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Autostreets Development Limited

汽車街發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2443)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Autostreets Development Limited (the “**Company**”) is pleased to announce the audited consolidated annual results (the “**Annual Results**”) of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2024. The aforesaid Annual Results have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we,” “us,” and “our” refer to the Company and, where the context otherwise requires, the Group.

HIGHLIGHTS

Financial Performance

	For the year ended 31 December		
	2025	2024	Year-on- year change
	<i>RMB'000</i>	<i>RMB'000</i>	(%)
Revenues	271,075	408,591	(33.7)
Gross profit	169,729	255,128	(33.5)
Gross profit margin (%)	62.6	62.4	0.2 p.p
Profit/(Loss) for the year	21,688	(110,562)	(119.6)

Operational Performance

Number of used vehicles transacted and served (units) ⁽¹⁾	299,000	~412,000	(27.4)
— Used Vehicle Auction Business	141,000	~180,000	(21.7)
— Used Vehicle Value-added Services ⁽²⁾	141,000	~206,000	(31.6)
— Arrangement for Sale of Used Vehicles ⁽³⁾	17,000	~26,000	(34.6)

Notes:

- (1) The number of used vehicles transacted and served represents the total number of (i) used vehicles transacted in our used vehicle auction business; (ii) used vehicles serviced in our vehicle value-added services; and (iii) customer trade-in vehicles transacted under the arrangement for sale of used vehicles.
- (2) Represents the total number of used vehicles which received the following value-added services: pre-acquisition inspection and appraisal, used vehicle acquisition assistance and title transfer services.
- (3) Most of these used vehicles were transacted through our transaction platform via auctions, with the remainder transacted through other channels.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	271,075	408,591
Cost of revenue		<u>(101,346)</u>	<u>(153,463)</u>
Gross profit		169,729	255,128
Other income and gains, net	5	11,754	9,349
Selling and distribution expenses		(58,292)	(80,352)
Administrative expenses		(87,638)	(134,114)
Impairment losses on financial assets, net		(1,522)	(315)
Other expenses		(2,225)	(2,540)
Finance costs		(6,846)	(6,321)
Share of profits of an associate		301	12
Fair value changes of financial liabilities at fair value through profit or loss		<u>—</u>	<u>(142,293)</u>
PROFIT/(LOSS) BEFORE TAX	6	25,261	(101,446)
Income tax expense	7	<u>(3,573)</u>	<u>(9,116)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>21,688</u>	<u>(110,562)</u>
Attributable to:			
Owners of the parent		8,266	(123,003)
Non-controlling interests		<u>13,422</u>	<u>12,441</u>
		<u>21,688</u>	<u>(110,562)</u>
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY			
EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (<i>RMB</i>)	9	<u>0.01</u>	<u>(0.15)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT/(LOSS) FOR THE YEAR	<u>21,688</u>	<u>(110,562)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods: Exchange differences on translation of the financial statements of the Company	<u>(7,440)</u>	<u>6,766</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(7,440)</u>	<u>6,766</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>14,248</u>	<u>(103,796)</u>
Attributable to:		
Owners of the parent	826	(116,237)
Non-controlling interests	<u>13,422</u>	<u>12,441</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		5,937	9,453
Right-of-use assets		51,982	65,393
Other intangible assets		264	463
Long-term time deposits at banks		–	–
Investment in an associate		2,239	1,938
Deferred tax assets		5,579	8,372
Other non-current assets		8,351	6,455
		<hr/>	<hr/>
Total non-current assets		74,352	92,074
CURRENT ASSETS			
Trade receivables and bills receivables	<i>10</i>	14,393	14,670
Prepayments, deposits and other receivables		308,072	93,593
Financial assets at fair value through profit or loss		5,000	3,300
Restricted cash		1,120	–
Cash and cash equivalents		827,464	1,046,599
		<hr/>	<hr/>
Total current assets		1,156,049	1,158,162
CURRENT LIABILITIES			
Trade payables and bills payables	<i>11</i>	9,983	11,103
Other payables and accruals		80,469	97,279
Interest-bearing bank borrowings	<i>12</i>	126,000	129,480
Lease liabilities		15,905	19,694
Tax payable		3,945	4,729
		<hr/>	<hr/>
Total current liabilities		236,302	262,285
NET CURRENT ASSETS			
		<hr/> 919,747 <hr/>	<hr/> 895,877 <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 994,099 <hr/>	<hr/> 987,951 <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*31 December 2025*

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	<u>42,597</u>	<u>50,423</u>
Total non-current liabilities	<u>42,597</u>	<u>50,423</u>
Net assets	<u>951,502</u>	<u>937,528</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	56	56
Reserves	<u>927,044</u>	<u>926,218</u>
	<u>927,100</u>	<u>926,274</u>
Non-controlling interests	<u>24,402</u>	<u>11,254</u>
Total equity	<u>951,502</u>	<u>937,528</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 3 September 2014 as an exempted company with limited liability. The registered office address of the Company is P.O. Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Group was mainly involved in used vehicle auctions, arrangement of sales of used vehicle, and provision of services of used vehicles.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) effective on 31 May 2024.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during the reporting period, and the Group's total assets as at the end of the reporting period were derived from one single operating segment.

Geographical information

As the Group generates all of its revenues and all the non-current assets are located in the PRC during the reporting period, no geographical segments are presented.

Information about major customers

The Group has a large number of customers and no revenue from a single customer is accounted for more than 10% of the Group's total revenue for the reporting period.

4. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers:</i>		
Used vehicle auction commission and service fees	179,453	262,952
Revenue from used vehicle value-added services	42,059	69,041
Revenue from arrangement for sale of used vehicles	36,325	49,564
Revenue from exhibition related services	–	14,075
Revenue from other services	13,238	12,959
	<hr/>	<hr/>
Total	271,075	408,591
	<hr/> <hr/>	<hr/> <hr/>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Timing of revenue recognition</i>		
Closing of sale or completion of service at a point in time	233,068	341,628
Services rendered over time	38,007	66,963
	<hr/>	<hr/>
Total	271,075	408,591
	<hr/> <hr/>	<hr/> <hr/>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025	2024
	RMB'000	RMB'000
Revenue from used vehicle value-added services	<u>2,793</u>	<u>16,392</u>

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Used vehicle auction commission and service fees

The performance obligation is generally satisfied upon the closing of used vehicle sales, or over time as logistics services are rendered. Payment is generally due upon completion of the auction and customer acceptance.

Revenue from used vehicle value-added services

The performance obligation is satisfied as services are rendered and payment is generally due upon completion of the service and customer acceptance.

Revenue from arrangement for sale of used vehicles

The performance obligation is satisfied upon the closing of vehicle sales between the owner and the buyer. Payment is generally due within 30 days from the closing of used vehicle sales.

Revenue from exhibition related services

The performance obligation is satisfied over time as services are rendered. Payment in advance is normally required.

Revenue from other services

The performance obligation is satisfied at the point in time upon the completion of the service and customer acceptance.

As at the end of the reporting period, no transaction prices were allocated to unsatisfied performance obligations.

5. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from assistant funds to business partners	6,266	3,633
Penalty income from customers	1,876	2,142
Government grants*	1,422	709
Rental service income	1,230	1,036
Bank interest income	926	1,904
Gain on disposal of items of property, plant and equipment, net	–	361
Foreign exchange loss, net	(109)	(1,141)
Others	143	705
	<hr/>	<hr/>
Total	11,754	9,349
	<hr/> <hr/>	<hr/> <hr/>

* The government grants have been received from the PRC local government authorities to support certain subsidiaries' operating activities. There are no unfulfilled eligibility requirements and conditions relating to these government grants.

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of used vehicle auction commission and service fees	82,366	118,039
Cost of exhibition related services	–	10,376
Cost of arrangement for sale of used vehicles	6,672	8,365
Cost of used vehicle value-added services	7,833	12,327
Cost of other services	4,475	4,356
Research and development costs*	11,044	10,772
Depreciation of property, plant and equipment	4,310	5,710
Depreciation of right-of-use assets	21,473	23,602
Amortisation of other intangible assets*	199	423
Loss/(Gain) on disposal of items of property, plant and equipment, net	59	(361)
Lease payments not included in the measurement of lease liabilities	5,878	6,194
Fair value changes of convertible redeemable preferred shares	–	142,293
Auditors' remuneration	2,200	2,200
Listing expenses	–	26,662
Employee benefit expense (including directors' remuneration)**:		
Wages, salaries and other allowances	65,394	96,378
Pension scheme contributions and social welfare	14,160	18,835
	<u>79,554</u>	<u>115,213</u>
Foreign exchange differences, net	109	1,141
Impairment of trade receivables, net	(1)	315
Impairment of financial assets included in prepayments, other receivables and other asset, net	<u>1,523</u>	<u>–</u>

* Research and development costs and amortisation of other intangible assets are included in "Administrative expenses" in the consolidated statement of profit or loss.

** The amount of employee benefit expense excludes those included in the cost of used vehicle auction commission and service fees.

7. INCOME TAX

The major components of income tax expense for the reporting period are:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current — Mainland China:		
Charge for the year	734	5,159
Under provision in prior years	46	72
Deferred	<u>2,793</u>	<u>3,885</u>
Total tax charge for the year	<u><u>3,573</u></u>	<u><u>9,116</u></u>

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The subsidiaries incorporated in the BVI are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the reporting period.

Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax at a rate of 25%, unless otherwise specified below.

Changchun Baorui International Exhibition Co., Ltd. has been accredited as a High and New Technology Enterprise to enjoy a preferential income tax rate of 15% from 2024 to 2026. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Xinjiang Huihan Motor Vehicle Auction Service Co., Ltd. (“**Xinjiang Huihan**”) enjoys the benefit of income tax exemption for five years starting from the financial year with initial operating revenue and a 50% enterprise income tax reduction for the subsequent five years under the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Incentives for Newly-established Enterprises in Poverty Areas of Xinjiang.

According to Caishui (2011) No. 58 “The notice on the tax policies of further implementation of the western region development strategy” (財稅[2011]58號“關於深入實施西部大開發戰略有關稅收政策問題的通知”) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, companies set up in the western region and falling into the encouraged industry catalogue promulgated by the PRC government are entitled to a preferential tax rate of 15%. Guizhou Xintong Used Vehicle Auction Co., Ltd (“**Guizhou Xintong**”) was set up in the western development region and falls into the encouraged industry catalogue, and therefore is entitled to the foresaid preferential tax rate.

Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the reporting period.

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rate applicable in Chinese Mainland to the tax expense at the effective tax rate, as follows:

	2025	2024
	RMB'000	RMB'000
Profit/(Loss) before tax	<u>25,261</u>	<u>(101,446)</u>
Tax at the statutory tax rate of 25%	6,315	(25,362)
Lower tax rates enacted by local authority	(16,005)	20,589
Adjustments in respect of current tax of previous periods	46	72
Expenses not deductible for tax	608	2,002
Tax losses utilised from previous periods	(86)	(473)
Tax losses not recognised	<u>12,695</u>	<u>12,288</u>
Tax charge at the Group's effective rate	<u>3,573</u>	<u>9,116</u>

8. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 832,662,000 (2024: 803,427,000) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic earnings/(loss) per share are based on:

	2025	2024
Profit/(Loss)		
Profit/(Loss) attributable to ordinary equity holders of the parent (RMB'000)	<u>8,266</u>	<u>(123,003)</u>
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation ('000)	<u>832,662</u>	<u>803,427</u>
Earnings/(Loss) per share (RMB)	<u>0.01</u>	<u>(0.15)</u>

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025.

During the year ended 31 December 2024, the potential ordinary shares were not included in the calculation of diluted earnings per share as the potential ordinary shares had an anti-dilutive effect on the basic earnings per share. Accordingly, the diluted earnings per share during the year ended 31 December 2024, is the same as the basic earnings per share.

10. TRADE AND BILLS RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	6,527	14,985
Bills receivables	8,180	–
Impairment	(314)	(315)
	<u>14,393</u>	<u>14,670</u>
Net carrying amount	<u>14,393</u>	<u>14,670</u>

Trade receivables are non-interest-bearing. An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months	14,347	14,376
6 months to 1 year	46	294
	<u>14,393</u>	<u>14,670</u>
Total	<u>14,393</u>	<u>14,670</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	315	–
Impairment losses (<i>note 6</i>)	(1)	315
	<u>314</u>	<u>315</u>
At end of year	<u>314</u>	<u>315</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses have also incorporated forward-looking information.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Past due			Total
	Less than 1 year	1 to 2 years	Over 3 years	
Expected credit loss rate	2%	0%	100%	2%
Gross carrying amount (<i>RMB'000</i>)	14,707	–	–	14,707
Expected credit losses (<i>RMB'000</i>)	314	–	–	314

As at 31 December 2024

	Past due			Total
	Less than 1 year	1 to 2 years	Over 3 years	
Expected credit loss rate	2%	0%	100%	2%
Gross carrying amount (<i>RMB'000</i>)	14,985	–	–	14,985
Expected credit losses (<i>RMB'000</i>)	315	–	–	315

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	7,293	10,906
6 months to 1 year	2,690	197
Total	9,983	11,103

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 120 days.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

Industry Review

In 2025, China's automobile circulation industry advanced steadily amid policy-driven growth and structural transformation, characterised by four key features: overall volume growth, structural optimisation, profit margin pressure and industry landscape reshaping.

(i) The new vehicle market reached a record high, with new energy vehicles becoming the dominant driver

According to data released by the China Association of Automobile Manufacturers (中國汽車工業協會) on 14 January 2026, total automobile sales in China reached 34.4 million units in 2025, representing a year-on-year increase of 9.4%, setting a new historical high and maintaining the world's largest market for the 17th consecutive year. The vehicle trade-in programme (汽車以舊換新政策) played a key supporting role, with total trade-in volume exceeding 11.5 million units. Sales of new energy vehicles reached approximately 16.5 million units, representing a year-on-year increase of 28.2%, accounting for over 50% of new vehicle sales in the domestic market. Domestic passenger vehicle sales reached approximately 24.1 million units, up 6.4% year on year, while sales of Chinese domestic brand passenger vehicles reached approximately 20.9 million units, representing a market share of 69.5%. Meanwhile, the "price war" has not truly subsided, and overall industry profitability continued to face pressure, making the search for new growth drivers an urgent priority.

(ii) The used vehicle market surpassed 20.0 million units for the first time, with circulation efficiency continuing to improve

According to data released by the China Automobile Dealers Association (中國汽車流通協會) ("CADA") on 17 January 2026, the transaction volume of used vehicles in 2025 reached approximately 20.1 million units, representing a year-on-year increase of 2.5%. Transactions of new energy used vehicles reached 1.6 million units, accounting for 7.9% of the total. However, the challenging conditions in the industry remain severe, which are mainly reflected in the following aspects: the automobile market was characterised by competition for existing demand, with new energy vehicles gaining market share while internal combustion engine vehicles experienced slow sales; inventory warning levels have exceeded the boom-bust threshold, and price inversion has led to losses for new vehicle dealers; used vehicle dealers are facing high customer acquisition costs and slower inventory turnover, while being subject to dual pressures from regulatory compliance and platform competition. These conditions fully reflect the current state of low overall profitability in the automotive industry, and all market participants need to be prepared for a prolonged period of competition, continuously strengthen their internal foundations and improve operational efficiency.

(iii) Rapid growth in exports, with accelerated global expansion across the value chain

In 2025, China's total automobile exports exceeded 7.0 million units, representing stronger-than-expected growth. Among these, passenger vehicle exports reached approximately 5.7 million units, up 19.7% year on year, while exports of new energy passenger vehicles surged to approximately 2.4 million units, representing a year-on-year surge of 86.2%. More importantly, the number of overseas sales of Chinese automotive brands exceeded 3.0 million units, representing growth of 23.0% to 25.0%. This not only underpinned the strong growth in China's overall automobile exports, but also marked an upgrade in the development model of Chinese automakers from "simply exporting vehicles" to a high-quality development model characterised by global expansion across the value chain.

(iv) High growth but low profitability, driving a shift towards value-based competition

In 2025, the proportion of loss-making dealerships nationwide reached 52.6%, while the number of dealerships exiting or closing operations was approximately 4,900. Small and medium-sized dealers accelerated their exit from the market, with approximately 11.0% of such dealers withdrawing during the year. According to data from the Passenger Vehicle Market Information Joint Conference of CADA (中國汽車流通協會乘用車市場信息聯席分會), the revenue of China's automobile industry amounted to approximately RMB11.2 trillion in 2025, representing a year-on-year increase of 7.1%, while total profit reached RMB461.0 billion, representing a slight year-on-year increase of 0.6%. These figures highlight the divergence between high growth and low profitability in the automotive industry, which will drive the industry to shift from "price competition" to "value-based competition".

Business Review

(i) Strengthening physical network to enhance brand credibility and standardised execution

The Company's nationwide network of physical auction sites not only ensures a unified brand image across the country, but also serves as a key vehicle for the standardised execution headquarters-driven practices. It also enhances customer trust and reduces frictions associated with cross-regional transactions. In 2025, the Company established new auction sites in Pudong, Shanghai; Yunan, Chongqing; and Bijie City, and upgraded auction facilities in Nanchang and Yichang. In addition, the Company completed site selection, construction and relocation of auction sites in 18 cities, including Beijing, Shenzhen, Kunming, Linyi, Huizhou, Foshan, Zhengzhou, Yangzhou, Jiaxing, Huai'an, Nanning, Xi'an, Taiyuan, Lanzhou, Qingdao, Shenyang, Changsha and Jinan.

(ii) Stable growth in dealer, OEM and institutional business

We have continued to deepen our long-term and stable cooperation with dealership groups, and have steadily increased the volume of vehicles participating in auctions and enhanced service quality by expanding the coverage of our auction network services. At the same time, as competition in the new vehicle market intensifies, an increasing number of OEMs have placed greater emphasis on, and strengthened their management of, used vehicle operations. Against this backdrop, during the Reporting Period, we further strengthened our cooperation with OEMs and expanded our business development efforts by continuously developing “headquarters-to-headquarters” framework agreements with OEM partners, while maintaining relationships with our existing partners. Our bulk vehicle disposal business in collaboration with OEMs, as well as financial institutions and mobility platforms associated with OEMs, was a key capability enhancement initiative for the platform in 2025, and is expected to achieve further improvement and development in 2026. In addition, in 2025, our institutional auction business gained customer recognition in terms of disposal efficiency, pricing performance and downstream service capabilities. During 2025, we also continued to advance our premium auction business, further expanding the pool of participating merchants and increasing the number of dedicated premium auction sessions throughout the year. This improved procurement efficiency for buyers of high-value vehicles and enhanced both the transaction success rate and premium levels achieved for consignors in the disposal of high-value vehicles.

(iii) Continued enhancement of the Company’s digital product matrix

Leveraging massive volumes of inspection, testing and actual transaction data, we have developed a highly standardised used vehicle inspection and evaluation system, as well as a “transaction-driven valuation and pricing system”. The combination of “standardised evaluation and pricing” and “digitalised real transaction data” constitutes the core value of the Company’s B2B transaction ecosystem and reinforces the Company’s technological strengths in product development. As of the end of 2025, the Company had obtained 57 software copyrights and 9 authorised patents. In December 2025, the Company entered into a five-year strategic cooperation agreement with Tencent Holdings Limited (騰訊控股有限公司) (“**Tencent**”), under which the parties will carry out comprehensive and in-depth cooperation across four key areas, namely automotive ecosystem development, cloud services, artificial intelligence (“**AI**”), and marketing and branding.

(iv) Rapid progress in achieving a breakthrough in used vehicle exports

As the first listed automobile auction company in China, in mid-December 2025, the Company was invited to attend the launch ceremony of the “Shanghai Used Vehicle International Trade Comprehensive Service Platform” (上海二手車國際貿易綜合服務平台). Meanwhile, the Company has formally decided to enter the overseas market in 2026 and is actively advancing the implementation of used vehicle exports and international shipment arrangements. The first batch of used vehicles is expected to be shipped overseas in April. From blueprint to execution, and from agreement to shipment, the Company, leveraging its own strengths, policy support and close collaboration with leading overseas platforms, is accelerating the reshaping of the overseas used vehicle market landscape.

(v) Raising corporate standards and fulfilling industry responsibilities

In 2025, the Company continued to enhance its corporate standards, fulfil its responsibilities to the industry and undertake its share of obligations in promoting greater industry standardisation. During the year, the Company participated in the drafting of a number of industry group standards and specifications organised by industry associations. As of October 2025, the Motor Vehicle Auction Vehicle Evaluation and Inspection Standards (《機動車拍賣車輛評估檢測標準》) and the Live Auction Procedures (《直播拍賣規程》), both of which were drafted with the participation of the Company’s professional team under the organisation of the China Association of Auctioneers (中國拍賣行業協會), had been officially released at an industry conference.

Disclosure of key operating data by business segment

	Year ended 31 December	
	2025	2024
Used Vehicle Auction Business		
Number of used vehicles transacted	141,000	~180,000
Average revenue per vehicle (<i>RMB</i>)	1,273	1,458
Used Vehicle Value-added Services		
Number of used vehicles ⁽¹⁾	141,000	~206,000
Average revenue per vehicle (<i>RMB</i>)	272	309
Arrangement for Sale of Used Vehicles		
Number of consumer trade-in vehicles transacted ⁽²⁾	17,000	~26,000
Average revenue per vehicle (<i>RMB</i>)	2,137	1,930

Notes:

- (1) Represents the total number of used vehicles which received the following value-added services: pre-acquisition inspection and appraisal, used vehicle acquisition assistance and title transfer services.
- (2) Most of these used vehicles were transacted through our transaction platform via auctions, with the remainder transacted through other channels.

Used Vehicle Auction Business

The used vehicle auction business is our core business and accounts for a significant portion of our revenue. We have pioneered an integrated online-to-offline auction model that combines two complementary formats, namely online-offline integrated auctions and online auctions (with the latter complementing our online-offline integrated auctions by increasing vehicle exposure and improving transaction success rates). Our integrated online-to-offline transaction platform connects upstream sellers and downstream buyers in the used vehicle market and facilitates a large volume of efficient and transparent used vehicle auctions. At the same time, our online auctions complement our online-offline integrated auctions, as the majority of used vehicles offered through our online auctions are vehicles that were previously unsold in our online-offline integrated auctions.

In September 2024, we officially launched our institutional auction business, providing disposal solutions for bulk vehicle sources from operational leasing clients, online vehicle-hailing platforms, and online logistics companies. Leveraging our comprehensive and robust offline auction network, when serving such institutional clients, we were able to offer better supporting services such as vehicle delivery, documentation, and transfer services than our competitors, thereby providing more efficient disposal services to our clients. As of 31 December 2025, in respect of our institutional auction business, the Company has signed agreements with a total of 15 car rental companies and online vehicle-hailing platform companies. We have established close partnerships with these 15 companies in relation to the disposal of their retired fleet vehicles. Furthermore, we conducted targeted development for institutional vehicle buyers, building a diverse buyer base which includes car dealers, small-scale asset platforms and overseas exporters. Meanwhile, we assisted certain entrusting parties in establishing an appraisal system for institutional bulk vehicle inventories, maximizing the disposal value by optimizing the timing and planning of the asset disposal process. As two of the entrusting parties are asset platforms in the commercial vehicle sector, the Company aimed to expand its motor vehicles business beyond passenger vehicles, thereby identifying further growth points for future business development.

During the Reporting Period, we had continued to develop, improve and upgrade the technical systems of our auction platform. In 2025, we carried out targeted development of our institutional auction products, vehicle inspection agency services, and quality assurance card services, and invested manpower and resources to iteratively upgrade our core systems. We enhanced risk control across various systems (including consignment, transactions, payments, logistics orders, and fee settings), to optimize costs while improving service quality and ensuring business standards. These efforts not only strengthened the platform's competitiveness but also drove business growth from both loyal and new clients. As for the auction network expansion, we introduced a self-developed system that can assist business units in quickly identifying suitable auction sites, significantly reducing ineffective search time and improving the efficiency of site deployment.

During the Reporting Period, we established cooperation with additional dealership groups and OEMs institutional platforms (total reached 35 OEMs as of the end of 2025). In addition, we will continue to expand cooperation with institutional business partners, and developed strategic cooperation with a total of 15 mobility companies and vehicle rental companies as of the end of 2025. Apart from maintaining and expanding our upstream supply resources, we expanded our downstream business by launching auctions with more customized services, such as "special auctions", and upgraded our systems (optimizing used vehicle recommendation algorithms) to effectively improve the auction efficiency and user experience.

In 2025, with the strong growth of the domestic new energy vehicle market, the traditional internal combustion engine vehicle market experienced significant disruption. Traditional internal combustion engine vehicle dealers, with whom we maintain close cooperation, experienced substantial declines in sales performance, as well as store closures and network exits.

Against this backdrop, we conducted comprehensive market analysis, assessing the operational models and trade-in approaches of used vehicles across various new energy vehicle brands, and actively developed differentiated cooperation models tailored to different brands to mitigate the impact arising from the disruption of traditional vehicle sourcing channels. For brands that adopt self-operated acquisition and trade-in models, we cooperate with OEMs, dealership groups and individual stores, acting as a third-party used vehicle disposal platform. For brands that adopt outsourced trade-in models, we collaborate with trade-in service providers to expand the supply of vehicles sourced through such providers for auction.

As a result of our efforts, in 2025, the number of vehicles listed for auction and the transaction volume were approximately 310,000 units and 141,000 units, respectively, representing a decrease from approximately 394,000 units and 180,000 units in 2024. During the Reporting Period, our transaction success rate (being the percentage of used vehicle transaction volume to the number of used vehicles listed for auction) was approximately 45.4%, representing a slight decrease from 45.8% in 2024.

The decreases in transaction volume, number of vehicles listed for auction and transaction success rate were attributable to: (i) a reduction in the number of stores operated by traditional internal combustion engine vehicle dealers due to market disruption; (ii) a decline in new vehicle sales of such dealers, which led to a decrease in the volume of used vehicle trade-ins; (iii) increased government scrappage subsidies, which resulted in used vehicles with residual values lower than the subsidy amount exiting the circulation market; and (iv) volatility in new vehicle prices, which transmitted to the used vehicle market, leading to increased loss exposure and loss ratios among used vehicle dealers, thereby weakening their purchasing confidence and procurement scale.

The average revenue per vehicle decreased from RMB1,458.0 in 2024 to RMB1,273 during the Reporting Period, primarily due to a series of marketing initiatives implemented by the Company to promote transactions, which resulted in a decline in revenue per vehicle. In addition, the average transaction price of vehicles decreased as compared to the corresponding period of 2024, which also led to a further decline in revenue per vehicle as commissions are charged on a proportional basis.

Used Vehicle Value-added Services

We provide a range of fee-based or complimentary used vehicle value-added services to upstream sellers and downstream buyers. For sellers, we offer pre-acquisition evaluation and inspection, used vehicle acquisition support, access to our ADMS system, and title transfer and registration services for used vehicles that are not traded on our transaction platform. For buyers, we provide used vehicle information enquiry services and re-inspection services.

In respect of the used vehicle value-added services business in 2025, the number of used vehicles served decreased from approximately 206,000 units in 2024 to approximately 141,000 units during the Reporting Period, primarily due to the downturn in the automobile dealership industry, as a result of which our partner dealership groups reduced various categories of expenditure, leading to a corresponding decline in the volume of used vehicle value-added services we provided to such dealer partners. The average revenue per vehicle also decreased. Due to the industry conditions described above, the Company granted corresponding fee reductions or exemptions for certain vehicle service fees. During the Reporting Period, the average revenue per vehicle was RMB272.0, as compared to RMB309.0 in 2024.

Used Vehicle Sourcing and Sales Arrangements

To deepen our cooperation with such dealership groups and to supplement the supply of used vehicles on our transaction platform, we arrange for the sourcing and sale of consumer trade-in vehicles at the 4S stores of our cooperating dealership groups. As part of our used vehicle sourcing and sales arrangements business, we act as an agent for the consignors (being used vehicle owners or dealership groups) in disposing of used vehicles entrusted to us for sale. We selectively engage in this business, primarily cooperating with well-known and reputable dealership groups to ensure that such opportunities can be executed in a commercially viable manner.

In 2025, due to intensified competition in the new vehicle market, selling prices continued to decline. Against this backdrop, the average transaction price of used vehicles during the Reporting Period also recorded a significant decrease. Our cooperating dealership groups became more conservative in acquiring consumer trade-in vehicles, and their demand for our used vehicle sourcing and sales arrangement services decreased accordingly. Under a specific business model of our used vehicle sourcing and sales arrangements, we generate revenue from the difference between the amounts we pay for trade-in used vehicles entrusted to us and the subsequent selling prices of such vehicles. As a result, our revenue in 2025 was adversely affected by the continued decline in used vehicle transaction prices. The number of consumer trade-in vehicle transactions decreased from 26,000 units in 2024 to 17,000 units during the Reporting Period, while the average revenue per vehicle increased from RMB1,930 to RMB2,137. As our service fees for used vehicle sourcing and sales arrangements are charged on a fixed fee per vehicle basis, the average revenue per vehicle under this business did not experience any significant change.

Exhibition Business

We provide exhibition-related services, which primarily include (i) organising automobile exhibitions and related events for dealership groups and OEMs from time to time; and (ii) providing certain advertising services on an ad hoc basis. In organising such events, we are responsible for all key aspects of event execution, including venue leasing, design and decoration, event promotion, exhibitor invitation and advertising placement. Revenue from our exhibition business is primarily derived from booth fees and advertising fees charged to dealership groups and OEMs participating in the automobile exhibitions organised by us. Revenue from the exhibition business decreased from RMB14.1 million for the year ended 31 December 2024 to RMB0 during the Reporting Period, primarily because our major OEM and dealership group partners reduced their marketing expenditures, and the Company did not carry out any automobile exhibition and sales activities during 2025.

Others Business

We continue to meet the ad hoc business needs of dealership groups, including providing title transfer and registration services and GPS installation services for new vehicles of dealership groups. The dealership groups to which we provide title transfer and registration services for new vehicles are generally our existing business partners, with whom we cooperate in used vehicle auction and/or value-added services.

Outlook

The Company remains committed to enhancing the value of used vehicle circulation and motor vehicle auction industries in China, improving and leading the standards and transaction services of the domestic used vehicle market, thereby facilitating the healthy and orderly development of China's motor vehicle auction sector.

In the future, we will continue to (i) expand and optimize our nationwide auction site network and upgrade service facilities to maintain the leading position of the Company in China's used vehicle auction industry with our nationwide auction site network. By the end of 2025, the Company operated 83 auction sites nationwide, covering 332 cities; (ii) implement and optimize the "online-offline synchronized auction" model. As auction possess the characteristics of "high disposal efficiency, full transparency, fairness and traceability" among all used vehicle sales methods, auction platform plays a critical role in driving the vehicle circulation markets across the globe. Following the pioneering launch of the "live auction" model in early 2020, the Company has become the leading professional auction platform with the most robust auction product system in China; (iii) strengthen collaboration with new energy OEMs and manufacturers to enhance our capability of appraisal, inspection and trading in used new energy vehicles, as well as further expand upstream used vehicle supply sources and downstream Professional Buyer channels to grow our seller and buyer base; (iv) apply AI technology to facilitate business development and continuously refine our digital product portfolio covering all stages of the used vehicle circulation process, supported by intermediate-level algorithms and big data modeling, in order to provide all-in-one digital services for the industry chain and improve operational efficiency across the entire chain. Leveraging the comprehensive and in-depth collaboration between the Company and Tencent in fields including automotive ecosystem, cloud services and AI, the Company will further enhance auction efficiency and user service experiences through AI technology in the future by jointly exploring innovative applications of cloud computing and AI technology in the vehicle circulation sector to promote greater transparency and efficiency in the development of China's used vehicle industry; (v) further expand the scale of C2B auction and institutional business. By providing upfront services to entrusting parties to address pain points in vehicle repossession and improve transaction settlement efficiency, as well as continuously enhancing the disposal capability of the platform through services including personal proxy bidding and pre-auction quotation, the scale of C2B auction and institutional business is expected to be expanded rapidly; (vi) successfully execute the overseas expansion strategic planning. Looking forward, leveraging industry resources and the nationwide network of the Company's own auction sites, we aim to capitalize on its trade advantages and expand into the overseas market, and gradually extend our reach to Southeast Asia, Central Asia, Middle East and Africa, empowering the high-quality global expansion of China's used vehicle industry; and (vii) explore potential opportunities of strategic cooperation and acquisitions.

Material Events after the Reporting Period

Save as disclosed in this announcement, there have been no events subsequent to the Reporting Period and up to the date of this announcement which may have a material impact on the Company and the subsidiaries of the Company.

Financial Analysis

Revenue

During the Reporting Period, our revenue was derived from (i) used vehicle auction commission and service fees; (ii) used vehicle value-added services; (iii) arrangement for sale of used vehicles; (iv) exhibition related services; and (v) other vehicle-related services.

During the Reporting Period, we recorded a revenue of RMB271.1 million, representing a decrease of 33.7% as compared with RMB408.6 million for the year ended 31 December 2024, which was primarily due to the reduced income from used vehicle auction business, used vehicle value-added services and arrangement for sales of used vehicles.

The following table sets forth a breakdown of our revenue by business segment for the years indicated:

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Used vehicle auction commission and service fees	179,453	66.2	262,952	64.4
Used vehicle value-added services	42,059	15.5	69,041	16.9
Arrangement for sale of used vehicles	36,325	13.4	49,564	12.1
Exhibition related services	–	–	14,075	3.4
Other services	13,238	4.9	12,959	3.2
Total	<u>271,075</u>	<u>100.0</u>	<u>408,591</u>	<u>100.0</u>

Revenue from the used vehicle auction commission and service fees decreased by 31.7% from RMB263.0 million for the year ended 31 December 2024 to RMB179.5 million for the year 31 December 2025, primarily due to the continued downward pressure on used vehicle transaction prices and transaction volumes amidst the ongoing decline in new vehicle prices as discussed in the section headed “Business Review” above, resulting in a decrease of business volume as well as corresponding commission and service fees of used vehicle auction.

Revenue from used vehicle value-added services decreased by 39.0% from RMB69.0 million for the year ended 31 December 2024 to RMB42.1 million for the Reporting Period, primarily due to spending cuts by our partnering dealership groups in light of the sluggish environment in automotive dealership business, resulted in less demand for used vehicle value-added services provided by us to these automotive dealership partners.

Revenue from the arrangement for sale of used vehicles decreased by 26.8% from RMB49.6 million for the year ended 31 December 2024 to RMB36.3 million for the Reporting Period, mainly attributable to a significant decline in new vehicle sales among our major partnering dealership groups, which led to declines to various extents in their used vehicles sales business and, consequently, reduced demand for our arrangement for sale of used vehicle services.

Revenue from exhibition related services decreased by 100% from RMB14.1 million for the year ended 31 December 2024 to RMB0 for the Reporting Period, mainly due to marketing budget cuts by our major partnering OEMs and dealership groups, resulting in no automotive exhibition sales activities during the off-season in 2025.

Revenue from other vehicle-related services increased by 1.5% from RMB13.0 million for the year ended 31 December 2024 to RMB13.2 million for the Reporting Period, representing no significant change.

Cost of Sales

Our cost of sales consists of labor cost, professional service cost, intermediary cost and other cost. For the Reporting Period, our cost of sales was RMB101.3 million, representing a decrease of 34.0% as compared to RMB153.5 million for the year ended 31 December 2024. This was mainly attributable to the proportional reductions in labour cost, professional service cost and intermediary cost corresponding with the decline in transaction volumes of the Company.

Gross Profit and Gross Profit Margin

As a result of the foregoing and primarily due to the decreased revenue, our gross profit during the Reporting Period decreased by 33.5% from RMB255.1 million for the year ended 31 December 2024 to RMB169.7 million, and our gross profit margin maintained relatively stable at 62.6% during the Reporting Period compared to 62.4% in the same period in 2024.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 27.5% to RMB58.3 million during the Reporting Period from RMB80.4 million in the year ended 31 December 2024, primarily attributable to lower salary expenses resulting from the decrease in staff of auction site.

Administrative Expenses

Administrative expenses decreased by 34.7% to RMB87.6 million during the Reporting Period from RMB134.1 million in the year ended 31 December 2024, primarily attributable to (i) the absence of listing expenses in 2025 compared to the same period in 2024, and (ii) a decrease in salary and benefit expenses due to a reduction in the number of employees in 2025 compared to the same period in 2024.

Net Impairment Loss on Financial Assets

Net impairment loss on financial assets increased by 383.2% to RMB1.5 million during the Reporting Period from RMB0.3 million in the year ended 31 December 2024, primarily attributable to loss on bad debt of approximately RMB1.5 million.

Other Expenses

Our other expenses primarily included the expenses in relation to subleasing certain areas of our auction sites to third parties and compensation paid to buyers for deviation in the condition of used vehicles from our inspection reports. During the Reporting Period, our other expenses slightly decreased to RMB2.2 million during the Reporting Period from RMB2.5 million in the year ended 31 December 2024, representing no significant change.

Other Income and Gains, Net

Other income and gains, net increased by 25.7% to RMB11.8 million during the Reporting Period from RMB9.3 million in the year ended 31 December 2024, primarily attributable to an increase of approximately RMB710,000 in subsidy support from local governments and an increase in interest income from funds lent to upstream partners.

Finance Costs

Finance costs slightly increased to RMB6.8 million during the Reporting Period from RMB6.3 million in the year ended 31 December 2024, remained largely stable.

Fair Value Change of Financial Assets and Liabilities at Fair Value Through Profit or Loss

We recorded gains of nil in fair value change of financial assets at fair value through profit or loss in both the year ended 31 December 2024 and the same period in 2025.

We recorded losses of RMB142.3 million and RMB0 for fair value change of financial liabilities at fair value through profit or loss in the year ended 31 December 2024 and the same period in 2025, such decrease was primarily due to the automatic conversion of all convertible redeemable preferred shares into ordinary shares upon the completion of the global offering on 31 May 2024.

Profit/(Loss) before Tax

As a result of the foregoing, our profit before tax was RMB25.3 million in the Reporting Period, representing an increase of 125.0% from a loss of RMB101.4 million in 2024.

Income Tax Expenses

Income tax expenses decreased by 60.4% from RMB9.1 million in the year ended 31 December 2024 to RMB3.6 million in the same period in 2025. The higher income tax expense in 2024 was primarily attributable to the reversal of deferred income tax assets recognized for accumulated losses upon expiration.

Profit/(Loss) for the year

As a result of the foregoing, our profit for the Reporting Period was RMB21.7 million, representing an increase of 119.6% from a loss of RMB110.6 million in 2024, primarily due to the combined effect of the aforementioned factors.

Capital Management, Funding and Financial Policies

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the Company's shareholders' (the "Shareholders") value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the Reporting Periods.

The Group aims to maintain a balance between continuity of funding and flexibility. The Group's policy is to regularly monitor the current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms. Financing activities of the Group include deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Liquidity and Capital Resources

During the Reporting Period, we have financed our operating activities through cash generated from operations and bank borrowings. Our cash and cash equivalents primarily consist of cash on hand and bank balances. As of 31 December 2025, our cash and cash equivalents decreased by 20.9% to RMB827.5 million from RMB1,046.6 million as of 31 December 2024.

Borrowings

As of 31 December 2025, our outstanding borrowings amounted to RMB126.0 million, representing a decrease of 2.7% from RMB129.5 million as of 31 December 2024. All of the borrowings of the Group bear interest at fixed rate.

The Board and the Audit Committee of the Company constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

Gearing Ratio

As of 31 December 2025, our gearing ratio (calculated by dividing the total debt by total assets) was 22.7%. As of 31 December 2024, the gearing ratio was 25.0%. The gearing ratio as of 31 December 2025 remained relatively stable compared to the same period last year.

Significant Investments

We did not make or hold any significant investments (including any investment in an investee company with a value of 5.0% or more of the Group's total assets as of 31 December 2025) during the Reporting Period.

Material acquisitions and/or disposals of subsidiaries

We did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the Reporting Period.

Pledge of assets

The Group had no pledge of assets as at 31 December 2025.

Future plans for material investments and capital assets

As of the date of this announcement, we did not have other plans for material investments and capital assets.

Employees and Remuneration

As of 31 December 2025, we had 600 employees, representing a decrease from 686 employees as of 31 December 2024. We believe we offer our employees competitive compensation packages. The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Group provides training to its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training

to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. During the Reporting Period, the total employee benefit expense (including directors' remuneration and excluding those included in the cost of used vehicles auction commission and service fees) were RMB79.6 million, as compared to RMB115.2 million for the year ended 31 December 2024.

Contingent Liabilities

As of 31 December 2025, we did not have significant contingent liabilities.

Foreign Currency Risk and Investment Risk

Our major businesses are in the PRC and the majority of our transactions are conducted in RMB. Most of our assets and liabilities are denominated in RMB. We do not believe that we currently have any material foreign currency risk. Therefore, we currently do not engage in any hedging by financial instruments in respect of foreign currency risk. However, our management monitors the foreign currency risk closely and will consider suitable hedging measures in the future if necessary.

During the Reporting Period, we purchased financial products offered by licensed financial institutions that are considered low-risk and offer higher rates of return as compared with time deposits. Our financial assets at fair value through profit or loss were RMB5.0 million as of 31 December 2025 and RMB3.3 million as of 31 December 2024. We have adopted internal policies and guidelines to manage our investment in financial products to monitor and control the investment risks. Led by our chief financial officer and executive director, Ms. Gao Kun, who has extensive financial accounting experience, our financial department will closely monitor the performance of our financial products.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company and the Directors are committed to maintaining the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. The Company has complied with all the code provisions set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (the “**Corporate Governance Code**”) throughout the period from the Listing Date up to the date of this announcement.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code since the Listing Date up to 31 December 2025.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”), in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (as amended from time to time), comprising three independent non-executive Directors, being Ms. Li Mochou, Mr. Wang Jianping and Mr. Yan Jonathan Jun, with Ms. Li Mochou (being the Company’s independent non-executive Director with the appropriate professional qualifications) as chairperson of the Audit Committee, among other things, to consider issues in relation to the external auditors and their appointments, oversee the financial reporting system, risk management and internal control system of the Group, review the financial information of the Group and review policies and practices in relation to corporate governance.

The Audit Committee has reviewed the audited annual results of the Group for the Reporting Period in conjunction with the Company’s external auditor and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members. The Audit Committee is of the opinion that the audited consolidated financial statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

Scope of Work of Auditor on the Annual Results Announcement

The figures set out in this preliminary results announcement for the year ended 31 December 2025 have been compared by the Group’s independent auditor, Ernst & Young, Certified Public Accountants in Hong Kong, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance on this preliminary results announcement has been expressed by Ernst & Young.

Other Information

Final Dividend

The Board does not recommend the payment of any final dividend for the Reporting Period.

Purchase, Sale or Redemption of the Company's Listed Securities

During the period from the Listing Date up to 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As of 31 December 2025, the Company did not hold any treasury shares.

Material litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group since the Listing Date and up to the date of this announcement.

Use of proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 31 May 2024. The net proceeds raised from the Global Offering, after deduction of the estimated listing expenses payable based on final offer price, were approximately HK\$83.0 million. As of 31 December 2024, HK\$8.4 million out of the net proceeds have been utilized in the manner consistent with that disclosed in the prospectus dated 31 May 2024 (the "**Prospectus**") under the section headed "Future Plan and Use of Proceeds". Set out below is the status of use of proceeds from the Global Offering as of 31 December 2025. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company expects to fully utilize the residual amount of the net proceed in accordance with such intended purpose by December 2028.

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 31 December 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Expansion of the geographic coverage of our auction site network	40.0%	33.2	25.2	8	2028
• Opening 19 new auction sites	28.0%	23.2	18.2	5	2028
• Renovation of existing 7 auction sites	12.0%	10.0	7	3	2028
Enhancing our relationship with existing sellers and buyers and attract new sellers and buyers to our platform	10.0%	8.2	6.6	1.6	2028
• Enhancing our business relationships with existing upstream sellers and downstream buyers	5.0%	4.1	3.3	0.8	2028
• Expanding our seller base and buyer base	5.0%	4.1	3.3	0.8	2028
Developing and diversifying our service offering and exploring new growth areas	15.0%	12.5	10.3	2.2	2028
• Expanding and upgrading our ADMS system with additional functions	2.6%	2.2	1.7	0.5	2028
• Providing additional services to buyers	1.3%	1.1	0.9	0.2	2028
• Continuously upgrading our mobile app and technology	3.3%	2.7	2.2	0.5	2028

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 31 December 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
• Providing services and developing digital tools that assist other market participants in carrying out their used vehicle business	3.4%	2.8	2.3	0.5	2028
• Recruiting additional talent and establishing relevant training programs	4.4%	3.7	3.2	0.5	2028
Investing in research and development	15.0%	12.5	8.2	4.3	2028
• Developing a QR code-based, AI-assisted intelligent inventory management system	3.6%	3.0	1	2	2028
• Developing and optimizing a used vehicle pricing model	2.5%	2.1	1.6	0.5	2028
• Enhancing our IT infrastructure	2.1%	1.7	1.2	0.5	2028
• Upgrading our big data analytics capabilities	3.0%	2.5	2	0.5	2028
• Developing AI-empowered digital tools for detecting and analyzing images used vehicles	2.4%	2.0	1.5	0.5	2028
• Developing technology and systems that facilitate the transaction process of NEVs	0.7%	0.6	0.4	0.2	2028
• Increasing the digitalization level of our business operation	0.7%	0.6	0.5	0.1	2028
Forming potential strategic partnerships and alliances with our business partners and making investments and/or acquiring controlling interest in target companies	10.0%	8.3	7.3	1	2028
Used for our working capital and general corporate purposes	10.0%	8.3	6.3	2	2028
Total	100.0%	83.0	63.9	19.1	

In the event that the net proceeds are not immediately utilized for the purposes as previously disclosed in the Prospectus, we intend to deposit the net proceeds into an interest-bearing account with a licensed commercial bank or financial institution in the PRC or Hong Kong. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.autostreets.com). The annual report for the year ended 31 December 2025 containing all the relevant information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's Shareholders in due course.

By order of the Board
Autostreets Development Limited
Mr. Yang Hansong
Chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the board of directors of the Company comprises (i) Mr. Yang Aihua, Mr. Yang Hansong, Mr. Zhao Hongliang and Ms. Gao Kun as executive directors; (ii) Mr. Rob Huting and Ms. Yang Chuyu as non-executive directors; and (iii) Mr. Wang Jianping, Ms. Li Mochou and Mr. Yan Jonathan Jun as independent non-executive directors.

This announcement contains forward-looking statements relating to the business outlook, 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.