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 ON PROFIT WARNING AND UPDATED FINANCIAL PERFORMANCE

This announcement is made by China Yongda Automobiles Services Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Director(s)**") of the Company hereby informs the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2025 (the "**Relevant Period**") and other relevant information currently available, mainly due to the impact of intensifying price war in the automotive market, especially in the second half of 2025, and macroeconomic factors since 2025, the Group has made non-cash impairment provisions on the financial accounts (the "**Impairment of Related Assets**") during the Relevant Period on the long-term assets, such as goodwill, intangible assets of dealership agreements, buildings and renovations, and deferred income tax assets of certain underperforming 4S stores, mainly including the acquisition projects over the years, the total amount of which is approximately RMB5,010 million after offsetting against the corresponding deferred income tax liabilities reversed. The impact on the Group's consolidated profit for the Relevant Period and the Group's consolidated total equity as of December 31, 2025 is approximately RMB5,010 million, and the impact on the profit attributable to the owners of the Company for the Relevant Period and the equity attributable to the owners of the Company as of December 31, 2025 is approximately RMB4,770 million.

Based on the assessment of the unaudited consolidated management accounts of the Group for the Relevant Period and other information currently available, the following is a description of the financial position of the Group for 2025:

The Impairment of Related Assets is a prudent adjustment at the financial level, does not involve cash outflow, and does not affect the daily operation and business of the Group. 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.

Similarly, affected by the sharp decrease in gross profit of new vehicle sales and related services during the Relevant Period and after excluding the impact of the Impairment of Related Assets, it was expected that our adjusted consolidated net loss (non-IFRS measure) and adjusted net loss attributable to owners of the Company (non-IFRS measure) for the Relevant Period would be RMB350 million to RMB380 million and RMB300 million to RMB330 million, respectively, and our adjusted consolidated profit (non-IFRS measure) and adjusted profit attributable to owners of the Company (non-IFRS measure) for the year ended December 31, 2024 was approximately RMB250 million and RMB280 million, respectively.

The new energy business is a key development direction of the Group, and its development has not been affected by the Impairment of Related Assets. In 2025, the Group newly opened 19 new energy brand outlets. Compared with 2024, the sales volume of new vehicles and after-sales revenue of independent new energy brands increased by approximately 40.1% and 65.1% year-on-year, respectively, which are expected to become important support for future revenue and profits.

In 2025, it was expected that the Group's revenue from after-sales services and gross margin would remain stable compared with 2024.

As of December 31, 2025, it was expected that our inventory balance would not exceed RMB3,620 million, representing a decrease of not less than 12.7% compared with December 31, 2024; it was expected that the average inventory turnover days of the Group in 2025 would not exceed 25 days, representing a decrease compared with 2024; it was expected that the net cash inflow from operating activities would be not less than RMB1,860 million, representing a year-on-year increase of not less than 22.5% compared with 2024. The cash flow has not been affected by the Impairment of Related Assets, demonstrating the Group's ability to manage its working capital in a stable manner.

The Group has a sound balance sheet structure. It was expected that as of December 31, 2025, the balance of cash and cash equivalents of the Group would be not less than RMB2,100 million, representing an increase of not less than RMB630 million or 43.3% compared with December 31, 2024. The Group has continuously achieved that current assets cover current liabilities plus long-term interest-bearing liabilities and net assets cover long-term assets (after deducting deferred income tax liabilities and right-of-use assets of leased properties), with coverage ratios of around 1.1 times and 1.2 times, respectively, which remained generally stable compared with December 31, 2024, and have not been affected by the Impairment of Related Assets. The above demonstrates that the Group has a stable financial position, strong risk resistance capacity and a solid foundation for sustainable development.

In conclusion, the Impairment of Related Assets is a non-cash financial treatment made by the Company based on the principle of prudence, which does not affect the operational stability and future development prospects of the Group. The financial position of the Group is solid, and the operating cash flow is healthy. The Group will continue to focus on the two core businesses of new energy and luxury brands, and constantly improve operational efficiency and profit quality, ensuring a stable and sound cash flow and financial position. On this basis, the Group will adopt appropriate dividend and share repurchase policies to create long-term value for shareholders.

The Board hereby emphasizes that the adjusted consolidated net profit or loss (non-IFRS measure) and adjusted net profit or loss attributable to owners of the Company (non-IFRS measure) are not stipulated or presented in accordance with IFRS Accounting Standards (the "**IFRS**"). The adjusted consolidated net profit or loss (non-IFRS measure) and adjusted net profit or loss attributable to owners of the Company (non-IFRS measure) are defined by the Group as the consolidated net profit or loss and net profit or loss attributable to owners of the Company excluding the impact of the Impairment of Related Assets. As an analytical tool, the use of non-IFRS measure has its limitations. Shareholders of the Company and potential investors should not consider it separately from the operating results or financial position reported by the Company in accordance with the IFRS, nor should it be regarded as a substitute for the analysis of such operating results or financial position. In addition, the definition of non-IFRS measure may differ from similar terms used by other companies, and therefore may not be comparable to similar measurement standards proposed by other companies.

The Company is still in the process of preparing the financial results for the Relevant Period. The data contained in this announcement is only a preliminary assessment made by the Board based on the unaudited management accounts and currently available data. Such information has not been finalized nor reviewed by the Company's auditor or the audit committee of the Company, and is therefore subject to adjustment.

Details of the results and performance of the Group for the Relevant Period will be set out in the annual results announcement to be published by the Company, which is expected to be published in late March 2026.

Shareholders of the Company and potential investors should exercise caution when dealing with the securities of the Company.

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

The PRC, March 13, 2026

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. Sun Minjie.