

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China Yongda Automobiles Services Holdings Limited

(中國永達汽車服務控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03669)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

AND

RE-DESIGNATION OF DIRECTOR AND CHANGE OF COMPOSITION OF THE NOMINATION COMMITTEE

The board (the “**Board**”) of directors (the “**Directors**”) of China Yongda Automobiles Services Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”, “**we**” or “**us**”) for the year ended December 31, 2025, together with comparative figures for the year ended December 31, 2024.

GROUP FINANCIAL HIGHLIGHTS

- Revenue for the twelve months ended December 31, 2025 was RMB54,600 million, representing a 13.9% decrease from RMB63,420 million for the twelve months ended December 31, 2024.
- Revenue from new vehicles distribution for the twelve months ended December 31, 2025 was RMB39,143 million, representing a 15.7% decrease from RMB46,407 million for the twelve months ended December 31, 2024.
- Revenue from new vehicles distribution of independent new energy for the twelve months ended December 31, 2025 was RMB3,874 million, representing a 28.1% increase from RMB3,024 million for the twelve months ended December 31, 2024.
- Commission income from new vehicle direct sales of independent new energy for the twelve months ended December 31, 2025 was RMB136 million, representing a 22.3% increase from RMB111 million for the twelve months ended December 31, 2024.

- Revenue from the repair and maintenance business after excluding factors of shutdown and transfer for the twelve months ended December 31, 2025 was RMB8,970 million, representing a 1.2% increase from RMB8,868 million for the twelve months ended December 31, 2024.
- Gross profit from the repair and maintenance business after excluding factors of shutdown and transfer for the twelve months ended December 31, 2025 was RMB3,591 million, basically unchanged from RMB3,579 million for the twelve months ended December 31, 2024.
- The total amount of selling expenses, administrative expenses and finance costs for the twelve months ended December 31, 2025 was RMB4,930 million, representing a 4.9% decrease from RMB5,187 million for the twelve months ended December 31, 2024.
- The adjusted consolidated net loss (under non-IFRS measures) for the twelve months ended December 31, 2025 was RMB347 million.
- The adjusted net loss attributable to owners of the Company (under non-IFRS measures) for the twelve months ended December 31, 2025 was RMB304 million.
- Turnover days of inventories for the twelve months ended December 31, 2025 were 24.9 days, representing a decrease of 0.9 days from 25.8 days for the twelve months ended December 31, 2024.
- Net cash generated from operating activities for the twelve months ended December 31, 2025 was RMB1,886 million, representing a 24.2% increase from RMB1,518 million for the twelve months ended December 31, 2024.
- The net gearing ratio as of December 31, 2025 was 8.5%, representing a decrease of 1.7 percentage points compared to 10.2% as of December 31, 2024.

MANAGEMENT DISCUSSION & ANALYSIS

MARKET REVIEW

In 2025, China's automotive market operated against a backdrop of mounting macroeconomic headwinds and in-depth industry restructuring. In terms of sales volume, the passenger vehicle market remained relatively stable throughout the year, yet the industry's operational performance came under severe pressure. The market was characterized by "stable overall volume, declining prices and sharply divergent profitability". According to statistics from the China Passenger Car Association, the national retail sales of passenger vehicles reached approximately 23.74 million units in 2025, representing a year-on-year increase of 3.8%. Among these, retail sales of new energy vehicles was approximately 12.81 million units, representing a year-on-year increase of 17.6%, with the new energy vehicle penetration rate rising to 54%.

While sales remained resilient, price competition intensified across the entire industry, particularly in segments dominated by traditional fuel vehicles and established brands, where terminal prices trended downward for the full year. Price wars spread from the new energy vehicles sector to mainstream joint-venture and luxury brands, leading to a sustained drop in transaction prices of new vehicles and a sharp contraction in per-unit gross profit margins. This placed substantial pressure on the profitability of distribution networks for traditional brands. Despite the relatively stable overall sales performance, the deterioration of profit structures emerged as one of the most prominent industry features in 2025.

From a powertrain perspective, new energy vehicles maintained rapid growth, emerging as the main growth driver for the industry, while sales of traditional fuel-powered vehicles continued to decline year-on-year. Growth in the new energy vehicles market was concentrated among leading brands and in the mid-to-high-end product segments, leading to a further rise in market concentration. Concurrently, traditional brands faced mounting pressures in terms of product competitiveness, pricing systems, and channel costs. Some brands proactively reduced sales targets and adjusted channel strategies to mitigate operational pressures.

Against the backdrop of sustained pressure on prices and inventories, both manufacturers and dealer networks entered a phase of in-depth restructuring. Some manufacturers began lowering wholesale targets, increasing inventory clearance support, optimizing rebate structures and settlement cycles, and strengthening control over channel inventory and vehicles in transit. These measures were designed to alleviate dealers' capital occupation pressures and improve their cash flow conditions. Industry competition is gradually shifting from relying solely on pricing tactics toward a balanced emphasis on product strength, service capabilities, and channel stability.

At the distributor level, self-adjustment and market restructuring have accelerated significantly. In 2025, traditional brands within the industry continued to shrink their distribution networks, with closures, shutdowns, and conversions reaching a multi-year high. The network structure shifted from “pursuing coverage scale” to “emphasizing single-store efficiency and profitability”. Dealers reduced fixed costs and operational risks by proactively closing underperforming outlets, streamlining high-cost channels, and optimizing brand and regional layouts. Meanwhile, resources became increasingly concentrated in brands with strong product offerings and profitability, as well as top-tier dealers, further intensifying industry differentiation and consolidation.

Overall, the automotive industry in 2025 did not merely experience a decline in demand. Instead, it underwent a profound restructuring of profitability and channel realignment against the backdrop of intense price wars. While traditional brands and their distribution networks faced significant short-term pressure, the industry is gradually evolving toward a more rational and sustainable development trajectory. This shift of the industry is driven by the easing price competition, the gradual return of inventory levels to reasonable ranges, and the ongoing optimization of brand and channel structures.

BUSINESS REVIEW

In 2025, our revenue was RMB54,600 million, representing a decrease of 13.9% as compared to 2024. Our gross profit amounted to RMB4,292 million, representing a decrease of RMB981 million or 18.6% as compared to 2024, among which, the gross profit from the sales of new vehicles and related services decreased by RMB827 million or 96.1% year-on-year.

In 2025, the selling expenses, administrative expenses and financing costs totaled RMB4,930 million, representing a decrease of RMB257 million or 4.9% compared to the corresponding period in 2024.

In 2025, mainly due to the escalating price war in the automotive market since 2025, especially in the second half of the year, and the impact of macroeconomic factors, the Group recognised non-cash impairment provision in its financial statements in respect of long-term assets (the “**Impairment of Related Assets**”), such as goodwill, intangible assets arising from dealership agreements and properties and renovations of certain underperforming 4S stores, mainly including those acquired in previous years and deferred tax assets, and the total amount of such impairment was approximately RMB5,007 million after offsetting against the corresponding reversal of deferred tax liabilities. The impact on the Group’s consolidated profit for 2025 and the Group’s consolidated total equity as of 31 December 2025 was approximately RMB5,007 million, and the impact on the profit attributable to owners of the Company for 2025 and the equity attributable to owners of the Company as of 31 December 2025 was approximately RMB4,768 million.

The Impairment of Related Assets represents a prudent financial adjustment, which does not involve any cash outflows and has no impact on the daily operation and business performance of the Group. Following this Impairment of Related Assets, the depreciation and amortization pressure on the relevant assets has been alleviated, and the depreciation and amortization expenses will be reduced accordingly in future periods, which is conducive to improving the overall profitability of the Group.

Similarly, affected by the sharp decline in the gross profit from new vehicle sales and related services during the year and after excluding the impact of the aforesaid Impairment of Related Assets, our adjusted consolidated net loss and adjusted net loss attributable to the owners of the Company for 2025 (under non-IFRS measures) were RMB347 million and RMB304 million, respectively (for details, please refer to “**Adjustments on Non-IFRS Measures**”).

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

New Vehicle Sales Business

In 2025, the new vehicle sales business faced overall pressure due to the ongoing intensification of industry-wide price competition and changes in the market demand structure. The Group’s new vehicle sales for the year was 153,115 units, representing a year-on-year decrease of 10.6%. Revenue from new vehicle sales and related services amounted to RMB41,675 million, representing a year-on-year decrease of 15.7%. The gross profit margin for new vehicle sales and related services stood at 0.1%, representing a year-on-year decrease of 1.6 percentage points.

During 2025, price competition extended to mainstream vehicle models, with terminal transaction prices continuing to decline, significantly compressing per-vehicle profitability for new cars. In response to the changing market environment, the Group proactively adjusted its new vehicle business strategy, prioritizing a balance between sales quality, gross profit margins and capital security. The Group focused on core models with relatively reasonable gross profit margins and stable demand, while adopting a prudent sales strategy for models exposed to fierce price competition and higher inventory risks.

While aforementioned adjustments have had a phased impact on sales volume to a certain extent, but they have effectively reduced the operational risks associated with low-margin sales. This helps safeguard the overall gross profit margin and cash flow security of the new vehicle business.

In terms of inventory and capital management, the Group maintained a healthy industry-standard turnover level for new vehicles in 2025, with an annual new vehicle turnover of 24.6 days. By leveraging digital systems to enhance sales pacing and dynamic control over inventory capital, and implementing a limit management for overstocked inventory, the Group continuously improved inventory turnover efficiency and reduced the risk of capital occupation.

Overall, the Group’s new vehicle sales business operated under pressure in an intense price competition environment. Through proactive strategic adjustments, it controlled operational risks while laying a solid foundation for subsequent improvement in market conditions and business recovery.

New Energy Vehicle Business

Throughout 2025, the new energy passenger vehicle market exhibited three key trends: A shift from “scale expansion” to “technology + experience-driven” growth, with battery electric vehicles overtaking plug-in hybrid electric vehicles to become the mainstream in high-quality expansion; Exports and premiumization emerging as core growth drivers, accelerating brand elevation as dual engines of growth; and intensified competition trend characterized by domestic and cross-industry players taking the lead, joint ventures lagging in transformation, rising industry concentration, and accelerated pace of market clearance for weaker players.

The number of automakers that achieved their full-year sales targets significantly decreased. Sales growth for low-priced and mainstream-priced models slowed sharply or even turned negative. The price segments maintaining high growth remained concentrated in premium and luxury new energy vehicles priced above RMB200,000. These trends are aligned with the development trajectories of the new energy brands we represent and provided strong impetus for our growth. As the brands we represent intensify their product investments in 2026, we anticipate this growth trajectory will continue throughout the year.

In 2025, the sustained popularity of the new AITO M9 and M8, alongside the unexpected success of the MAEXTRO S800, demonstrated the development trends of new energy vehicles in the premium, luxury, and even ultra-luxury categories. This momentum has also spawned high-priced bestsellers like the ZEEKR 9X, NIO ES8, and Xiaomi Su7 Ultra, expanding our base of premium existing customer base. Meanwhile, the year’s top-selling models all featured exceptional intelligent capabilities and relatively strong differentiated user experiences. Lidar and multi-sensor systems have become standard equipment in premium vehicles, while more powerful batteries and charging technologies continue to emerge. Vehicle hardware and software ecosystems are gradually taking shape, and the integration of vehicle technologies is rapidly advancing. Our service offerings have swiftly transitioned from traditional mechanical maintenance to technology upgrades and troubleshooting services, significantly raising the service barrier.

In terms of specific sales volume, in 2025, the sales volume of our independent new energy brand vehicles reached 25,900 units, representing a year-on-year increase of 40.1%, with a growth rate significantly outpacing the national new energy vehicle retail growth rate of approximately 17.6%. Among them, 13,341 units were sold under the dealership model and 12,559 units under the direct sales model. As the products for which we act as the agent are further developing towards the high-end market, the average selling price of new vehicles reached RMB282,400 for the year, and the comprehensive gross profit margin per new vehicle also remained relatively stable amid fierce market competition, standing at 3.8% for the year. Meanwhile, several new models of the brands we represent were launched in 2025 and several models have also accumulated a considerable number of unfulfilled delivery orders for us. As of the end of 2025, there were still more than 4,000 outstanding orders, laying the foundation for sustained business growth in 2026.

In terms of after-sales, the after-sales business of independent new energy vehicle brands maintained rapid growth in 2025. During the year, the revenue from the repair and maintenance business amounted to RMB512 million, representing a year-on-year increase of 65.1%, and the average revenue per vehicle remained basically stable at RMB3,288. The number of after-sales customers of independent new energy brands reached 91,069 at the end of 2025, representing an increase of 58.7% as compared to the end of 2024. At present, with the rapid increase in the number of new vehicle deliveries of our independent new energy brands, the customer base for after-sales services continues to expand at a high pace, and the after-sales business of these brands remains unabated.

After-sales Business

The after-sales business is the cornerstone for us to maintain stable operation in the current situation where the competition in new vehicle sales prices continues to intensify. Our revenue from after-sales services was RMB9,469 million in 2025, of which revenue from repair and maintenance business was RMB9,200 million. Affected by the shutdown of enterprises, the revenue from repair and maintenance business decreased by 2.8% compared with 2024. Excluding this factor, the revenue from repair and maintenance business increased by 1.2% year-on-year. In 2025, the gross profit margin of our repair and maintenance business was 40.0%, remaining flat compared with 2024. In 2025, the absorption rate of retail services was 80.2%, representing an increase of 1.0 percentage point compared with 2024.

In terms of customer operations, we continuously improved and optimized various sticky products and services covering mechanical and electrical maintenance and accident repair based on customer demands and market changes, to boost enhancing customer retention rates. Meanwhile, in the second half of the year, we successfully launched the detection and maintenance equipment for new energy vehicle power batteries, which gradually cultivated customers' awareness of power battery maintenance, and combined with the user retention and outreach system, enhanced the stickiness of new energy vehicle maintenance and repair. Additionally, we actively expanded the customer resources of dealers who had withdrawn from the network covered by our outlets to drive continuous growth in retained customers under our management.

In terms of the insurance accident vehicle business, we focused on strengthening the process control of renewal business to ensure that the number of renewal vehicles and the premium scale increase year-on-year, so as to offset the impact of the decline in new vehicle sales on the premium scale. In 2025, our overall premium scale remained stable year-on-year. Meanwhile, amid the market environment where insurance companies were tightening their claims and loss assessment policies, on the one hand, we actively cooperated with insurance companies to develop businesses such as "maintenance instead of replacement" to deepen strategic partnership and achieve a win-win situation; on the other hand, we continuously enhanced the scale of minor damage business and the retention rate of accident clues through the application of digital management tools, to ensure the stability of accident vehicle business.

In terms of inventory control, we adjusted our procurement strategy in a timely manner based on the business changes, strictly controlled the procurement of spare parts and accessories, and continuously optimized the inventory structure, which resulted in a decrease of 1.9 days in the turnover days of spare parts and accessories in 2025 compared with 2024.

Pre-owned Vehicle Business

In 2025, we adopted the business strategy of “profit first, efficient turnover, strict risk control and high-quality development”, proactively responded to the impact of the volatile decline in the new vehicle prices on the pre-owned vehicle business, and seized the opportunities and challenges brought by new energy pre-owned vehicles. In 2025, our transaction volume of pre-owned vehicles was 64,250 units, and the revenue from pre-owned vehicles calculated based on the selling price of pre-owned vehicles was RMB4,241 million while maintaining a stable new-to-pre-owned ratio. We ensured the business profitability by accelerating inventory turnover and controlling the risk of price declines, and the gross profit margin of pre-owned vehicles based on the selling price of pre-owned vehicles was 5.4%, representing a year-on-year increase of 0.8 percentage points; the turnover days were 16.7 days, representing a year-on-year decrease of 4.2 days.

We continued to deepen the new retail model of pre-owned vehicles that integrates dual brands of OEM and Yongda both online and offline. By strengthening digital operation capabilities, we created a marketing matrix that combines the official website, new media and vertical media to promote online transactions; we enhanced transaction rates and accelerated turnover efficiency through standardized data to integrate cross-brand and cross-regional vehicle inventory information; we developed the pre-owned vehicles retail business to drive the growth of extended businesses such as finance and insurance, and promoted comprehensive profitability and expansion of customer retention scale of pre-owned vehicles; we have established bulk vehicle supply cooperation mechanisms with many OEMs to provide a stable vehicle supply for the retail business.

We are accelerating the deployment of new channels for new energy pre-owned vehicles, and have established all-round and cross-regional cooperation with several emerging manufacturers such as HarmonyOS, Xiaomi and ZEEKR in terms of pre-owned vehicle trade-in services and retailing of own-brand vehicles; we have developed a vehicle procurement application system for the consumption scenarios of emerging new brands, providing standardized and efficient services across the entire chain, including customer information retention at the store end, centralized call center outreach and dispatching of appraisers, centralized pricing based on the database, coordinated procurement of new vehicles, and efficient platform disposal; we utilized new media platforms popular among young users, such as live streaming, short videos, Xiaohongshu and Xianyu, to carry out retail operations and provide battery testing and guarantee services for users; we have noticed that the product iteration and price fluctuation of new energy pre-owned vehicles are significantly faster than those of fuel vehicle brands, and have therefore adopted a more rigorous and efficient turnover strategy to mitigate price depreciation risks; we actively promoted the export of new energy pre-owned vehicles to establish diversified sales channels.

Changes of Outlets

In order to adapt to the cyclical and structural changes in the domestic automotive industry, we accelerated the adjustment of our outlets in 2025 and adopted a prudent principle to close some brand stores in certain regions. With continuous increase in the sales of new vehicles of domestic new energy brands, coupled with the impact of macroeconomy on luxury and ultra-luxury brands, the demand for new vehicles gradually weakened, and the decrease in sales led to a significant drop in the output and gross profit of single outlet. In contrast, for domestic new energy brands, more luxury brand consumers are willing to choose new energy vehicles. Therefore, in 2025, we closed 17 luxury brand dealership stores and opened 19 new energy brand dealership stores. Through proactive adjustment of the outlet structure, we maintained the market share and single-outlet output of key luxury brands, closed certain underperforming brand stores, and reserved high-quality new energy brand stores to better adapt to future industry changes. The specific outlet adjustments are as follows:

	Newly opened outlets	Closed outlets
Traditional luxury brands	0	17
Traditional mid-to-high-end brands	0	6
New energy brands	19	8

As at December 31, 2025, we operated a total of 209 outlets, with 6 authorized outlets awaiting opened. Based on the analysis of brand structure, luxury brands accounted for 61.2%, independent new energy brands 22.0%, and mid-to-high-end brands 10.5%, and Yongda Pre-owned Vehicle Malls 6.2%.

Set out below are the details and changes of our opened outlets as of December 31, 2025:

	Outlets opened as of December 31, 2024	Outlets opened as of December 31, 2025	Changes of outlets
4S dealerships of luxury and ultra-luxury brands	129	115	-14
City showrooms of luxury brands	<u>16</u>	<u>13</u>	<u>-3</u>
Sub-total of luxury and ultra-luxury brands outlets	<u>145</u>	<u>128</u>	<u>-17</u>
4S dealerships of mid-to-high-end brands	27	22	-5
City showrooms of mid-to-high-end brands	<u>1</u>	<u>0</u>	<u>-1</u>
Sub-total of mid-to-high-end brands outlets	<u>28</u>	<u>22</u>	<u>-6</u>
4S dealerships of independent new energy brands	29	39	10
Authorized maintenance centers of independent new energy brands	<u>6</u>	<u>7</u>	<u>1</u>
Sub-total of independent new energy brands outlets	<u>35</u>	<u>46</u>	<u>11</u>
Outlets of Yongda Pre-owned Vehicle Malls	<u>13</u>	<u>13</u>	<u>0</u>
Total outlets	<u><u>221</u></u>	<u><u>209</u></u>	<u><u>-12</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue			
Goods and services		54,234,979	62,965,292
Rental		364,749	454,937
		<hr/>	<hr/>
Total revenue	<i>3A/B</i>	54,599,728	63,420,229
Cost of sales and services		(50,307,671)	(58,146,759)
		<hr/>	<hr/>
Gross profit		4,292,057	5,273,470
Other income and other gains and losses	<i>4</i>	46,924	106,030
Distribution and selling expenses		(3,289,066)	(3,388,539)
Administrative expenses		(1,407,341)	(1,500,446)
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill		(4,796,142)	(40,453)
Impairment losses under expected credit loss (“ECL”) model, net of reversal		(83,348)	(44,239)
Share of (losses) profits of joint ventures		(63)	4,511
Share of profits of associates		92,340	95,831
Finance costs		(233,921)	(297,597)
		<hr/>	<hr/>
(Loss) profit before tax	<i>6</i>	(5,378,560)	208,568
Income tax credit (expense)	<i>5</i>	24,089	(43,198)
		<hr/>	<hr/>
(Loss) profit for the year		(5,354,471)	165,370
		<hr/>	<hr/>
(Loss) profit for the year attributable to:			
Owners of the Company		(5,071,549)	200,773
Non-controlling interests		(282,922)	(35,403)
		<hr/>	<hr/>
		(5,354,471)	165,370
		<hr/>	<hr/>
(Loss) earnings per share – basic	<i>8</i>	RMB(2.72)	RMB0.11
		<hr/>	<hr/>
(Loss) earnings per share – diluted	<i>8</i>	RMB(2.72)	RMB0.11
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit for the year	(5,354,471)	165,370
Other comprehensive income (expense)		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)	<u>1,540</u>	<u>(2,234)</u>
Total comprehensive (expense) income for the year	<u>(5,352,931)</u>	<u>163,136</u>
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	(5,070,009)	198,539
Non-controlling interests	<u>(282,922)</u>	<u>(35,403)</u>
	<u>(5,352,931)</u>	<u>163,136</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment	9	3,364,660	5,336,096
Right-of-use assets	9	2,739,775	2,987,842
Goodwill	9	314,428	1,590,421
Other intangible assets	9	1,114,205	2,902,044
Deposits paid for acquisition of property, plant and equipment		8,751	19,950
Deposits paid for acquisition of right-of-use assets		–	177,053
Equity instruments at FVTOCI		6,050	4,510
Financial assets at fair value through profit or loss (“FVTPL”)		310,207	345,746
Interests in joint ventures		46,195	47,620
Interests in associates		981,000	930,310
Deferred tax assets		148,073	463,512
Other assets	10	–	83,648
Time deposits		7,500	–
		<u>9,040,844</u>	<u>14,888,752</u>
Current assets			
Inventories	11	3,611,826	4,149,925
Trade and other receivables	10	5,196,800	6,218,622
Amounts due from related parties		55,705	58,697
Cash in transit		21,804	26,113
Time deposits		2,400	8,100
Restricted bank balances		4,110,018	8,238,387
Bank balances and cash		2,191,904	1,457,667
		<u>15,190,457</u>	<u>20,157,511</u>
Current liabilities			
Trade and other payables	12	8,923,268	12,934,471
Amounts due to related parties		43,029	33,398
Tax liabilities		803,336	840,420
Borrowings		1,607,491	1,565,963
Contract liabilities		1,253,309	1,524,387
Lease liabilities		240,061	239,918
		<u>12,870,494</u>	<u>17,138,557</u>
Net current assets		<u>2,319,963</u>	<u>3,018,954</u>
Total assets less current liabilities		<u>11,360,807</u>	<u>17,907,706</u>

	2025 RMB'000	2024 <i>RMB'000</i>
Non-current liabilities		
Borrowings	1,306,928	1,348,160
Lease liabilities	1,298,722	1,597,464
Deferred tax liabilities	254,553	745,404
	<u>2,860,203</u>	<u>3,691,028</u>
Net assets	<u>8,500,604</u>	<u>14,216,678</u>
Capital and reserves		
Share capital	15,220	15,564
Treasury shares	(25,837)	(7,342)
Reserves	8,499,525	13,873,055
Equity attributable to owners of the Company	8,488,908	13,881,277
Non-controlling interests	11,696	335,401
Total equity	<u>8,500,604</u>	<u>14,216,678</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

China Yongda Automobiles Services Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands on November 7, 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company’s registered office is located at 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands and its principal place of business in Hong Kong (the “**HK**”) is Unit 5708, 57/F, The Center, 99 Queen’s Road Central, HK.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the sale of automobiles and provision of after-sales services, provision of automobile operating lease services, and distribution of automobile insurance products and automobile financial products in the PRC. The Company and its subsidiaries are collectively referred to as the “**Group**”.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

3A. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Sale of new vehicles and related services income:		
– Sale of new vehicles of luxury and ultra-luxury brands (<i>note a</i>)	31,217,866	38,204,693
– Sale of new vehicles of mid-to high-end brands (<i>note a</i>)	4,020,494	5,139,581
– Sale of new vehicles of independent new energy brands (<i>note a</i>)	3,872,345	3,017,783
– Commission income related to sale of new vehicles (<i>note b</i>)	2,070,684	2,370,695
– Others (<i>note c</i>)	461,261	677,697
	<u>41,642,650</u>	<u>49,410,449</u>
Sale of pre-owned vehicles and related services income:		
– Sale of pre-owned vehicles (<i>note d</i>)	3,082,951	3,777,640
– Brokerage income related to sale of pre-owned vehicles (<i>note d</i>)	40,245	32,431
	<u>3,123,196</u>	<u>3,810,071</u>
After-sales services		
– Repair and maintenance related services (<i>note e</i>)	9,200,247	9,463,805
– Commission income (<i>note b</i>)	268,886	280,967
	<u>9,469,133</u>	<u>9,744,772</u>
Total	<u><u>54,234,979</u></u>	<u><u>62,965,292</u></u>
Geographical markets		
Mainland China	<u><u>54,234,979</u></u>	<u><u>62,965,292</u></u>
Timing of revenue recognition		
A point in time	45,034,732	53,501,487
Over time	<u>9,200,247</u>	<u>9,463,805</u>
Total	<u><u>54,234,979</u></u>	<u><u>62,965,292</u></u>

Notes:

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

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

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

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

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

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied in respect of these income streams as the related contracts have an original expected duration of less than one year.

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

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information of passenger vehicles sales and services:

	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Sale of new vehicles and related services income <i>RMB'000</i>	Sale of pre- owned vehicles and related services income <i>RMB'000</i>	After-sales services <i>RMB'000</i>	Sale of new vehicles and related services income <i>RMB'000</i>	Sale of pre- owned vehicles and related services income <i>RMB'000</i>	After-sales services <i>RMB'000</i>
Revenue disclosed in segment information						
External customers	41,642,650	3,123,196	9,469,133	49,410,449	3,810,071	9,744,772
Inter-segment	32,146	-	-	44,584	-	3,330
Total	41,674,796	3,123,196	9,469,133	49,455,033	3,810,071	9,748,102
Eliminations	(32,146)	-	-	(44,584)	-	(3,330)
Revenue from contracts with customers	41,642,650	3,123,196	9,469,133	49,410,449	3,810,071	9,744,772

3B. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the Group's chief operating decision makers who review the segment revenue and results when making decisions about allocating resources and assessing performance, focuses on the products and services delivered or provided. For passenger vehicle sales and services, and automobile operating lease services business, the executive directors of the Company review the financial information of each outlet or entity, hence each outlet or entity constitutes a separate operating segment. However, the outlets and entities of passenger vehicle sales and services, and automobile operating lease services business possess similar economic characteristics, and are similar in terms of products and services, customers, methods used to distribute products and provide services, and regulatory environment, respectively. Therefore, all outlets or entities are aggregated into respective reportable segment, namely "passenger vehicle sales and services" and "automobile operating lease services" for segment reporting purposes.

The Group's reportable segments are as follows:

- Passenger vehicle sales and services – (i) sales of passenger vehicles; and (ii) provision of after-sales services, including primarily repair and maintenance services, certain auxiliary passenger vehicles sales related services and provision of other passenger vehicles-related services; and
- Automobile operating lease services.

Segment revenue and results

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

	Passenger vehicle sales and services RMB'000	Automobile operating lease services RMB'000	Eliminations RMB'000	Total RMB'000
<i>For the year ended December 31, 2025</i>				
External revenue	54,234,979	364,749	–	54,599,728
Inter-segment revenue	<u>32,146</u>	<u>7,364</u>	<u>(39,510)</u>	<u>–</u>
Segment revenue (note a)	54,267,125	372,113	(39,510)	54,599,728
Segment cost (note b)	<u>(50,052,430)</u>	<u>(287,387)</u>	<u>32,146</u>	<u>(50,307,671)</u>
Segment results	<u><u>4,214,695</u></u>	<u><u>84,726</u></u>	<u><u>(7,364)</u></u>	<u><u>4,292,057</u></u>
Other income and other gains and losses				46,924
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill				(4,796,142)
Impairment losses under expected credit loss model, net of reversal				(83,348)
Distribution and selling expenses				(3,289,066)
Administrative expenses				(1,407,341)
Finance costs				(233,921)
Share of losses of joint ventures				(63)
Share of profits of associates				<u>92,340</u>
Loss before tax				<u><u>(5,378,560)</u></u>

	Passenger vehicle sales and services RMB'000	Automobile operating lease services RMB'000	Eliminations RMB'000	Total RMB'000
<i>For the year ended December 31, 2024</i>				
External revenue	62,965,292	454,937	–	63,420,229
Inter-segment revenue	<u>47,914</u>	<u>11,027</u>	<u>(58,941)</u>	<u>–</u>
Segment revenue (note a)	63,013,206	465,964	(58,941)	63,420,229
Segment cost (note b)	<u>(57,799,570)</u>	<u>(395,103)</u>	<u>47,914</u>	<u>(58,146,759)</u>
Segment results	<u>5,213,636</u>	<u>70,861</u>	<u>(11,027)</u>	<u>5,273,470</u>
Other income and other gains and losses				106,030
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill				(40,453)
Impairment losses under expected credit loss model, net of reversal				(44,239)
Distribution and selling expenses				(3,388,539)
Administrative expenses				(1,500,446)
Finance costs				(297,597)
Share of profits of joint ventures				4,511
Share of profits of associates				<u>95,831</u>
Profit before tax				<u>208,568</u>

Notes:

- The segment revenue of passenger vehicles sales and services for the year ended December 31, 2025 was approximately RMB54,267,125,000 (2024: RMB63,013,206,000) which included the revenue of sales of new vehicles and related services income amounting to approximately RMB41,674,796,000 (2024: RMB49,455,033,000), the revenue of sales of pre-owned vehicles and related services income amounting to approximately RMB3,123,196,000 (2024: RMB3,810,071,000) and the after-sales services revenue amounting to approximately RMB9,469,133,000 (2024: RMB9,748,102,000).
- The segment cost of passenger vehicles sales and services for the year ended December 31, 2025 was approximately RMB50,052,430,000 (2024: RMB57,799,570,000) which include the cost of sales of new vehicles and related services amounting to approximately RMB41,641,387,000 (2024: RMB48,595,099,000), the cost of sales of pre-owned vehicles and related services amounting to approximately RMB2,894,539,000 (2024: RMB3,566,474,000) and the cost of after-sales services amounting to approximately RMB5,516,504,000 (2024: RMB5,637,997,000).

Segment result represents the loss before tax earned by each segment without allocation of other income and other gains and losses, Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill, impairment losses under expected credit loss model, net of reversal, distribution and selling expenses, administrative expenses, finance costs, share of profits(losses) of joint ventures and share of profits of associates. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment. No analysis of segment assets and liabilities are presented as it is not regularly reviewed by the executive directors of the Company.

Geographical information

Substantially all of the Group's revenue is generated in the PRC; and all of the Group's principal non-current assets for operation are located in the PRC.

Information about major customers

No single customer accounted for 10% or more of the Group's revenue for the years ended December 31, 2025 and 2024.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income comprises:		
Government grants (<i>note a</i>)	15,082	19,485
Interest income on bank deposits	<u>42,607</u>	<u>44,523</u>
	<u>57,689</u>	<u>64,008</u>
Other gains and losses comprise:		
Loss on disposal of property, plant and equipment and other intangible assets	(9,028)	(17,673)
Loss on fair value change of financial assets at FVTPL	(21,964)	(11,149)
Gain on compensation income (<i>note b</i>)	–	28,707
Net foreign exchange (loss) gain	(845)	612
Dividends from financial assets at FVTPL	25,995	–
Gain on disposal of subsidiaries	393	25,331
Loss on disposal of interest in an associate	–	(196)
Others	<u>(5,316)</u>	<u>16,390</u>
	<u>(10,765)</u>	<u>42,022</u>
Total	<u><u>46,924</u></u>	<u><u>106,030</u></u>

Notes:

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

5. INCOME TAX (CREDIT) EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	146,722	144,338
Under (over) provision of PRC EIT in prior years	<u>4,601</u>	<u>(2,893)</u>
	151,323	141,445
Deferred tax:		
Current year credit	(673,722)	(98,247)
Reversal of tax losses recognized as deferred tax assets	<u>498,310</u>	<u>–</u>
	<u>(24,089)</u>	<u>43,198</u>

The income tax (credit) expense for the year can be reconciled to the (loss) profit before tax as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss) profit before tax	<u>(5,378,560)</u>	<u>208,568</u>
Tax at the PRC EIT rate of 25% (2024: 25%)	(1,344,640)	52,142
Tax effect of expenses not deductible for tax purpose	770,114	27,481
Tax effect of income not taxable for tax purpose	(6,523)	–
Tax effect of share of results of associates and joint ventures	(23,069)	(25,086)
Tax effect of deductible temporary differences not recognized	63,692	–
Effect of withholding tax associated with distributed earnings of subsidiaries in PRC	14,100	5,000
Tax effect of preferential tax rates for certain subsidiaries	(1,652)	(13,868)
Tax effect of tax loss not recognized	978	422
Under (over) provision of PRC EIT in prior years	4,601	(2,893)
Reversal of tax losses recognized as deferred tax assets (<i>note</i>)	<u>498,310</u>	<u>–</u>
Income tax (credit) expense for the year	<u>(24,089)</u>	<u>43,198</u>

Note: The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. During the year, the amount of reversal of tax losses recognized as deferred tax assets is RMB498,310,000 and among which the impact on non-controlling interests is RMB49,389,000.

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

Grouprich International Investment Holdings Limited is incorporated in Hong Kong and had no assessable profits subject to Hong Kong Profits Tax in the years ended December 31, 2025 and 2024.

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

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to RMB2,377,933,000 (2024: RMB7,387,122,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. The group entities with effective tax rate lower than 15% are in the non-material constituents which the safe harbour provisions apply, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

6. (LOSS) PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	1,955,400	2,043,786
Retirement benefits scheme contributions	162,696	168,011
Share-based payment expenses	<u>34,289</u>	<u>28,850</u>
Total staff costs	<u>2,152,385</u>	<u>2,240,647</u>
Auditors' remuneration:		
– in respect of audit and review services for the Company	6,920	6,920
– in respect of the statutory audits for the subsidiaries of the Company	<u>2,404</u>	<u>2,880</u>
Total auditors' remuneration	<u>9,324</u>	9,800
Cost of inventories recognized as an expense (including write-down of inventories amounting to RMB50,810,000 (2024: RMB nil))	<u>48,985,634</u>	<u>57,455,675</u>
Depreciation of property, plant and equipment	659,997	729,208
Depreciation of right-of-use assets	366,015	386,401
Amortization of other intangible assets	106,251	121,064
Impairment loss on:		
– property, plant and equipment (<i>note</i>)	1,690,853	–
– right-of-use assets (<i>note</i>)	93,720	–
– goodwill	1,275,993	40,453
– other intangible assets (<i>note</i>)	1,735,576	–
Impairment losses under expected credit loss model, net of reversal	<u>83,348</u>	<u>44,239</u>

Note: Impairment losses on property, plant and equipment, right-of-use assets, and other intangible assets have been separately disclosed in the consolidated financial statement of profit or loss to enhance understandability, with RMB1,411,662,000 attributable to distribution and selling expenses and RMB2,108,487,000 attributable to administrative expenses.

7. DIVIDENDS

2025	2024
<i>RMB'000</i>	<i>RMB'000</i>

Dividends for ordinary shareholders of the Company recognized as distribution during the year:

2025 interim dividends – RMB0.070 per share and

2024 final dividends – RMB0.069 per share

(2024 interim dividends – RMB0.059 per share

and 2023 final dividends – RMB0.052 per share)

<u>258,449</u>	<u>214,087</u>
----------------	----------------

No final dividend has been proposed by the Board of Directors in respect of the year ended December 31, 2025 (2024: a final dividend of RMB0.069 per share with a total amount of approximately RMB130 million was approved by shareholders in the annual general meeting).

8. (LOSS) EARNINGS PER SHARE

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

2025	2024
<i>RMB'000</i>	<i>RMB'000</i>

(Loss) earnings figures are calculated as follows:

(Loss) profit for the year attributable to owners of the Company

<u>(5,071,549)</u>	<u>200,773</u>
--------------------	----------------

2025	2024
<i>'000</i>	<i>'000</i>

Number of shares

Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share

<u>1,865,107</u>	<u>1,908,941</u>
------------------	------------------

Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share

<u>1,865,107</u>	<u>1,908,941</u>
------------------	------------------

The weighted average number of ordinary shares for the purpose of basic (loss) earnings per share has been adjusted for the repurchase and cancellation of ordinary shares including treasury shares during the year ended December 31, 2025.

9. IMPAIRMENT ASSESSMENT ON NON-CURRENT ASSETS

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

The Group concluded there was such indication and conducted impairment assessment on carrying amounts of cash generating units ("CGU"). Based on the result of the assessment, the Group recognized impairment loss of RMB1,275,993,000 related to goodwill, RMB1,690,853,000 related to property, plant and equipment, RMB93,720,000 related to right-of-use assets, RMB1,735,576,000 related to other intangible assets generated from acquisition of subsidiaries and reversed the related deferred tax liabilities of RMB433,894,000 during the year, among which the impact of impairment loss and the reversal of deferred tax liabilities on non-controlling interests is RMB169,989,000.

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

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

For the purpose of impairment testing, goodwill has been allocated to individual cash-generating units, and property, plant and equipment, right-of-use assets and other intangible assets that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for impairment testing. The key inputs and assumptions used for the year 2024 and 2025 in the impairment test for those CGUs with impairment indications on property, plant and equipment, right-of-use assets and other intangible assets are listed as follows:

Inputs	2026	2025	
		2027	2028-2030
Revenue growth rate	-2.0% – 0.6%	0% – 0.6%	0.3% – 1.0%
Gross profit margin	<u>2.0% – 9.3%</u>	<u>2.0% – 9.3%</u>	<u>2.0% – 9.3%</u>
		2024	
Inputs	2025	2026	2027-2029
Revenue growth rate	0% – 2.5%	1.0% – 2.5%	1.5% – 2.5%
Gross profit margin	<u>6.0% – 13.3%</u>	<u>6.0% – 13.3%</u>	<u>6.0% – 13.3%</u>

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

During the year ended December 31, 2025, the Group performed impairment review on CGUs based on cash flow forecasts derived from the most recent financial budgets for the next five years approved by the management using pre-tax discount rates ranging from 11% to 12% (2024: 11% to 12%) which reflect current market assessments of the time value of money and the risks specific to CGUs. For goodwill impairment assessment, the cash flows beyond the next five years are extrapolated using a growth rate of 1.0% per annum (2024: 1.5%). The growth rates are by reference to industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. And for impairment assessment on other non-current assets, they were assessed using cash flow projections over the remaining useful lives of the respective assets.

10. TRADE AND OTHER RECEIVABLES/OTHER ASSETS

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

- a. In general, deposits and advances are required and no credit period is allowed for sales of automobiles, while after-sales services are typically settled on a cash basis upon completion of the relevant services. However, for certain corporate customers of passenger vehicles sales and after-sales services, a credit period not exceeding 60 days is granted;
- b. For automobile operating lease services, the Group typically allows a credit period of 30 to 90 days to its customers.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Trade receivables	738,237	852,203
Bills receivables	<u>10,417</u>	<u>1,368</u>
	<u>748,654</u>	<u>853,571</u>
Current		
Prepayments and other receivables comprise:		
Prepayments to suppliers	1,283,981	1,197,228
Deposits to suppliers	156,270	150,682
Deposits to entities controlled by suppliers for borrowings	70,985	76,066
Prepayments and rental deposits on properties	181,846	186,116
Rebate receivables from suppliers	2,190,511	2,749,556
Finance and insurance commission receivables	169,888	542,272
Staff advances	1,606	4,554
Value-added tax recoverable	228,337	284,812
Advances to non-controlling interests (<i>note a</i>)	5,167	5,000
Consideration receivables from disposal of a subsidiary	–	12,667
Others	<u>159,555</u>	<u>156,098</u>
	<u>4,448,146</u>	<u>5,365,051</u>
	<u>5,196,800</u>	<u>6,218,622</u>
Non-current		
Other assets:		
Receivables from disposal of land use right	64,895	65,195
Consideration from disposal of joint venture (<i>note b</i>)	35,260	35,260
Other receivables from an independent third party (<i>note b</i>)	27,432	27,432
Less: Allowance for credit losses (<i>note b</i>)	<u>(127,587)</u>	<u>(44,239)</u>
	<u>–</u>	<u>83,648</u>

Notes:

- a. The non trade-related balances are unsecured, interest-free and repayable on demand.
- b. In previous years, the Group invested in a joint venture whose primary business was the construction of 4S dealership facilities, and the receivables are resulting from disposal of the investment and loan to the invested company. During the year, the impact of impairment loss on ECL model on non-controlling interests is RMB20,857,000 (2024: RMB10,942,000).

As at January 1, 2024, December 31, 2024 and December 31, 2025, trade receivables from contracts with customers amounted to RMB912,545,000, RMB813,564,000 and RMB716,051,000 respectively.

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

	2025 RMB'000	2024 RMB'000
Trade receivables		
0 to 90 days	<u>738,237</u>	<u>852,203</u>
Bills receivables		
0 to 90 days	<u>10,417</u>	<u>1,368</u>

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

11. INVENTORIES

	2025 RMB'000	2024 RMB'000
Motor vehicles	3,166,283	3,666,464
Spare parts and accessories	<u>496,353</u>	<u>483,461</u>
	<u>3,662,636</u>	<u>4,149,925</u>
Less: Provision for inventories	<u>(50,810)</u>	—
Total	<u>3,611,826</u>	<u>4,149,925</u>

As at December 31, 2025, certain inventories of the Group with an aggregate carrying amount of RMB570,047,000 (2024: RMB632,973,000) were pledged as securities for the Group's borrowings.

As at December 31, 2025, certain inventories of the Group with an aggregate carrying amount of RMB2,361,280,000 (2024: RMB2,852,417,000) were pledged as security for the Group's bills payables.

12. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Trade payables	650,165	725,649
Bills payables (<i>note a</i>)	<u>7,513,311</u>	<u>11,622,602</u>
	<u>8,163,476</u>	<u>12,348,251</u>
Other payables		
Other tax payables	127,766	83,290
Payable for acquisition of property, plant and equipment	62,722	52,102
Salary and welfare payables	195,837	102,220
Accrued interest	3,229	2,425
Accrued audit fee	2,960	960
Advance from non-controlling interests (<i>note b</i>)	59,188	30,348
Advance from third parties (<i>note b</i>)	3,552	8,202
Other accrued expenses	95,674	86,035
Others	<u>208,864</u>	<u>220,638</u>
	<u>759,792</u>	<u>586,220</u>
	<u><u>8,923,268</u></u>	<u><u>12,934,471</u></u>

Notes:

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

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

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

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

- b. The balances are unsecured, interest-free and repayable on demand.
- c. The Group’s trade payables mainly relate to purchase of spare parts and accessories. A credit period not exceeding 90 days is generally granted by suppliers to the Group for the purchase of spare parts and accessories.

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

	2025 RMB'000	2024 <i>RMB'000</i>
Trade payables		
0 to 90 days	<u>650,165</u>	<u>725,649</u>
Bills payables		
0 to 90 days	6,879,937	9,728,709
91 to 180 days	<u>633,374</u>	<u>1,893,893</u>
	<u>7,513,311</u>	<u>11,622,602</u>

FINANCIAL REVIEW

Revenue

Revenue was RMB54,600 million for the twelve months ended December 31, 2025, representing a 13.9% decrease from RMB63,420 million for the twelve months ended December 31, 2024. The decrease in revenue was mainly due to the year-on-year decrease in sales volume and average selling price of luxury and ultra-luxury brand new vehicles. The table below sets forth a breakdown of our revenue and relevant information of various business segments for the years indicated:

	2025			2024		
	Amount (RMB'000)	Sales Volume (Unit)	Average Selling Price (RMB'000)	Amount (RMB'000)	Sales Volume (Unit)	Average Selling Price (RMB'000)
Revenue from sales of new vehicles						
Luxury and ultra-luxury brands	31,230,995	99,720	313	38,216,735	113,817	336
Mid- to high-end brands	4,037,579	27,495	147	5,166,049	38,934	133
Independent new energy brands (distribution model)	<u>3,874,277</u>	<u>13,341</u>	<u>290</u>	<u>3,023,857</u>	<u>11,085</u>	<u>273</u>
Sub-total	39,142,851	140,556	278	46,406,641	163,836	283
Commission income related to new vehicle sales	2,070,684			2,370,695		
Others	<u>461,261</u>			<u>677,697</u>		
Sub-total revenue from sales of new vehicles and related services	41,674,796			49,455,033		
Sales of pre-owned vehicles	3,082,951	30,184	102	3,777,640	36,488	104
Brokerage income related to sales of pre-owned vehicles	<u>40,245</u>			<u>32,431</u>		
Sub-total revenue from sales of pre-owned vehicles and related services	3,123,196			3,810,071		
Repair and maintenance related services	9,200,247			9,467,135		
Commission income	<u>268,886</u>			<u>280,967</u>		
Sub-total revenue from after-sales services	9,469,133			9,748,102		
Automobile operating lease services	372,113			465,965		
Less: inter-segment eliminations	<u>(39,510)</u>			<u>(58,942)</u>		
Total	<u>54,599,728</u>			<u>63,420,229</u>		

The distribution sales volume of new vehicles of the passenger vehicle sales and services segment was 140,556 units for the twelve months ended December 31, 2025, representing a 14.2% decrease from 163,836 units for the twelve months ended December 31, 2024.

Among them, the distribution sales volume of luxury and ultra-luxury brand new vehicles was 99,720 units for the twelve months ended December 31, 2025, representing a 12.4% decrease from 113,817 units for the twelve months ended December 31, 2024; and the distribution sales volume of independent new energy brand new vehicles was 13,341 units for the twelve months ended December 31, 2025, representing a 20.4% increase from 11,085 units for the twelve months ended December 31, 2024.

Revenue from the sales of new vehicles of the passenger vehicle sales and services segment was RMB39,143 million for the twelve months ended December 31, 2025, representing a 15.7% decrease from RMB46,407 million for the twelve months ended December 31, 2024.

Among them, revenue from the sales of luxury and ultra-luxury brand new vehicles was RMB31,231 million for the twelve months ended December 31, 2025, representing an 18.3% decrease from RMB38,217 million for the twelve months ended December 31, 2024; and revenue from the sales of independent new energy brand new vehicles was RMB3,874 million for the twelve months ended December 31, 2025, representing a 28.1% increase from RMB3,024 million for the twelve months ended December 31, 2024.

Commission income related to the sales of new vehicles of the passenger vehicle sales and services segment was RMB2,071 million for the twelve months ended December 31, 2025, representing a 12.7% decrease from RMB2,371 million for the twelve months ended December 31, 2024.

The sales volume of direct agency sales of independent new energy brand vehicles was 12,559 units for the twelve months ended December 31, 2025, representing a 69.7% increase from 7,400 units for the twelve months ended December 31, 2024.

Other revenue related to new vehicles of the passenger vehicle sales and services segment was RMB461 million for the twelve months ended December 31, 2025, representing a 31.9% decrease from RMB678 million for the twelve months ended December 31, 2024.

Total revenue from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB41,675 million for the twelve months ended December 31, 2025, representing a 15.7% decrease from RMB49,455 million for the twelve months ended December 31, 2024.

The distribution volume of pre-owned vehicles was 30,184 units for the twelve months ended December 31, 2025, representing a 17.3% decrease from 36,488 units for the twelve months ended December 31, 2024.

Revenue from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB3,083 million for the twelve months ended December 31, 2025, representing an 18.4% decrease from RMB3,778 million for the twelve months ended December 31, 2024.

Brokerage income from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB40 million for the twelve months ended December 31, 2025, representing a 24.1% increase from RMB32 million for the twelve months ended December 31, 2024.

Revenue from after-sales services for the passenger vehicle sales and services segment was RMB9,469 million for the twelve months ended December 31, 2025, representing a 2.9% decrease from RMB9,748 million for the twelve months ended December 31, 2024.

Among them, the revenue from repair and maintenance related services was RMB9,200 million for the twelve months ended December 31, 2025, representing a 2.8% decrease from RMB9,467 million for the twelve months ended December 31, 2024; and the commission income was RMB269 million for the twelve months ended December 31, 2025, representing a 4.3% decrease from RMB281 million for the twelve months ended December 31, 2024.

Revenue from the automobile operating lease services segment was RMB372 million for the twelve months ended December 31, 2025, representing a 20.1% decrease from RMB466 million for the twelve months ended December 31, 2024.

Cost of Sales and Services

Cost of sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB41,641 million for the twelve months ended December 31, 2025, representing a 14.3% decrease from RMB48,595 million for the twelve months ended December 31, 2024.

Cost of sales of pre-owned vehicles and related services was RMB2,895 million for the twelve months ended December 31, 2025, representing an 18.8% decrease from RMB3,566 million for the twelve months ended December 31, 2024.

Cost of after-sales services for the passenger vehicle sales and services segment was RMB5,517 million for the twelve months ended December 31, 2025, representing a 2.2% decrease from RMB5,638 million for the twelve months ended December 31, 2024.

Cost of services for the automobile operating lease services segment was RMB287 million for the twelve months ended December 31, 2025, representing a 27.3% decrease from RMB395 million for the twelve months ended December 31, 2024.

As a result of the foregoing, cost of sales and services was RMB50,308 million for the twelve months ended December 31, 2025, representing a 13.5% decrease from RMB58,147 million for the twelve months ended December 31, 2024.

Gross Profit and Gross Profit Margin

Gross profit from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB33 million for the twelve months ended December 31, 2025, representing a 96.1% decrease from RMB860 million for the twelve months ended December 31, 2024.

Gross profit margin for sales of new vehicles and related services decreased to 0.1% for the twelve months ended December 31, 2025 from 1.7% for the twelve months ended December 31, 2024.

Gross profit from sales of pre-owned vehicles and related services of the passenger vehicle sales and services segment was RMB229 million for the twelve months ended December 31, 2025, representing a 6.1% decrease from RMB244 million for the twelve months ended December 31, 2024.

Gross profit margin for distribution of pre-owned vehicles of the passenger vehicle sales and services segment increased to 6.1% for the twelve months ended December 31, 2025 from 5.6% for the twelve months ended December 31, 2024.

Gross profit from after-sales services for the passenger vehicle sales and services segment was RMB3,953 million for the twelve months ended December 31, 2025, representing a 3.8% decrease from RMB4,110 million for the twelve months ended December 31, 2024.

Gross profit margin for repair and maintenance was 40.0% for the twelve months ended December 31, 2025, basically unchanged from 40.4% for the twelve months ended December 31, 2024.

Gross profit from the automobile operating lease services segment was RMB85 million for the twelve months ended December 31, 2025, representing a 19.6% increase from RMB71 million for the twelve months ended December 31, 2024.

Gross profit margin for the automobile operating lease services segment increased to 22.8% for the twelve months ended December 31, 2025 from 15.2% for the twelve months ended December 31, 2024.

As a result of the foregoing, gross profit was RMB4,292 million for the twelve months ended December 31, 2025, representing an 18.6% decrease from RMB5,273 million for the twelve months ended December 31, 2024.

Gross profit margin was 7.9% for the twelve months ended December 31, 2025, representing a decrease of 0.4 percentage points from the gross profit margin of 8.3% for the twelve months ended December 31, 2024. The decrease in gross profit margin was mainly due to the decline in gross profit margin of new vehicles as a result of the decline in new vehicle prices.

Other Income, Other Gains and Losses

Other income, other gains and losses were net gains of RMB47 million for the twelve months ended December 31, 2025, representing a 55.7% decrease from net gains of restated other income, other gains and losses of RMB106 million for the twelve months ended December 31, 2024.

Distribution and Selling Expenses and Administrative Expenses

Distribution and selling expenses and administrative expenses were RMB4,696 million for the twelve months ended December 31, 2025, representing a 3.9% decrease from RMB4,889 million for the twelve months ended December 31, 2024.

The ratio of distribution, selling and administrative expenses over revenue was 8.6% for the twelve months ended December 31, 2025, representing an increase of 0.9 percentage points from 7.7% for the twelve months ended December 31, 2024.

Finance Costs

Finance costs were RMB234 million for the twelve months ended December 31, 2025, representing a 21.4% decrease from RMB298 million for the twelve months ended December 31, 2024.

The percentage of the finance costs to revenue for the twelve months ended December 31, 2025 decreased to 0.4% from 0.5% for the twelve months ended December 31, 2024.

Adjustments on Non-IFRS Measures

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

The following table sets out the reconciliation between the Group's adjusted consolidated net profit or loss and adjusted net profit or loss attributable to owners of the Company for the twelve months ended December 31, 2025 and the twelve months ended December 31, 2024 and the consolidated net profit or loss and net profit or loss attributable to owners of the Company for the twelve months ended December 31, 2025 and the twelve months ended December 31, 2024 calculated and presented in accordance with IFRSs:

	For the twelve months ended December 31, 2025 (RMB million)	For the twelve months ended December 31, 2024 (RMB million)
Consolidated (net loss)/profit for the period	(5,354)	165
Including: (Net loss)/profit for the period attributable to owners of the Company	(5,072)	201
Adjustments for:		
Impairment losses recognized on long-term assets such as goodwill, intangible assets of dealership agreements and buildings and renovations	4,879	85
Effect of deferred income tax ⁽ⁱ⁾	128	
Subtotal of adjustments	5,007	85
Including: Subtotal of adjustments attributable to owners of the Company	4,768	74
Adjusted consolidated (net loss)/profit for the period (under non-IFRS measures)	(347)	250
Including: Adjusted (net loss)/profit for the period attributable to owners of the Company	(304)	275

(i) Effect of deferred income tax amounted to RMB128 million, including reversal of tax losses recognized as deferred tax assets of RMB498 million and deferred income tax related to deductible temporary differences of RMB64 million, offset by reversal of deferred tax liabilities related to impairment losses recognized on distribution agreements and other intangible assets of RMB434 million.

Adjusted Net Profit or Loss

As a result of the foregoing, the adjusted consolidated net loss (under non-IFRS measures) was RMB347 million for the twelve months ended December 31, 2025, representing a decrease of RMB597 million compared with the adjusted profit of RMB250 million (under non-IFRS measures) for the twelve months ended December 31, 2024.

Adjusted Net Profit or Loss Attributable to Owners of the Company

As a result of the foregoing, the adjusted net loss (under non-IFRS measures) attributable to owners of the Company was RMB304 million for the twelve months ended December 31, 2025, representing a decrease of RMB579 million compared with the adjusted profit of RMB275 million (under non-IFRS measures) for the twelve months ended December 31, 2024.

The adjusted consolidated net profit or loss (non-IFRS measures) and adjusted net profit or loss attributable to owners of the Company (non-IFRS measures) are not stipulated or presented in accordance with the International Financial Reporting Standards Accounting Standards (the “IFRS”). The adjusted consolidated net profit or loss (non-IFRS measures) and adjusted net profit or loss attributable to owners of the Company (non-IFRS measures) 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 measures 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 measures may differ from similar terms used by other companies, and therefore may not be comparable to similar measurement standards proposed by other companies.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

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

For the twelve months ended December 31, 2025, our net cash generated from operating activities was RMB1,886 million, which included cash generated from items such as profit before tax and non-cash depreciation and amortization of RMB771 million, cash generated from movements in working capital of RMB1,303 million and the payment of income tax of RMB188 million.

For the twelve months ended December 31, 2024, our net cash generated from operating activities was RMB1,518 million, which mainly included cash generated from items such as profit before tax and non-cash depreciation and amortization of RMB1,686 million, cash generated from movements in working capital of RMB89 million and the payment of income tax of RMB257 million.

For the twelve months ended December 31, 2025, our net cash used in investing activities was RMB248 million, which mainly included payments for the purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB1,034 million, which was partially offset by the proceeds of RMB634 million from the disposal of property, plant and equipment, intangible assets and right-of-use assets, dividends and principal of RMB40 million received from financial assets at fair value through profit or loss, dividends of RMB42 million received from joint ventures and associates, and interest income of RMB43 million.

For the twelve months ended December 31, 2024, our net cash used in investing activities was RMB257 million, which mainly included payments for the purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB1,212 million, which was partially offset by the proceeds of RMB719 million from the disposal of property, plant and equipment, intangible assets and right-of-use assets, RMB42 million from the disposal of financial assets at fair value through profit or loss, RMB157 million from the disposal of subsidiaries.

For the twelve months ended December 31, 2025, our net cash used in financing activities was RMB903 million, which mainly included the payment of dividends to shareholders of the Company of RMB258 million, the payment of interest of RMB233 million, the repayment of lease liabilities of RMB310 million and the payment for repurchase of shares of the Company of RMB98 million.

For the twelve months ended December 31, 2024, our net cash used in financing activities was RMB2,005 million, which mainly included net repayments of borrowings of RMB1,046 million, the payment of dividends to shareholders of the Company of RMB214 million, the payment of dividends to minority shareholders of subsidiaries of RMB35 million, the payment of interest of RMB299 million, the repayments of lease liabilities of RMB318 million and the payment for repurchase of shares of the Company of RMB72 million.

Inventories

Our inventories mainly consist of passenger vehicles and spare parts and accessories.

As at December 31, 2025, the carrying amount of our inventories was RMB3,612 million, representing a decrease of 13.0% compared with RMB4,150 million as at December 31, 2024. The following table sets forth our average inventory turnover days for the years indicated:

	2025	2024
Average inventory turnover days	<u>24.9</u>	<u>25.8</u>

Capital Expenditures and Investment

Our capital expenditures primarily included expenditures on purchase of property, plant and equipment, right-of-use assets and intangible assets, which were partially offset by the proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets. For the twelve months ended December 31, 2025, our total capital expenditures were RMB400 million. The following table sets forth a breakdown of our capital expenditures for the year indicated:

**For the twelve months
ended December 31, 2025**
(RMB million)

Expenditures on purchase of property, plant and equipment and right-of-use assets – test-drive automobiles and vehicles for operating lease purposes	572
Expenditures on purchase of property, plant and equipment and right-of-use assets – establishing and upgrading automobile sales and service outlets	389
Expenditures on purchase of intangible assets (vehicle licences and software)	73
Proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets (mainly test-drive automobiles and vehicles for operating lease purposes)	(634)
Total	400

Borrowings

We obtained borrowings (consisting of bank loans and other borrowings from designated automobile finance companies of automobile manufacturers) to fund our working capital and network expansion. As of December 31, 2025, the outstanding amount of our borrowings amounted to RMB2,914 million, remained basically unchanged compared to RMB2,914 million as of December 31, 2024. The following table sets forth the maturity profile of our borrowings as of December 31, 2025:

As of December 31, 2025
(RMB million)

Within one year	1,607
One to two years	781
Two to five years	526
Total	2,914

As of December 31, 2025, our net gearing ratio (being net liabilities divided by total equity) was 8.5% (as of December 31, 2024: 10.2%). Net liabilities represent borrowings minus cash and cash equivalents and time deposits.

As of December 31, 2025, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of December 31, 2025 consisted of (i) inventories of RMB570 million; (ii) property, plant and equipment of RMB54 million; (iii) land use rights of RMB48 million; and (iv) equity interests of the subsidiaries of RMB424 million.

Contingent Liabilities

As of December 31, 2025, the Group provided guarantees of RMB146 million to Shanghai Yongda Finance Leasing Co., Ltd. in respect of its borrowing principal balance on normal commercial terms and on several basis in proportion to the Group's shareholding in Shanghai Yongda Finance Leasing Co., Ltd., save for which we did not have any material contingent liabilities.

Interest Rate Risk and Foreign Exchange Risk

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

Substantially all of our revenue, costs and expenses are denominated in Renminbi. We also use Renminbi as our reporting currency. As of December 31, 2025, we had no financial borrowings that were denominated in foreign currencies.

DEVELOPMENT OUTLOOK AND STRATEGIES

China's automobile market has now entered a phase of profound transformation and adjustment. In 2025, the penetration rate of new energy vehicles surpassed 50% for the first time, gradually becoming the core engine reshaping the industry landscape. Meanwhile, traditional fuel vehicles, leveraging their large customer base and mature service systems, continued to demonstrate robust market resilience through product upgrades and structural optimization fostering an industrial synergistic development ecosystem with new energy vehicles.

As the adverse impact of "involution-style" price wars become increasingly apparent and industry profit margins hit historic lows, the introduction of policies against involution will not only guide the sector toward accelerating the exploration of new models centered on technology-driven innovation and value creation, but also expedite industry consolidation and channel network optimization, prompting dealers to phase out outlets of poor performance and advance the transition toward high-quality development.

Overall, market competition will gradually return to rationality. As traditional brands accelerate their transition to new energy vehicles, the competitive landscape for new energy vehicles brands is becoming increasingly clear. Combined with favorable industry factors such as technological revolution in power batteries and large-scale pilot programs for Level 3 autonomous driving, the industry is entering a new phase amid dynamic adjustments.

In response to industry development trends and changes, we will proactively address challenges, withstand market pressure, and promote the coordinated development of the “new energy vehicles” and “luxury cars” segments. We will continue to strengthen and refine key new energy brands, focus on stabilizing our core luxury vehicle operations, ensure robust after-sales service, further expand the upgraded pre-owned vehicles business, and achieve improvements in our primary business structure and profitability. We will focus on various types of cost reduction and expense control, and pay attention to the continuous improvement of our operational efficiency, so as to ensure the health of core financial indicators and operating cash flows. We will also continue to invest in the battery recycling and intelligent robot industries, and conduct research on AI technology empowerment to realize efficiency gains against the trend on the basis of safeguarding the overall stable operation.

Continuously Optimize Operational Quality to Strengthen and Refine Our “New Energy” Business

We have largely completed the network layout for key new energy brands such as Harmony Intelligent Mobility Alliance (the “HIMA”), which are leading in domestic intelligentization and boast strong market reputation and profitability. Aligning with our upcoming intensive new product launches, we will prioritize the marketing channel layout, focus on acquiring leads through new media channels, and capitalize on brand dividends and market traffic. By driving single-store sales growth and optimizing operational quality, we aim to achieve economies of scale across new energy brand outlets. Leveraging stable new vehicle gross profit margins, we will increase the proportion and profit contribution of our new energy business.

In addition, in terms of after-sales services, we will continuously expand production scale and gross profit margins while further exploring and broadening profit opportunities in new energy after-sales and extended businesses.

Enhance the Business Quality and Efficiency, and Focus On Empowering Operations Through Cost Reduction, Expense Control and Efficient Management

To safeguard the stability of our core luxury vehicle business, we will maintain market share of key brands while prioritizing new vehicle profitability. We will continue to optimize the network layout and shut down underperforming outlets, ensuring the long-term and steady growth of after-sales maintenance service and the expansion and upgrading of our pre-owned vehicle business. By continuously enhancing customer retention and satisfaction, we will further solidify our customer base and achieve overall profitability improvement.

Meanwhile, we will implement differentiated management based on the implementation of various cost and expense control measures, prioritizing resources toward top-performing profit-generating enterprises while strengthening the dynamic correlation and control between expenses and performance. We will further streamline the organizational structure and optimize staff efficiency. Besides, we will accelerate the promotion of a shared management model of business, finance and human resources, enhance management efficiency, empower business development so as to reduce management costs.

Safeguard Cash Flow and Financial Stability, Continuously Enhance Cross-Cycle Risk Resilience

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

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

Proactively Promote Talent Training, New Business Deployment and New Technology Empowerment

We will strengthen the talent cultivation and reserves in relevant fields, treat key personnel as core corporate assets to enhance retention and provide promotion opportunities, so as to support our rapid business transformation. Meanwhile, we will continue to lay out our business in the fields of "battery recycling industry" and "intelligent robots" to accelerate the cultivation and development of new industries.

Meanwhile, we will also accelerate the pace of digital intelligence transformation, embrace AI technology, and apply AI to inject new vitality into our development and empower our business development.

Looking ahead, the domestic automobile market retains ample potential for growth. Accelerating industry consolidation will also gradually achieve capacity rationalization and further optimize resource allocation, facilitating the concentration of market share among leading brands toward high-quality top-tier dealers. Structural overcapacity and supply-demand imbalances will also be progressively alleviated as the automobile sector enters a new phase of deep integration with technological innovation across multiple fields. We will be fully prepared to face the challenges of the industry with confidence, and navigate through the current market transformation cycle. We will also actively participate in and continue to respond to the national "low carbon" strategy and fulfill our ESG-related corporate social responsibilities. We will continuously improve operational efficiency and earnings quality, and ensure sound and stable cash flow and financial conditions. On this basis, we will adopt appropriate dividend and share repurchase policies to create long-term value for shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and has complied with the code provisions in the CG Code during the year ended December 31, 2025.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended December 31, 2025. The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

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

During the year ended December 31, 2025, the Company repurchased a total of 47,242,000 ordinary shares (the “**Shares Repurchased**”) of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$105,063,386. Particulars of the Share Repurchased are as follows:

Month/Year	Number of Shares Repurchased	Price Paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	10,751,000	2.59	2.09	25,489,695.00
March 2025	2,000,000	2.69	2.59	5,329,000.00
April 2025	5,959,000	2.73	2.30	14,930,720.80
May 2025	7,150,000	2.59	2.38	17,874,485.00
June 2025	5,000,000	2.33	2.18	11,201,330.00
July 2025	1,200,000	2.17	2.08	2,569,800.00
August 2025	1,000,000	2.12	2.03	2,065,900.00
September 2025	4,050,000	2.20	1.92	8,228,635.00
October 2025	3,900,000	1.95	1.75	7,175,570.00
November 2025	3,832,000	1.72	1.54	6,169,950.00
December 2025	2,400,000	1.77	1.60	4,028,300.00
Total	<u>47,242,000</u>			<u>105,063,385.80</u>

The repurchase of the Company’s shares during the year ended December 31, 2025 was effected by the Directors pursuant to the general mandates granted to the Directors at the annual general meetings dated June 5, 2024 and May 30, 2025, with a view to benefiting the Company and the Shareholders by enhancing the net asset value per share and/or earnings per share.

A total of 10,751,000 shares repurchased from January 14, 2025 to January 24, 2025 and a total of 21,309,000 shares repurchased from March 31, 2025 to July 2, 2025 were cancelled on April 10, 2025 and August 18, 2025, respectively. As at the date of this announcement, a total of 16,521,000 shares repurchased from August 28, 2025 to January 16, 2026 are pending cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (or sold treasury shares, if any) during the year ended December 31, 2025. As at December 31, 2025 and as at the date of this announcement, the Company did not hold any treasury shares.

Audit and Compliance Committee

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

The Audit and Compliance Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit and Compliance Committee considered that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditor, Deloitte Touche Tohmatsu, which are consistent with the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on this announcement.

RECORD DATE FOR ANNUAL GENERAL MEETING

Shareholders whose names appear on the register of members of the Company at the close of business on June 23, 2026 (Tuesday) (the “**Record Date**”) will be entitled to attend the forthcoming annual general meeting to be held on June 26, 2026 (Friday) (the “**AGM**”). In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on the Record Date.

FINAL DIVIDEND

Having considered the Group’s results for this year and in light of the current operating environment, the Board considers it prudent and appropriate to retain cash to ensure adequate liquidity and maintain a resilient balance sheet. Accordingly, the Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025. The Board will continue to review the Group’s dividend policy in due course, taking into account the Group’s profitability, cash flow and balance sheet position.

EVENTS AFTER REPORTING PERIOD

As of the date of this announcement, there is no significant event subsequent to December 31, 2025 which is required to be disclosed by the Company.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

The annual report for the year ended December 31, 2025 containing all the information required by Appendix D2 to the Listing Rules will be despatched (if necessary) to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

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

RE-DESIGNATION OF DIRECTOR AND CHANGE OF COMPOSITION OF THE NOMINATION COMMITTEE

Re-designation of Director

The Board announces that Ms. Chen Yi (“**Ms. Chen**”) no longer serves as the vice president of the Company, and has been re-designated from an executive Director of the Company to a non-executive Director of the Company (the “**Re-designation**”) with effect from March 31, 2026.

Ms. Chen Yi, aged 53, was appointed as an executive Director of the Company on March 23, 2015 and was responsible for the operation and management of the automobile finance business and related management of the Group. Ms. Chen was re-appointed as the vice president of the Company on September 12, 2016 and has served as a Director of Shanghai Yongda Automobile Group Co., Ltd. (上海永達汽車集團有限公司) since February 2016. From March 2014 to February 2016, Ms. Chen was the vice president of the Company and the general manager of the finance innovation department. She has over 20 years of experience in the banking and financial industry. Prior to joining us, Ms. Chen was the senior assistant to the president of the Transportation Finance Division and the director of Eastern China Automobile Business Division of China Minsheng Bank Corp., Ltd. (中國民生銀行股份有限公司) (Shanghai Stock Exchange (“**SSE**”) stock code: 600016 and Hong Kong Stock Exchange stock code: 01988) (“**CMBC**”) from April 2013 to January 2014. From February 2004 to April 2013, Ms. Chen held several managerial positions in CMBC, including the senior customer manager of the Shanghai Automobile Town branch of CMBC, the general manager of the Industrial and Commercial Enterprises Finance Division Two of CMBC, the branch manager of the Shanghai Gubei branch, the branch manager of the Shanghai Jiading branch, and the general manager of the automobile finance department of the Shanghai branch of CMBC. From July 1995 to February 2004, she worked at the Credit Card Division, Personal Banking Division and Customer Service Division of Bank of Communications Co., Ltd. (交通銀行股份有限公司) (SSE stock code: 601328

and SEHK stock code: 03328). Ms. Chen obtained a professional diploma in International Finance from the Shanghai Institute of Finance (上海金融學院), formerly known as the Shanghai Higher Institute of Finance (上海金融高等學院) in 1995 and a bachelor's degree in currency and banking from Shanghai Jiao Tong University (上海交通大學) in 2000. She also obtained a master's degree in Executive Master of Business Administration from Shanghai Advanced Institute of Finance (上海高級金融學院) of Shanghai Jiao Tong University in 2014 and completed her DBA study in Global Financial Business Administration of Shanghai Advanced Institute of Finance in 2020.

Ms. Chen has entered into a new service contract with the Company in connection with the Re-designation, with a term of three years commencing from March 31, 2026, and subject to the retirement and rotation provisions as set out in the articles of association of the Company. The service contract may be terminated by not less than one month's notice in writing served by either Ms. Chen or the Company. Ms. Chen will be entitled to receive a remuneration of RMB700,000 per annum and discretionary bonus, and she is an eligible person under the share incentive schemes and share option schemes of the Company. The remuneration package of Ms. Chen shall be determined with reference to her time commitment, responsibilities, employment conditions of the Group, prevailing market rate and remuneration of comparable companies. The Remuneration Committee of the Company will review the level of directors' remuneration package from time to time and make recommendations to the Board for adjustments if necessary.

Save as disclosed above, Ms. Chen does not hold any other position in the Company or other members of the Group, and has not held any directorship in any other listed public companies which are listed on any securities market in Hong Kong or overseas in the past three years, nor does she have any other major appointments or professional qualifications.

As of the date of this announcement, Ms. Chen has an interest in 537,000 shares of the Company as a beneficial owner and holds 864,000 share options granted by the Company under the share option scheme.

Save as disclosed above, to the best knowledge of the Company, Ms. Chen does not have any relationship with any other director, senior management, substantial shareholder or controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company, and does not have any interests in the shares in the Company as defined in Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the shareholders of the Company.

After the Re-designation, Ms. Chen will serve as a non-executive Director of the Company.

Change of Composition of the Nomination Committee

The Board also announces that Mr. Xu Yue (“**Mr. Xu**”) and Mr. Sun Minjie (“**Mr. Sun**”) have been appointed as members of the Nomination Committee of the Company (the “**Nomination Committee**”) with effect from March 31, 2026.

Upon the above changes: the Nomination Committee comprises three independent non-executive Directors, namely Ms. Zhu Anna Dezhen, Mr. Lyu Wei and Mr. Sun, and two executive Directors, namely Mr. Cheung Tak On (“**Mr. Cheung**”) and Mr. Xu, of which Mr. Cheung is the chairman.

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

The PRC, March 31, 2026

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