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**BetterLife Holding Limited**  
**百得利控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6909)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**GROUP FINANCIAL HIGHLIGHTS**

- Revenue for the six months ended 30 June 2025 decreased by approximately 10.9% to approximately RMB3,812.6 million as compared to that of the corresponding period of 2024.
- The Group has sold 8,307 passenger vehicles in total during the six months ended 30 June 2025, representing a decrease of approximately 9.1% from that of the corresponding period in 2024.
- The revenue generated from the sales of automobiles for the six months ended 30 June 2025 amounted to approximately RMB3,158.8 million, representing a decrease of approximately 14.0% from that of the corresponding period in 2024.
- For the six months ended 30 June 2025, the Group's revenue from after-sales services reached approximately RMB653.8 million, representing an increase of approximately 7.8% as compared to that of the corresponding period of 2024.
- Net Profit for the six months ended 30 June 2025 fell by approximately 75.6% to approximately RMB11.6 million as compared to that of the corresponding period of 2024. Profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 fell by approximately 79.1% to approximately RMB7.1 million as compared to that of the corresponding period of 2024. The net profit margin for the six months ended 30 June 2025 decreased to approximately 0.3%, comparing to the net profit margin of approximately 1.1% for the corresponding period in 2024.
- As at 30 June 2025, the Group had cash and cash equivalents, cash in transit, pledged bank deposits and restricted cash amounted to approximately RMB909.9 million (31 December 2024: approximately RMB899.4 million). The Group achieved a net cash inflow from operating activities of approximately RMB309.4 million during the Period (first half of 2024: RMB379.8 million).

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of BetterLife Holding Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**” or “**we**” or “**us**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for the corresponding period in 2024. These results have been reviewed by the Company’s audit committee, comprising all of the independent non-executive Directors, with one of them chairing the committee.

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

*For the six months ended 30 June 2025*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>RMB’000</b>	<b>RMB’000</b>
<b>Revenue</b>	4	<b>3,812,566</b>	4,280,157
Cost of sales		<u><b>(3,799,606)</b></u>	<u>(4,076,484)</u>
<b>Gross profit</b>		<b>12,960</b>	203,673
Other income	5	<b>363,583</b>	259,900
Selling and distribution expenses		<b>(228,278)</b>	(289,988)
Administrative expenses		<u><b>(105,290)</b></u>	<u>(88,932)</u>
<b>Operating profit</b>		<b>42,975</b>	84,653
Finance costs	6(a)	<u><b>(29,809)</b></u>	<u>(16,349)</u>
<b>Profit before tax</b>	6	<b>13,166</b>	68,304
Income tax	7	<u><b>(1,539)</b></u>	<u>(20,802)</u>
<b>Profit for the period</b>		<u><b>11,627</b></u>	<u>47,502</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>7,132</b>	33,878
Non-controlling interests		<u><b>4,495</b></u>	<u>13,624</u>
<b>Profit for the period</b>		<u><b>11,627</b></u>	<u>47,502</u>
<b>Earnings per share</b>			
Basic and diluted earnings per share (RMB)	9	<u><b>0.01</b></u>	<u>0.05</u>

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (CONTINUED)**

*For the six months ended 30 June 2025*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the period</b>	<b>11,627</b>	<b>47,502</b>
<b>Other comprehensive (expense) income for the period (after tax):</b>		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	<b>(9,933)</b>	<b>4,672</b>
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	<b>8,870</b>	<b>(5,379)</b>
<b>Other comprehensive (expense) for the period</b>	<b>(1,063)</b>	<b>(707)</b>
<b>Total comprehensive income for the period</b>	<b>10,564</b>	<b>46,795</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>6,069</b>	<b>33,171</b>
Non-controlling interests	<b>4,495</b>	<b>13,624</b>
<b>Total comprehensive income for the period</b>	<b>10,564</b>	<b>46,795</b>

# INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		566,867	415,952
Investment properties		338,114	54,898
Right-of-use assets		769,078	335,380
Intangible assets	10	791,380	810,557
Goodwill	11	367,944	367,944
Deferred tax assets		35,227	23,246
Long-term prepayments		89,900	386,175
		<u>2,958,510</u>	<u>2,394,152</u>
<b>Current assets</b>			
Inventories	12	694,481	829,099
Trade receivables	13	129,400	77,317
Amounts due from related parties		13,906	15,957
Prepayments, other receivables and other assets	14	657,577	647,903
Pledged bank deposits		377,874	430,170
Cash in transit		20,471	5,192
Restricted cash		3,029	13,445
Cash and cash equivalents		508,548	450,605
		<u>2,405,286</u>	<u>2,469,688</u>
<b>Current liabilities</b>			
Trade and bills payables	15	842,354	882,144
Amounts due to related parties		45,658	8,248
Other payables and accruals		145,151	88,079
Contract liabilities		155,064	104,600
Interest-bearing bank and other borrowings		497,866	438,445
Lease liabilities		19,311	15,763
Income tax payables		56,032	40,529
		<u>1,761,436</u>	<u>1,577,808</u>
<b>Net current assets</b>		<u>643,850</u>	<u>891,880</u>
<b>Total assets less current liabilities</b>		<u>3,602,360</u>	<u>3,286,032</u>

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

*At 30 June 2025*

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
<b>Non-current liabilities</b>		
Interest-bearing bank and other borrowings	350,000	—
Amounts due to related parties	8,534	—
Contract liabilities	140,553	147,819
Lease liabilities	194,530	219,861
Deferred tax liabilities	<u>175,053</u>	<u>179,342</u>
	<u>868,670</u>	<u>547,022</u>
<b>NET ASSETS</b>	<u>2,733,690</u>	<u>2,739,010</u>
<b>CAPITAL AND RESERVES</b>		
Share capital	5,180	5,180
Reserves	<u>2,606,348</u>	<u>2,616,163</u>
<b>Total equity attributable to equity shareholders of the Company</b>	<b>2,611,528</b>	<b>2,621,343</b>
<b>Non-controlling interests</b>	<u>122,162</u>	<u>117,667</u>
<b>TOTAL EQUITY</b>	<u>2,733,690</u>	<u>2,739,010</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

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

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

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

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

The interim consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which includes all applicable individual IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”). The interim consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period and are reflected in the interim consolidated financial statements.

### (b) Basis of preparation of the financial statements

The interim consolidated financial statements for the six months ended 30 June 2025 are presented in Renminbi (“**RMB**”) which is the Group’s presentation currency, rounded to the nearest thousand, except for earnings per share information.

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

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

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

### 3 APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 21

Lack of Exchangeability

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

### 4 REVENUE AND SEGMENT REPORTING

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

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of passenger motor vehicles	<b>3,158,820</b>	3,673,665
Provision of after-sales services	<b>653,746</b>	606,492
	<b><u>3,812,566</u></b>	<b><u>4,280,157</u></b>
<b>Disaggregated by geographical location of customers</b>		
Mainland China	<b><u>3,812,566</u></b>	<b><u>4,280,157</u></b>
<b>Disaggregated by timing of revenue recognition</b>		
Point in time	<b><u>3,812,566</u></b>	<b><u>4,280,157</u></b>

## 5 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income	2,320	6,143
Commission income	312,256	214,434
Rental income	273	305
Government grants	139	1,483
Gain on disposal of items of property, plant and equipment	7,905	11,531
Others	40,690	26,004
	<u>363,583</u>	<u>259,900</u>

## 6 PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(a) <b>Finance costs:</b>		
Interest on bank and other borrowings	21,167	5,681
Interest on lease liabilities	8,404	10,309
Interest on sale and lease-back liabilities	238	359
	<u>29,809</u>	<u>16,349</u>

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(b) <b>Staff costs:</b>			
Salaries, wages and other benefits		144,038	132,576
Contributions to defined contribution retirement plans	(i)	19,108	16,993
Equity settled share-based transactions		1,101	(6,317)
		<u>164,247</u>	<u>143,252</u>

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



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

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

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>(c) Other items:</b>			
Cost of inventories		<b>3,761,486</b>	4,017,800
Depreciation			
— Owned property, plant and equipment		<b>42,687</b>	48,980
— Right-of-use assets		<b>37,481</b>	34,917
— Investment properties		<b>3,140</b>	1,809
Amortisation of intangible assets		<b>19,177</b>	19,717
Operating lease charges		<b>3,472</b>	720
Auditors' remuneration			
— Audit services		—	—
— Other services		<b>1,500</b>	—

## 7 INCOME TAX

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Current tax:</b>			
Provision for PRC income tax for the period		<b>17,808</b>	21,812
<b>Deferred tax:</b>			
Origination and reversal of temporary differences		<u><b>(16,269)</b></u>	<u>(1,010)</u>
		<u><b>1,539</b></u>	<u>20,802</u>

- (i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax.
- (ii) No provision for Hong Kong Profits Tax was made for the Group's subsidiaries located in Hong Kong as the subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the Period.

- (iii) The PRC subsidiaries of the Group are subject to the PRC Corporate Income Tax rate of 25%, except for Chengdu Baichuanjinbao Auto Sales and Services Co., Ltd. (“**Chengdu Jinbao**”), Chengdu Baichuanxinbao Auto Sales and Services Co., Ltd. (“**Chengdu Xinbao**”) and Hainan Liya Holding Co., Ltd. (“**Hainan Liya**”). Chengdu Jinbao and Chengdu Xinbao were incorporated in Chengdu for car dealership business and were granted a preferential rate of 15% for the development of the Western region for nine years starting from 2022. Hainan Liya was incorporated in Hainan for automobile accessories business and was granted a preferential rate of 15% for Hainan Free Trade Port from 2022.
- (iv) Two subsidiaries of the Group, incorporated in Harbin and Xiamen for 4S dealership business, were granted a preferential tax rate of 5% under the Reduction of Corporate Income Tax for Small and Micro Enterprises, as authorised by the Ministry of Finance and the State Administration of Taxation.

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

## 8 DIVIDENDS

- (i) Proposed dividends:

Six months ended 30 June	
2025	2024
<i>RMB’000</i>	<i>RMB’000</i>

No interim dividend was proposed after the end of the reporting period of six months ended 30 June 2025, (six months ended 30 June 2024: RMB3 cents per ordinary share)

—	18,675
<u>          </u>	<u>          </u>

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

Six months ended 30 June	
2025	2024
<i>RMB’000</i>	<i>RMB’000</i>

Final dividend in respect of the previous financial year, approved during the following interim period, of RMB2 cents per ordinary share (six months ended 30 June 2024: RMB3 cents per ordinary share)

12,326	18,675
<u>          </u>	<u>          </u>

## 9 EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2025 was based on the profit attributable to equity shareholders of the Company of RMB7,132,000 (six months ended 30 June 2024: RMB33,878,000), and the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 of 611,524,729 (six months ended 30 June 2024: 622,500,000).

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

## 10 INTANGIBLE ASSETS

	Office software RMB'000	Car Dealerships RMB'000	Total RMB'000
<b>Cost:</b>			
At 1 January 2024	55,734	1,029,616	1,085,350
Write-off ( <i>Note i</i> )	—	(31,357)	(31,357)
At 31 December 2024 and 1 January 2025	55,734	998,259	1,053,993
Additions	—	—	—
At 30 June 2025	<b>55,734</b>	<b>998,259</b>	<b>1,053,993</b>
<b>Accumulated amortisation:</b>			
At 1 January 2024	(24,904)	(183,363)	(208,267)
Charge for the year	(5,096)	(34,233)	(39,329)
Eliminated on write-off ( <i>Note i</i> )	—	4,160	4,160
At 31 December 2024 and 1 January 2025	(30,000)	(213,436)	(243,436)
Charge for the period	(2,539)	(16,638)	(19,177)
At 30 June 2025	<b>(32,539)</b>	<b>(230,074)</b>	<b>(262,613)</b>
<b>Net book value:</b>			
At 30 June 2025	<b>23,195</b>	<b>768,185</b>	<b>791,380</b>
At 31 December 2024	<b>25,734</b>	<b>784,823</b>	<b>810,557</b>

The car dealerships arise from business combinations and relate to relationships with automakers, with an estimated useful life of 30 years. The fair value of the car dealerships as at the respective acquisition date was determined by using the multiple excess earning method.

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

*Note:*

- (i) Due to the closure of a retail shop of Jaguar-Land Rover in Foshan area during last year, related intangible assets and goodwill of approximately RMB27.2 million and RMB10.7 million (Note 11), have been written off and recognised in the line of “other income, gains or losses” in the consolidated statement of profit or loss of last year.

## 11 GOODWILL

RMB'000

### Cost:

At 1 January 2024	1,030,656
Write-off ( <i>Note 10 (i)</i> )	<u>(10,681)</u>
At 31 December 2024 and 30 June 2025	<u><u>1,019,975</u></u>

### Accumulated impairment losses:

At 1 January 2024, 31 December 2024 and 30 June 2025	<u><u>(652,031)</u></u>
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### Carrying amount:

At 31 December 2024 and 30 June 2025	<u><u>367,944</u></u>
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## 12 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Motor vehicles	655,622	783,766
Spare parts and accessories	<u>65,726</u>	<u>73,737</u>
	721,348	857,503
Less: Provision for inventories	<u>(26,867)</u>	<u>(28,404)</u>
	<u><u>694,481</u></u>	<u><u>829,099</u></u>

Inventories with a carrying amount of RMB130,733,000 were pledged as security for bank loans and other borrowings as at 30 June 2025 (31 December 2024: RMB67,734,000).

Inventories with a carrying amount of RMB236,179,000 were pledged as security for bills payable as at 30 June 2025 (31 December 2024: RMB281,094,000).

### 13 TRADE RECEIVABLES

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

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 3 months	103,055	76,810
3 to 6 months	9,671	247
6 months to 1 year	<u>16,674</u>	<u>260</u>
	<u><u>129,400</u></u>	<u><u>77,317</u></u>

All of the trade receivables are expected to be recovered within one year. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. There was no significant loss allowance recognised for trade receivables as at 30 June 2025 and 31 December 2024.

### 14 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Prepayments	172,194	157,037
Prepayment for acquisition of creditors' right ( <i>Note</i> )	89,721	385,996
Other receivables	240,554	174,700
Rebate receivables	233,746	291,125
Value-added tax recoverable	<u>26,502</u>	<u>40,460</u>
	762,717	1,049,318
Less: Long-term prepayments	(89,900)	(386,175)
Provision for impairment of other receivables	<u>(15,240)</u>	<u>(15,240)</u>
Current portion	<u><u>657,577</u></u>	<u><u>647,903</u></u>

*Note:*

On 7 November 2024, the Group entered into a creditor's rights transfer agreement (“**Creditor's Rights Transfer Agreement**”) with Mengshang Bank Co., Ltd. (“**Mengshang Bank**”), pursuant to which Mengshang Bank agreed to transfer the creditor's rights (“**Creditor's Rights**”) set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million. The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals by realising its rights as creditor. During the Period, the Group has paid off the remaining of the consideration in aggregated amount of approximately RMB579.0 million. The transaction with Mengshang Bank has not been fully completed before 30 June 2025. Details are set out in the circular of the Company dated 5 March 2025 and announcements of the Company dated 7 November 2024 and 20 March 2025.

## 15 TRADE AND BILLS PAYABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade payables	109,146	88,291
Bills payable	<u>733,208</u>	<u>793,853</u>
	<u><b>842,354</b></u>	<u><b>882,144</b></u>

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

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 3 months	832,291	661,490
Over 3 months but within 6 months	5,533	220,168
Over 6 months but within 12 months	4,287	5
Over 1 year	<u>243</u>	<u>481</u>
Trade and bills payables	<u><b>842,354</b></u>	<u><b>882,144</b></u>

Bills payable was secured by inventories with a carrying amount of RMB236,179,000 as at 30 June 2025 (31 December 2024: RMB281,094,000) and pledged bank deposits with an amount of RMB377,874,000 as at 30 June 2024 (31 December 2024: RMB430,170,000).

## 16 ACQUISITION OF A SUBSIDIARY

With reference to the Company's circular dated 5 March 2025, on 7 November 2024, the Group entered into the Creditor's Rights Transfer Agreement with Mengshang Bank, pursuant to which Mengshang Bank agreed to transfer the Creditor's Rights set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million. The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals (the "Collaterals") by realising its rights as creditor. The consideration was fully settled at the end of the Period.

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

During the Period, the equity interest of Jiguang Real Estate which was a part of the Collaterals, was transferred to the Group, while the transferred equity interest did not actively engage in any business, and accordingly in the opinion of the directors, the transfer of the equity interest did not constitute a business combination but an acquisition of assets and liabilities. The remaining part of the Collaterals is expected to be realised by the end of 2025.

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

The assets and liabilities of the equity interest of Jiguang Real Estate at the date of acquisition were as follows:

	<b>2025</b> <b>RMB'000</b>
Cash and cash equivalents	1,767
Prepayments, other receivables and other assets	73,444
Property, plant and equipment	145,688
Investment properties	286,356
Right-of-use assets	465,119
Other payables and accruals	<u>(97,105)</u>
Assets and liabilities recognised at the date of acquisition	<u>875,269</u>
Satisfied by:	
Allocated acquisition consideration of Jiguang Real Estate ( <i>Note</i> )	<u>(875,269)</u>
Net cash flow on acquisition	
Cash and cash equivalents in the entities acquired	<u>1,767</u>
Net cash outflow from the acquisitions	<u><u>(873,502)</u></u>

*Note:*

**The Collaterals**

**Allocated  
Consideration**  
*RMB'000*

100% equity interest of Jiguang Real Estate  
Business of Jiguang Xinghui Group  
Two properties located in Beijing

875,269

34,076

55,645

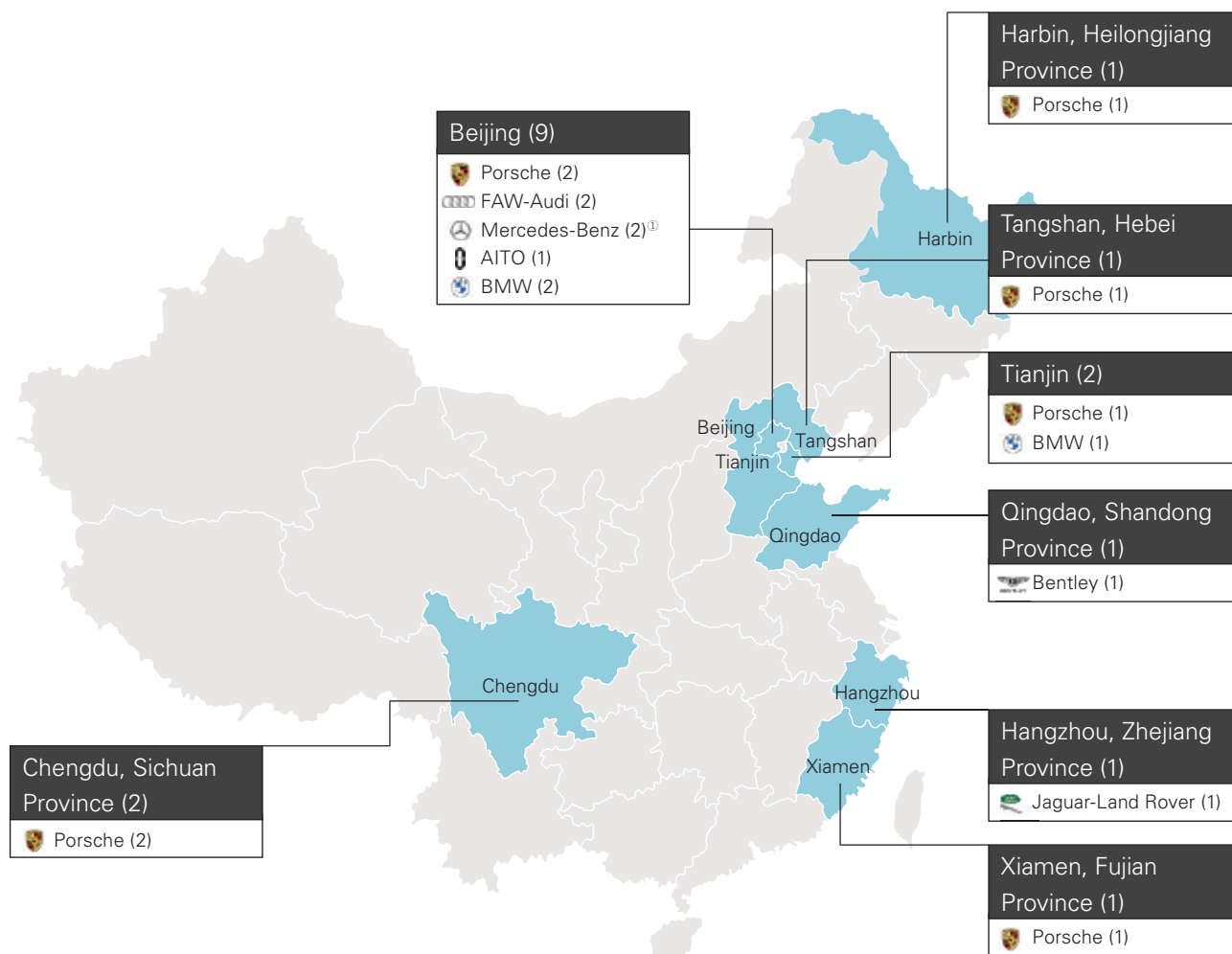
964,990



## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

We are an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. As of the date of this announcement, we operated 17 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover and AITO, and one Mercedes-Benz showroom across eight provinces and municipalities in China, namely Beijing, Tianjin, Shandong, Sichuan, Zhejiang, Hebei, Fujian and Heilongjiang. All of our stores are strategically located near commercial centers in affluent cities in the economically well-developed regions and prime urban destinations in China, including Beijing, Tianjin, Hangzhou, Chengdu, Qingdao, Tangshan, Harbin and Xiamen.



\*Note: ① One 4S store and one showroom

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

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

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

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

During the Period, the Group has sold 8,307 passenger vehicles in total, representing a decrease of approximately 9.1% from 9,141 passenger vehicles sold during the corresponding period in 2024. The revenue generated from the sales of automobiles for the Period amounted to approximately RMB3,158.8 million, representing a decrease of approximately 14.0% over that of the corresponding period in 2024, which accounted for approximately 82.9% of the Group's total revenue. During the Period, the Group's revenue from after-sales services amounted to approximately RMB653.8 million, representing an increase of approximately 7.8% as compared to that of the corresponding period of last year, which accounted for approximately 17.1% of the Group's total revenue.

Revenue from our top five customers for the Period represented approximately 8.9% of our total revenue, compared to approximately 7.8% for the corresponding period in 2024. The sales to our largest customer accounted for approximately 3.1% of our total revenue in the Period, as compared to approximately 2.7% in the corresponding period in 2024.

Our top five suppliers are automobile manufacturers that supply new automobiles and spare parts to us. During the Period, purchases from our top five suppliers represented approximately 64.4% of our total purchases compared to approximately 62.7% for the corresponding period in 2024. And the purchases from our largest supplier represented approximately 26.1% of our total purchases for the Period, as compared to approximately 25.4% for the corresponding period in 2024.

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

## **Financial Review**

### ***Revenue***

Our revenue decreased by approximately RMB467.6 million, or approximately 10.9%, from approximately RMB4,280.2 million for the corresponding period in 2024 to approximately RMB3,812.6 million for the Period.

Revenue from sales of automobiles decreased by approximately RMB514.9 million, or approximately 14.0%, from approximately RMB3,673.7 million for the corresponding period in 2024 to approximately RMB3,158.8 million for the Period, accounting for approximately 82.9% (first half of 2024: approximately 85.8%) of the total revenue. It was mainly attributable to the decrease in sales volume and selling price of new vehicles during the Period.

The Group sold 8,307 units of passenger vehicles for the Period, representing a decrease of approximately 9.1% from 9,141 units of passenger vehicles sold during the corresponding period in 2024, and the average selling price (the “ASP”) of vehicles decreased by approximately 5.4% from approximately RMB401,900 for the corresponding period in 2024 to approximately RMB380,300 for the Period. The decrease in ASP during the Period was mainly due to the consumers consumption power adversely affected by macro-economy and weak market sentiment.

Revenue from after-sales services increased by approximately RMB47.3 million, or approximately 7.8%, from approximately RMB606.5 million for the corresponding period in 2024 to approximately RMB653.8 million for the Period, which was mainly attributable to the increase in business volume. During the Period, revenue from after-sales services accounted for approximately 17.1% (first half of 2024: approximately 14.2%) of the total revenue.

### ***Cost of Sales***

Cost of sales decreased by approximately 6.8% from approximately RMB4,076.5 million for the corresponding period in 2024 to approximately RMB3,799.6 million for the Period, which was primarily due to the decline in the sales volume of new automobiles.

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

During the Period, the Group recorded gross profits of approximately RMB13.0 million, representing a decrease of approximately 93.6% from the gross profit of approximately RMB203.7 million for the corresponding period in 2024. Our gross profit margin decreased from approximately 4.8% for the corresponding period in 2024 to approximately 0.3% during the Period. It was primarily due to the decrease in ASP and gross profit margin for sales of passenger vehicles.

### ***Other Income***

Our other income increased by approximately 39.9% from approximately RMB259.9 million for the corresponding period in 2024 to approximately RMB363.6 million during the Period. Other income mainly included commission income from other value-added automobile services, including referring customers who require financing arrangements for purchasing automobiles and pre-owned automobile brokerage services and the gain from disposal of property, plant and equipment which was mainly related to sales of test-drive vehicles, etc. The increase of other income during the Period was mainly due to the increase in commission income generated from the other value-added automobile services.

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

Our selling and distribution expenses decreased by approximately 21.3% from approximately RMB290.0 million for the corresponding period in 2024 to approximately RMB228.3 million during the Period, which was mainly due to the decrease in promotional fees for the purpose of promoting vehicle sales. It accounted for approximately 6.0% of the total revenue of the Group which decreased from approximately 6.8% recorded for the corresponding period in 2024.

### ***Administrative Expenses***

Our administrative expenses increased by approximately 18.4% from approximately RMB88.9 million for the corresponding period in 2024 to approximately RMB105.3 million during the Period. The increase of administrative expenses was mainly due to the increase in staff costs caused by the reversal of provision of share-based expenses of RMB7.1 million for the corresponding period in 2024, which did not occur during the Period and in depreciation and amortisation expense during the Period. It accounted for approximately 2.8% of the total revenue and increased slightly from approximately 2.1% for the corresponding period in 2024.

### ***Financial Costs***

Our finance costs increased by approximately 82.8% from approximately RMB16.3 million for the corresponding period in 2024 to approximately RMB29.8 million incurred for the Period, primarily due to the increase in our bank and other borrowings during the Period. It accounted for approximately 0.8% of the total revenue comparing to approximately 0.4% for the corresponding period in 2024.

### ***Profit before Tax***

As a result of the foregoing, our profit before tax decreased by approximately 80.7% from approximately RMB68.3 million for the corresponding period in 2024 to approximately RMB13.2 million during the Period.

### ***Income Tax Expense***

Our income tax expense decreased by approximately 92.8% from approximately RMB20.8 million incurred for the corresponding period in 2024 to approximately RMB1.5 million incurred for the Period, primarily due to the decrease in taxable profit that we recorded during the Period.

### ***Profit for the Period***

As a result of the foregoing, our profit for the Period decreased by approximately 75.6% from approximately RMB47.5 million for the corresponding period in 2024 to approximately RMB11.6 million for the Period. The net profit margin for the Period was approximately 0.3%, comparing to the net profit margin of approximately 1.1% for the corresponding period in 2024.

### ***Profit Attributable to Equity Shareholders of the Company***

The profit attributable to equity shareholders of the Company for the Period decreased by approximately 79.1% from approximately RMB33.9 million for the corresponding period in 2024 to approximately RMB7.1 million for the Period.

### ***Inventory Turnover Days***

There was a decrease in inventory balance of approximately 16.2% from approximately RMB829.1 million as at 31 December 2024 to approximately RMB694.5 million as at 30 June 2025. The Group continued to focus on inventory management and to achieve a healthy liquidity position throughout the Period. The average inventory turnover days as at 30 June 2025 totaled approximately 36.3 days (31 December 2024: approximately 35.2 days).

### ***Liquidity and Financial Resources***

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

As at 30 June 2025, the total equity of the Group amounted to approximately RMB2,733.7 million (31 December 2024: approximately RMB2,739.0 million). As at 30 June 2025, the current asset of the Group amounted to approximately RMB2,405.3 million (31 December 2024: approximately RMB2,469.7 million) while current liabilities amounted to approximately RMB1,761.4 million (31 December 2024: approximately RMB1,577.8 million).



As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to RMB847.9 million, representing an increase of approximately 93.4% as compared to RMB438.4 million as at 31 December 2024. The Group's loans and borrowings were denominated in Renminbi. The increase in the Group's interest-bearing bank and other borrowings during the Period was primarily due to the loan increased for the payment of the transfer of the Creditor's Rights with Mengshang Bank. The annual interest rates of interest-bearing bank and other borrowings ranged from approximately 2.7% to approximately 8.5%. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group currently has not used any derivatives to hedge interest rate risk. The debt-to-equity ratio (being the total interest-bearing bank and other borrowings divided by total equity) was approximately 31.0% as at 30 June 2025 (31 December 2024: approximately 16.0%). The Group achieved a net cash inflow from operating activities of approximately RMB309.4 million during the Period (first half of 2024: RMB379.8 million).

As at 30 June 2025, cash and cash equivalents, cash in transit, pledged bank deposits and restricted cash amounted to approximately RMB909.9 million (31 December 2024: approximately RMB899.4 million). The cash and cash equivalents and pledged bank deposits were mainly denominated in Renminbi and Hong Kong Dollars. Apart from part of the cash denominated in Hong Kong Dollars, the Group's business operations in China and major transactions are all denominated in Renminbi. During the Period, the Group did not employ any significant financial instruments such as forward foreign exchange contracts for foreign exchange hedging purposes. The management of the Group will closely monitor foreign exchange risks and will consider measures to hedge potential major foreign exchange risks when necessary.

### ***Capital Commitments***

The Group's capital commitments mainly comprised expenditures on property, plant and equipment, intangible assets and business acquisitions. As at 30 June 2025, the capital commitments were approximately RMB4.0 million (31 December 2024: approximately RMB2.5 million). The Group did not make any significant commitments during the six months ended 30 June 2025.

### ***Details of the Future Investment Plans for Material Investment***

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

### ***Significant Acquisition and Disposal of Subsidiaries***

During the Period, the Group realised an acquisition of a subsidiary and details were disclosed in note 16 to the financial statements in this announcement.

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

### ***Capital Expenditures and Investment***

The Group's capital expenditures mainly comprised expenditures on property, plant and equipment and business acquisitions. For the six months ended 30 June 2025, the Group's total capital expenditures were approximately RMB699.7 million (six months ended 30 June 2024: approximately RMB54.6 million). Save as disclosed above, the Group did not make any significant investments during the six months ended 30 June 2025.

### ***Contingent Liabilities***

As at 30 June 2025, there was no material contingent liability (31 December 2024: Nil).

### ***Charges on Group Assets***

The Group pledged its group assets as securities for bills payable and interest-bearing bank and other borrowings which were used to finance daily business operation. As of 30 June 2025, certain of our bills payable and interest-bearing bank and other borrowings were secured by (i) mortgages over our inventories, which had an aggregate carrying amount of approximately RMB366.9 million (31 December 2024: approximately RMB348.8 million); (ii) mortgages over the deposits, which had an aggregate carrying amount of approximately RMB377.9 million (31 December 2024: approximately RMB430.2 million), and (iii) mortgages over the properties, which had an aggregate carrying amount of approximately RMB161.8 million (31 December 2024: nil). Save as disclosed above, as at 30 June 2025, no other assets of the Group were pledged.

### ***Human Resources***

As of 30 June 2025, the Group had 1,756 (31 December 2024: 1,450) employees. The remuneration of the existing includes basic salaries, discretionary bonus, social security contributions and share-based incentives. Payment levels of the employees are commensurate with their responsibilities, performance and contribution.



### ***Important Events after the Period***

The transactions contemplated under the Creditor's Right Transfer Agreement and the Debt Settlement Agreement in relation to the acquisition of a subsidiary were completed on 4 August 2025. For details and the capitalised terms used herein, please refer to the announcement of the Company dated 4 August 2025, the circular of the Company dated 5 March 2025 and the announcement of the Company dated 20 March 2025 in respect of the poll results of the extraordinary general meeting and note 16 to the financial statements as disclosed in this results announcement.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2025 and up to the date of this announcement.

### **OTHER INFORMATION**

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

During the Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, if any). As at 30 June 2025, the Company did not hold any treasury shares.

#### **Significant Investments Held**

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

#### **Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies**

During the Period, the Group realised an acquisition of a subsidiary and details were disclosed in note 16 to the financial statements in this announcement.

Save as disclosed above, the Group did not make any material acquisition or disposal of subsidiaries and affiliated companies during the Period.

#### **Corporate Governance Code**

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

#### **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code during the Period.

## **Audit Committee**

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

An Audit Committee meeting was held on 26 August 2025 and the Audit Committee has reviewed the unaudited interim financial results for the six months ended 30 June 2025.

## **Interim Dividend**

The Board proposed not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB3.0 cents per ordinary share).

## **Public Float**

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

## **Publication of Interim Results Announcement and Interim Report**

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

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

Hong Kong, 28 August 2025

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

*This announcement is available for viewing on the Company’s website at [www.blchina.com](http://www.blchina.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*

\* *For identification purpose only*