260)
Administrative expenses		(776,204)	(848,949)
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill		(3,552,837)	–
Share of profits of joint ventures		682	2,239
Share of profits of associates		49,959	47,779
Finance costs		(117,618)	(148,020)
(Loss) profit before tax	5	(3,491,405)	126,176
Income tax benefit (expense)	6	6,776	(24,725)
<b>(Loss) profit for the period</b>		<b>(3,484,629)</b>	<b>101,451</b>
(Loss) profit for the period attributable to:			
Owners of the Company		(3,331,377)	111,450
Non-controlling interests		(153,252)	(9,999)
		<b>(3,484,629)</b>	<b>101,451</b>
(Loss) earnings per share – basic	8	<b>RMB(1.78)</b>	<b>RMB0.06</b>
(Loss) earnings per share – diluted	8	<b>RMB(1.78)</b>	<b>RMB0.06</b>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2025**

	<i>NOTES</i>	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>4,258,161</b>	5,336,096
Right-of-use assets	9	<b>3,006,326</b>	2,987,842
Goodwill	9	<b>314,428</b>	1,590,421
Other intangible assets	9	<b>1,609,902</b>	2,902,044
Deposits paid for acquisition of property, plant and equipment		<b>27,153</b>	19,950
Deposits paid for acquisition of right-of-use assets		<b>—</b>	177,053
Equity instruments at FVTOCI		<b>6,951</b>	4,510
Financial assets at fair value through profit or loss (“FVTPL”)		<b>344,430</b>	345,746
Interests in joint ventures		<b>48,302</b>	47,620
Interests in associates		<b>939,949</b>	930,310
Deferred tax assets		<b>230,972</b>	463,512
Other assets		<b>83,648</b>	83,648
		<b><u>10,870,222</u></b>	<u>14,888,752</u>
<b>Current assets</b>			
Inventories	10	<b>2,971,698</b>	4,149,925
Trade and other receivables	11	<b>6,224,309</b>	6,218,622
Amounts due from related parties		<b>79,786</b>	58,697
Cash in transit		<b>36,692</b>	26,113
Time deposits		<b>10,500</b>	8,100
Restricted bank balances		<b>3,416,850</b>	8,238,387
Bank balances and cash		<b>2,358,967</b>	1,457,667
		<b><u>15,098,802</u></b>	<u>20,157,511</u>

	<i>NOTE</i>	<b>June 30, 2025 RMB'000 (Unaudited)</b>	<b>December 31, 2024 RMB'000 (Audited)</b>
<b>Current liabilities</b>			
Trade and other payables	12	7,770,683	12,934,471
Amounts due to related parties		40,244	33,398
Tax liabilities		792,655	840,420
Borrowings		1,591,702	1,565,963
Contract liabilities		1,308,425	1,524,387
Lease liabilities		252,708	239,918
		<u>11,756,417</u>	<u>17,138,557</u>
<b>Net current assets</b>		<u>3,342,385</u>	<u>3,018,954</u>
<b>Total assets less current liabilities</b>		<u>14,212,607</u>	<u>17,907,706</u>
<b>Non-current liabilities</b>			
Borrowings		1,805,396	1,348,160
Lease liabilities		1,486,168	1,597,464
Deferred tax liabilities		408,934	745,404
		<u>3,700,498</u>	<u>3,691,028</u>
<b>Net assets</b>		<u>10,512,109</u>	<u>14,216,678</u>
<b>Capital and reserves</b>			
Share capital		15,418	15,564
Treasury shares		(46,185)	(7,342)
Reserves		10,402,332	13,873,055
		<u>10,371,565</u>	<u>13,881,277</u>
Equity attributable to owners of the Company		140,544	335,401
Non-controlling interests			
<b>Total equity</b>		<u>10,512,109</u>	<u>14,216,678</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

### 1. GENERAL INFORMATION

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

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

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

### 2. ACCOUNTING POLICIES

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

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

#### Application of amendments to IFRS Accounting Standards

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

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to a IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



### 3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of revenue from contracts with customers

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

*Notes:*

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

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

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

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

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

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

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

### 3B. OPERATING SEGMENTS

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

#### For the six months ended June 30, 2025

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

**For the six months ended June 30, 2024**

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

*Notes:*

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

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

#### 4. OTHER INCOME AND OTHER GAINS AND LOSSES

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

#### Notes:

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

## 5. (LOSS) PROFIT BEFORE TAX

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

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

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

## 6. INCOME TAX (BENEFIT) EXPENSE

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



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

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

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

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

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

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

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries 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 RMB4,099,142,000 (2024: RMB7,375,189,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

## 7. DIVIDENDS

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

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

## 8. (LOSS) EARNINGS PER SHARE

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

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

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

### Property, plant and equipment

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

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

### Right-of-use assets

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

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

### Other intangible assets

During the current interim period, the Group acquired other intangible assets at a cash consideration of RMB31,985,000 (for six months ended June 30, 2024: RMB53,577,000).

### Impairment assessment

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

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

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

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

The key inputs and assumptions used for the year of 2024 and interim period of 2025 in the impairment test for those cash generating units (“CGUs”) with impairment indications on goodwill, property, plant and equipment, right-of-use assets and other intangible assets are listed as follows:

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

  

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

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

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

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

## 10. INVENTORIES

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

## 11. TRADE AND OTHER RECEIVABLES

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 vehicles, while after-sales services are typically settled on a cash basis upon completion of the relevant services. However, for certain corporate customers for passenger vehicles sales and after-sales services, a credit period not exceeding 60 days is granted; and
- b. For automobile operating lease services, the Group typically allows a credit period of 30 to 90 days to its customers.

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

Prepayments and other receivables comprise:

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

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

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

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

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

### Notes:

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

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

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

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

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

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



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

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

# FINANCIAL REVIEW

## Revenue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Cost of Sales and Services**

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

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

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

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

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

### **Gross Profit and Gross Profit Margin**

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

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

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

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

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

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

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

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

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

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

### **Other Income, Other Gains and Losses**

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

### **Distribution and Selling Expenses and Administrative Expenses**

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

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

## Finance Costs

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

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

## Adjustments on Non-IFRSs Measurement

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

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

**For the  
six months ended  
June 30, 2025**  
*RMB million*

Reconciliation between loss and adjusted profit for the period  
(under non-IFRSs measurement):

<b>Loss for the period</b>	(3,484.6)
<b>Including: Loss attributable to owners of the Company</b>	(3,331.4)
<b>Adjustments for:</b>	
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill	3,552.8
Reversal of related deferred income tax liabilities	(314.3)
Reversal of tax losses recognized as deferred tax assets in prior years	300.5
<b>Subtotal of adjustments</b>	3,539.0
<b>Including: Subtotal of adjustments attributable to owners of the Company</b>	3,394.1
<b>Adjusted profit for the period (under non-IFRSs measurement)</b>	54.4
<b>Including: Adjusted profit for the period attributable to owners of the Company</b>	62.7



## **Adjusted Income Tax Expense**

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

## **Adjusted Profit**

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

## **Adjusted Profit Attributable to Owners of the Company**

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

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

# LIQUIDITY AND CAPITAL RESOURCES

## Cash Flow

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

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

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

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

## Inventories

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

	<b>As of June 30,</b>	
	<b>2025</b>	<b>2024</b>
Average inventory turnover days	<u><b>26.3</b></u>	<u><b>26.7</b></u>

## Capital Expenditures and Investment

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

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

## Borrowings

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

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

As of June 30, 2025, our net liabilities amounted to RMB1,027.6 million, representing a decrease of 29.0% from RMB 1,448.4 million as of December 31, 2024, and our net gearing ratio (being net liabilities divided by total equity) was 9.8% (as of December 31, 2024: 10.2%). Net liabilities represent borrowings minus cash and cash equivalents and time deposits.

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

## Contingent Liabilities

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

## Interest Rate Risk and Foreign Exchange Risk

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

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

## FUTURE OUTLOOK AND STRATEGIES

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 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, 2025.

### **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 C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2025.

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

## Purchase, Sale or Redemption of Listed Securities of the Company

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

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

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

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

## Audit and Compliance Committee

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



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

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

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

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

## **CLOSURE OF REGISTER OF MEMBERS**

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

# 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](http://www.hkexnews.hk)) and the Company ([www.ydauto.com.cn](http://www.ydauto.com.cn)).

The interim report of the Company for the six months ended June 30, 2025 will be despatched (if necessary) 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 26, 2025

*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.*