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BetterLife Holding Limited
百得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6909)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025; AND PROPOSED
AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

GROUP FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 decreased by approximately 1.4% to approximately RMB8,624.6 million as compared to that of the year ended 31 December 2024.
- The Group sold 19,943 passenger vehicles in total during the year ended 31 December 2025, representing an increase of approximately 5.5% from that of the year ended 31 December 2024.
- The revenue generated from the sales of automobiles for the year ended 31 December 2025 amounted to approximately RMB7,075.1 million, representing a decrease of approximately 5.4% as compared to that of the year ended 31 December 2024.
- For the year ended 31 December 2025, the Group's revenue from after-sales services reached approximately RMB1,549.5 million, representing an increase of approximately 22.7% as compared to that of the year ended 31 December 2024.
- The profit for the year ended 31 December 2025 amounted to approximately RMB8.3 million (the loss for the year ended 31 December 2024: approximately RMB16.2 million). The net profit margin for the year ended 31 December 2025 increased to approximately 0.1%, comparing to the net profit margin of approximately -0.2% for the year ended 31 December 2024.
- As at 31 December 2025, the Group had cash and cash equivalents, cash in transit, pledged bank deposits and restricted cash amounted to approximately RMB909.1 million (31 December 2024: approximately RMB899.4 million). The Group achieved a net cash inflow from operating activities of approximately RMB324.2 million during the Reporting Period (the year ended 31 December 2024: RMB529.8 million).

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of BetterLife Holding Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**” or “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	8,624,612	8,746,040
Cost of sales		<u>(8,258,123)</u>	<u>(8,467,318)</u>
Gross profit		366,489	278,722
Other income, gains or losses	4	443,031	503,706
Selling and distribution expenses		(495,029)	(529,782)
Administrative expenses		<u>(244,806)</u>	<u>(211,952)</u>
Operating profit		69,685	40,694
Finance costs	5(a)	<u>(58,130)</u>	<u>(31,813)</u>
Profit before tax	5	11,555	8,881
Income tax	6	<u>(3,285)</u>	<u>(25,040)</u>
Profit (loss) for the year		<u>8,270</u>	<u>(16,159)</u>
Attributable to:			
Equity shareholders of the Company		3,128	(24,059)
Non-controlling interests		<u>5,142</u>	<u>7,900</u>
Profit (loss) for the year		<u>8,270</u>	<u>(16,159)</u>
Earnings (loss) per share	8		
Basic and diluted earnings (loss) per share (RMB)		<u>0.005</u>	<u>(0.04)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit (loss) for the year	8,270	(16,159)
Other comprehensive (expense) income for the year (after tax):		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	(16,070)	14,298
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	14,820	(13,863)
Other comprehensive (expense) income for the year	(1,250)	435
Total comprehensive income (expense) for the year	7,020	(15,724)
Attributable to:		
Equity shareholders of the Company	1,878	(23,624)
Non-controlling interests	5,142	7,900
Total comprehensive income (expense) for the year	7,020	(15,724)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		At 31 December 2025	At 31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment	9	684,529	415,952
Investment properties		89,436	54,898
Right-of-use assets		983,585	335,380
Intangible assets	10	842,082	810,557
Goodwill	11	380,374	367,944
Deferred tax assets		45,620	23,246
Long-term prepayments		—	386,175
		<u>3,025,626</u>	<u>2,394,152</u>
Current assets			
Inventories	12	688,603	829,099
Trade receivables	13	116,497	77,317
Amounts due from related parties		13,249	15,957
Prepayments, other receivables and other assets	14	765,295	647,903
Pledged bank deposits		452,650	430,170
Cash in transit		14,245	5,192
Restricted cash	15	2,776	13,445
Cash and cash equivalents	15	439,461	450,605
		<u>2,492,776</u>	<u>2,469,688</u>
Current liabilities			
Trade and bills payables	16	848,468	882,144
Amounts due to related parties		457	8,248
Other payables and accruals		132,562	88,079
Contract liabilities		260,392	104,600
Interest-bearing bank and other borrowings	17	627,452	438,445
Lease liabilities		10,949	15,763
Income tax payables		60,405	40,529
		<u>1,940,685</u>	<u>1,577,808</u>
Net current assets		<u>552,091</u>	<u>891,880</u>
Total assets less current liabilities		<u>3,577,717</u>	<u>3,286,032</u>

		At 31 December 2025	At 31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Interest-bearing bank and other borrowings	17	300,000	—
Amounts due to related parties		24,814	—
Contract liabilities		100,755	147,819
Lease liabilities		241,919	219,861
Deferred tax liabilities		178,166	179,342
		<u>845,654</u>	<u>547,022</u>
Net assets		<u>2,732,063</u>	<u>2,739,010</u>
CAPITAL AND RESERVES			
Share capital		5,180	5,180
Reserves		2,604,074	2,616,163
Total equity attributable to equity shareholders of the Company		2,609,254	2,621,343
Non-controlling interests		122,809	117,667
TOTAL EQUITY		<u>2,732,063</u>	<u>2,739,010</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which includes all applicable individual IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in an accounting policy resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period and are reflected in the consolidated financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 are presented in Renminbi (“**RMB**”) which is the Group’s presentation currency, rounded to the nearest thousand, except for earnings per share information.

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

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

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

(c) Application of amendments to a IFRS Accounting Standard

In the current year, the Group has applied, for the first time, the following amendments to a IFRS Accounting Standard issued by the IASB which are effective for the Group's financial year beginning on 1 January 2025.

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IAS 21 in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

(d) New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3 REVENUE AND SEGMENT REPORTING

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

(i) Disaggregation of revenue

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

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Sales of passenger motor vehicles	7,075,131	7,482,793
Provision of after-sales services	1,549,481	1,263,247
	<u>8,624,612</u>	<u>8,746,040</u>
Disaggregated by geographical location of customers		
Mainland China	<u>8,624,612</u>	<u>8,746,040</u>
Disaggregated by timing of revenue recognition		
Point in time	<u>8,624,612</u>	<u>8,746,040</u>

Substantially all of the Group’s operations and non-current assets are located in the PRC.

None of the Group’s sales to a single customer amounted to 10% or more of the Group’s revenue during the both years.

(ii) **Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period**

The following table shows the amounts of revenue recognised in the current Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of motor vehicles	61,212	100,370
After-sales services	<u>75,315</u>	<u>66,100</u>
	<u>136,527</u>	<u>166,470</u>

4 OTHER INCOME, GAINS OR LOSSES

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	3,352	10,879
Commission income	392,312	474,802
Rental income	3,916	311
Government grants	9,568	2,413
Gain on disposal of items of property, plant and equipment and right-of-use assets	6,944	14,816
Write-off of intangible assets	—	(27,197)
Write-off of goodwill	—	(10,681)
Impairment on other receivables	(21,222)	—
Others	<u>48,161</u>	<u>38,363</u>
	<u>443,031</u>	<u>503,706</u>

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
(a) Finance costs:		
Interest on bank and other borrowings	38,369	11,492
Interest on lease liabilities	18,845	19,603
Interest on sale and lease-back liabilities	916	718
	<u>58,130</u>	<u>31,813</u>
(b) Staff costs:		
Salaries, wages and other benefits	327,834	289,934
Contributions to defined contribution retirement plans	41,029	35,599
Equity settled share-based transactions	3,041	(5,827)
	<u>371,904</u>	<u>319,706</u>
(c) Other items:		
Cost of inventories	8,164,595	8,357,828
Depreciation		
— Property, plant and equipment	93,765	100,379
— Right-of-use assets	86,111	69,429
— Investment properties	4,908	3,619
Amortisation of intangible assets (included in selling and distribution and administrative expenses)	39,349	39,329
Expense relating to short-term leases	11,752	3,364
Auditors' remuneration	2,600	2,400
	<u>8,164,595</u>	<u>8,357,828</u>

6 INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
The PRC	29,651	26,696
Deferred tax:		
Current year	<u>(26,366)</u>	<u>(1,656)</u>
	<u>3,285</u>	<u>25,040</u>

7 DIVIDENDS

(i) Dividends payable recognised as distribution during the year:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Nil interim dividend (2024: RMB3 cents per ordinary share)	—	18,675
Final dividend of RMB2 cents per ordinary share (2024: RMB3 cents per ordinary share)	<u>12,326</u>	<u>18,675</u>
	<u>12,326</u>	<u>37,350</u>

(ii) Proposed dividends:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB2 cents per ordinary share final dividend proposed after the end of the Reporting Period (2024: RMB2 cents per ordinary share)	<u>12,215</u>	<u>12,326</u>

The final dividend proposed after the end of the Reporting Period is subject to approval by the shareholders of the Company in the forthcoming general meeting.

8 EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share is based on the profit (loss) attributable to equity shareholders of the Company of RMB3,128,000 (2024: loss attributable to equity shareholders of RMB24,059,000) and the weighted average number of the Company's ordinary shares of 611,149,556 (2024: 622,112,068 shares) in issue during the year.

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's options and share awards because the exercise price of those options and share awards were higher than the average market price for shares for both years.

9 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery equipment	Vehicles	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:							
At 1 January 2024	225,026	71,158	205,573	72,467	186,620	792	761,636
Additions	—	7,597	93,201	1,027	691	3,278	105,794
Transfer from construction in progress	—	—	—	—	1,550	(1,550)	—
Disposals	—	(4,132)	(141,174)	(1,163)	(18,239)	(427)	(165,135)
At 31 December 2024 and 1 January 2025	<u>225,026</u>	<u>74,623</u>	<u>157,600</u>	<u>72,331</u>	<u>170,622</u>	<u>2,093</u>	<u>702,295</u>
Additions	63,447	12,031	141,006	6,224	13,578	10,199	246,485
Acquisition of subsidiaries from Jiguang Project (<i>Note 18</i>)	212,064	904	6,906	1,278	297	—	221,449
Transfer from construction in progress	—	501	—	123	10,917	(11,541)	—
Disposals	—	(6,564)	(132,417)	(5,840)	(21,561)	—	(166,382)
At 31 December 2025	<u>500,537</u>	<u>81,495</u>	<u>173,095</u>	<u>74,116</u>	<u>173,853</u>	<u>751</u>	<u>1,003,847</u>
Accumulated depreciation:							
At 1 January 2024	(38,961)	(36,435)	(40,567)	(43,030)	(75,819)	—	(234,812)
Charge for the year	(8,376)	(4,859)	(40,031)	(10,332)	(36,781)	—	(100,379)
Written back on disposals	—	947	38,269	711	8,921	—	48,848
At 31 December 2024 and 1 January 2025	<u>(47,337)</u>	<u>(40,347)</u>	<u>(42,329)</u>	<u>(52,651)</u>	<u>(103,679)</u>	<u>—</u>	<u>(286,343)</u>
Charge for the year	(15,649)	(4,718)	(38,798)	(8,071)	(26,529)	—	(93,765)
Written back on disposal	—	2,671	39,500	4,368	14,251	—	60,790
At 31 December 2025	<u>(62,986)</u>	<u>(42,394)</u>	<u>(41,627)</u>	<u>(56,354)</u>	<u>(115,957)</u>	<u>—</u>	<u>(319,318)</u>
Net book value:							
At 31 December 2025	<u>437,551</u>	<u>39,101</u>	<u>131,468</u>	<u>17,762</u>	<u>57,896</u>	<u>751</u>	<u>684,529</u>
At 31 December 2024	<u>177,689</u>	<u>34,276</u>	<u>115,271</u>	<u>19,680</u>	<u>66,943</u>	<u>2,093</u>	<u>415,952</u>

10 INTANGIBLE ASSETS

	Office software <i>RMB'000</i>	Car dealerships <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:			
At 1 January 2024	55,734	1,029,616	1,085,350
Write-off (<i>Note</i>)	—	(31,357)	(31,357)
At 31 December 2024 and 1 January 2025	55,734	998,259	1,053,993
Additions	3,473	—	3,473
Acquisition of subsidiaries from Jiguang Project (<i>Note 18</i>)	—	69,601	69,601
Disposal	(2,200)	—	(2,200)
At 31 December 2025	<u>57,007</u>	<u>1,067,860</u>	<u>1,124,867</u>
Accumulated amortisation:			
At 1 January 2024	(24,904)	(183,363)	(208,267)
Charge for the year	(5,096)	(34,233)	(39,329)
Eliminated on write-off (<i>Note</i>)	—	4,160	4,160
At 31 December 2024 and 1 January 2025	(30,000)	(213,436)	(243,436)
Charge for the year	(5,107)	(34,242)	(39,349)
At 31 December 2025	<u>(35,107)</u>	<u>(247,678)</u>	<u>(282,785)</u>
Net book value:			
At 31 December 2025	<u>21,900</u>	<u>820,182</u>	<u>842,082</u>
At 31 December 2024	<u>25,734</u>	<u>784,823</u>	<u>810,557</u>

Note:

Due to the closure of a retail shop of Jaguar-Land Rover in Foshan area during the year ended 31 December 2024, related intangible assets and goodwill of approximately RMB27.2 million and RMB10.7 million (*Note 11*), respectively, have been written off and recognised in the line of “other income, gains or losses” in the consolidated statement of profit or loss.

11 GOODWILL

	<i>RMB'000</i>
Cost:	
At 1 January 2024	1,030,656
Written off (<i>Note 10</i>)	<u>(10,681)</u>
At 31 December 2024 and 1 January 2025	<u>1,019,975</u>
Acquisition of subsidiaries from Jiguang Project (<i>Note 18</i>)	<u>12,430</u>
At 31 December 2025	<u>1,032,405</u>
Accumulated impairment losses:	
At 1 January 2024, 31 December 2024 ,1 January 2025 and 31 December 2025	<u>(652,031)</u>
Carrying amount:	
At 31 December 2025	<u>380,374</u>
At 31 December 2024	<u>367,944</u>

12 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Motor vehicles	626,925	783,766
Spare parts and accessories	<u>77,571</u>	<u>73,737</u>
	704,496	857,503
Less: Provision for inventories	<u>(15,893)</u>	<u>(28,404)</u>
	<u>688,603</u>	<u>829,099</u>

Inventories with a carrying amount of RMB178,310,000 (2024: RMB67,734,000) were pledged as security for other borrowings as at 31 December 2025.

Inventories with a carrying amount of RMB252,326,000 (2024: RMB281,094,000) were pledged as security for bills payables as at 31 December 2025.

13 TRADE RECEIVABLES

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

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	87,170	76,810
3 to 6 months	4,038	247
6 months to 1 year	16,640	260
Over 1 year	8,649	—
	<u>116,497</u>	<u>77,317</u>

The Group allows an average credit period of three months to its customers. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. There was no significant loss allowance recognised for trade receivables as at 31 December 2025 and 2024.

14 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayments	127,852	157,037
Prepayment for acquisition of creditors' right (<i>Note</i>)	—	385,996
Other receivables	177,141	174,700
Rebate receivables	465,147	291,125
Value-added tax recoverable	31,617	40,460
	<u>801,757</u>	<u>1,049,318</u>
Less: Long-term prepayments	—	(386,175)
Impairment allowance of other receivables	<u>(36,462)</u>	<u>(15,240)</u>
Current portion	<u>765,295</u>	<u>647,903</u>

Note:

On 7 November 2024, the Group entered into a creditor's rights transfer agreement (“**Creditor's Rights Transfer Agreement**”) with Mengshang Bank Co., Ltd. (“**Mengshang Bank**”), pursuant to which Mengshang Bank agreed to transfer the creditor's rights (“**Creditor's Rights**”) set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million. The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals by realising its rights as creditor. The consideration was fully settled during the year ended 31 December 2025. Details were disclosed in the announcements of the Group dated 20 March 2025 and 7 November 2024, and the circular dated 5 March 2025.

15 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents comprise:

	At 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks and on hand	439,461	450,605
Restricted cash	<u>2,776</u>	<u>13,445</u>
	442,237	464,050
Less: Restricted cash	<u>(2,776)</u>	<u>(13,445)</u>
Cash and cash equivalents in the consolidated cash flow statement	<u><u>439,461</u></u>	<u><u>450,605</u></u>

16 TRADE AND BILLS PAYABLES

	At 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current		
Trade payables	86,345	88,291
Bills payables	<u>762,123</u>	<u>793,853</u>
	<u><u>848,468</u></u>	<u><u>882,144</u></u>

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

	At 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	774,008	661,490
Over 3 months but within 6 months	72,691	220,168
Over 6 months but within 12 months	307	5
Over 1 year	<u>1,462</u>	<u>481</u>
	<u><u>848,468</u></u>	<u><u>882,144</u></u>

Bills payables were secured by inventories with a carrying amount of RMB252,326,000 (2024: RMB281,094,000) and pledged bank deposits with a carrying amount of RMB452,650,000 (2024: RMB430,170,000) as at 31 December 2025.

17 INTEREST-BEARING BANK AND OTHER BORROWINGS

The analysis of the carrying amount of interest-bearing bank and other borrowings is as follows:

		At 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
Bank loans	(i)		
— secured		337,500	—
— unsecured		320,844	359,168
		<u>658,344</u>	359,168
Other borrowings — supplier financing arrangement	(ii)		
— secured		269,108	79,277
		<u>269,108</u>	<u>79,277</u>
Total		<u>927,452</u>	<u>438,445</u>

- (i) The bank loans carried interest at annual rates ranging from 2.45% to 3.80% as at 31 December 2025 (2024: 2.70% to 3.15%).
- (ii) The other borrowings mainly represent loans obtained from the auto finance companies of the respective automobile manufacturers for purchase of motor vehicles, which are secured, interest-bearing with annual rates ranging from 4.88% to 8.50% as at 31 December 2025 (2024: 4.88% to 8.50%).

18. ACQUISITION OF JIGUANG PROJECT

With reference to the Company's circular dated 5 March 2025, on 7 November 2024, the Group entered into the Creditor's Rights Transfer Agreement with Mengshang Bank, pursuant to which Mengshang Bank agreed to transfer the Creditor's Rights set forth in the Creditor's Rights Transfer Agreement to the Group at a cash consideration of approximately RMB965.0 million ("Jiguang Project"). The purpose of the acquisition of the Creditor's Rights is for the Group to acquire the assets pledged as collaterals by realising its rights as creditor. An amount of RMB385,996,000 was paid in 2024 and the remaining consideration was fully settled during the year ended 31 December 2025. For the collaterals, it included (i) the equity interest of Beijing Jiguang Real Estate Development Co., Ltd. ("Jiguang Real Estate"), (ii) the business of Beijing Jiguang Xinghui Automobile Sales and Service Co., Ltd. ("Jiguang Xinghui") and its subsidiaries (collectively referred as to "Jiguang Xinghui Group") and (iii) the two properties located in Beijing (the "Properties") (collectively referred as the "Collaterals").

In May 2025, 100% equity interest of Jiguang Real Estate which was a part of the Collaterals, was transferred to the Group. The remaining part of the Collaterals, which representing the business of Jiguang Xinghui and the Properties which were transferred to the Group on 4 August 2025.

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

Within the Collaterals, the consideration of RMB965.0 million has been allocated as follows:

	<i>RMB'000</i>
100% equity interest of Jiguang Real Estate	875,269
Business of Jiguang Xinghui Group	34,076
Two properties located in Beijing (<i>Note</i>)	<u>55,645</u>
	<u><u>964,990</u></u>

Note:

The two properties located in Beijing of RMB55,645,000 are classified as the Group's property, plant and equipment upon the acquisition.

Net cash outflow on acquisition of the Creditor's Right

	<i>RMB'000</i>
Cash consideration paid	964,990
Less: prepayment made in prior year	(385,996)
Less: cash and cash equivalent balances acquired	<u>(12,302)</u>
	<u><u>566,692</u></u>

Acquisition-related costs amounting to approximately RMB4,218,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within administrative expenses in the consolidated statement of profit or loss.

For acquisition of Jiguang Real Estate

The principal activity of Jiguang Real Estate is property rental and its identifiable assets are mainly properties, investment properties and right-of-use assets. The Group selected to apply the optional concentration test in accordance with IFRS 3 Business Combinations. The acquisition of Jiguang Real Estate has been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets. The assets acquired and liabilities assumed at the date of acquisition of subsidiary comprise the following:

	2025 <i>RMB'000</i>
Property, plant and equipment	212,064
Investment properties	39,446
Right-of-use assets	645,653
Prepayments, other receivables and other assets	73,444
Cash and cash equivalents	1,767
Other payables and accruals	<u>(97,105)</u>
Assets and liabilities recognised at the date of acquisition	<u>875,269</u>
Satisfied by:	
Allocated acquisition consideration of Jiguang Real Estate	<u><u>(875,269)</u></u>

Acquisition of Jiguang Xinghui Group

The acquisition Jiguang Xinghui Group has been accounted for using acquisition method. The amount of goodwill arising as a result of the acquisition was RMB12,430,000. The principal activities of Jiguang Xinghui Group are 4S dealership, organizing automotive activities and motor vehicle brokerage. Jiguang Xinghui Group was acquired so as to continue the expansion of the Group's 4S dealership operations.

Assets acquired and liabilities recognised at the date of obtaining control of Jiguang Xinghui Group are as follows:

	<i>RMB'000</i>
Property, plant and equipment	9,385
Intangible assets	69,601
Inventories	55,618
Trade receivables	1,186
Other receivables	31,529
Cash and cash equivalents	10,535
Trade payables	(13,417)
Other payables	(63,133)
Contract liabilities	(50,402)
Interest-bearing bank and other borrowings	(26,440)
Deferred tax liabilities	(2,816)
	<u>21,646</u>

The fair value of trade and other receivables at the date of acquisition amounted to RMB32,715,000. The gross contractual amounts of those trade and other receivables acquired amounted to RMB32,715,000 at the date of acquisition.

Goodwill arising on acquisition:

	<i>RMB'000</i>
Consideration transferred	34,076
Less: net assets acquired	<u>(21,646)</u>
Goodwill arising on acquisition	<u>12,430</u>

Goodwill arose in the acquisition of Jiguang Xinghui Group because the benefit of expected synergies, revenue growth, further market development and assembled workforce of Jiguang Xinghui Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Profit of the Group for the year is RMB8,571,000 included profit attributable to the additional business generated by Jiguang Xinghui Group. Revenue of the Group for the year included RMB196,672,000 generated from Jiguang Xinghui Group.

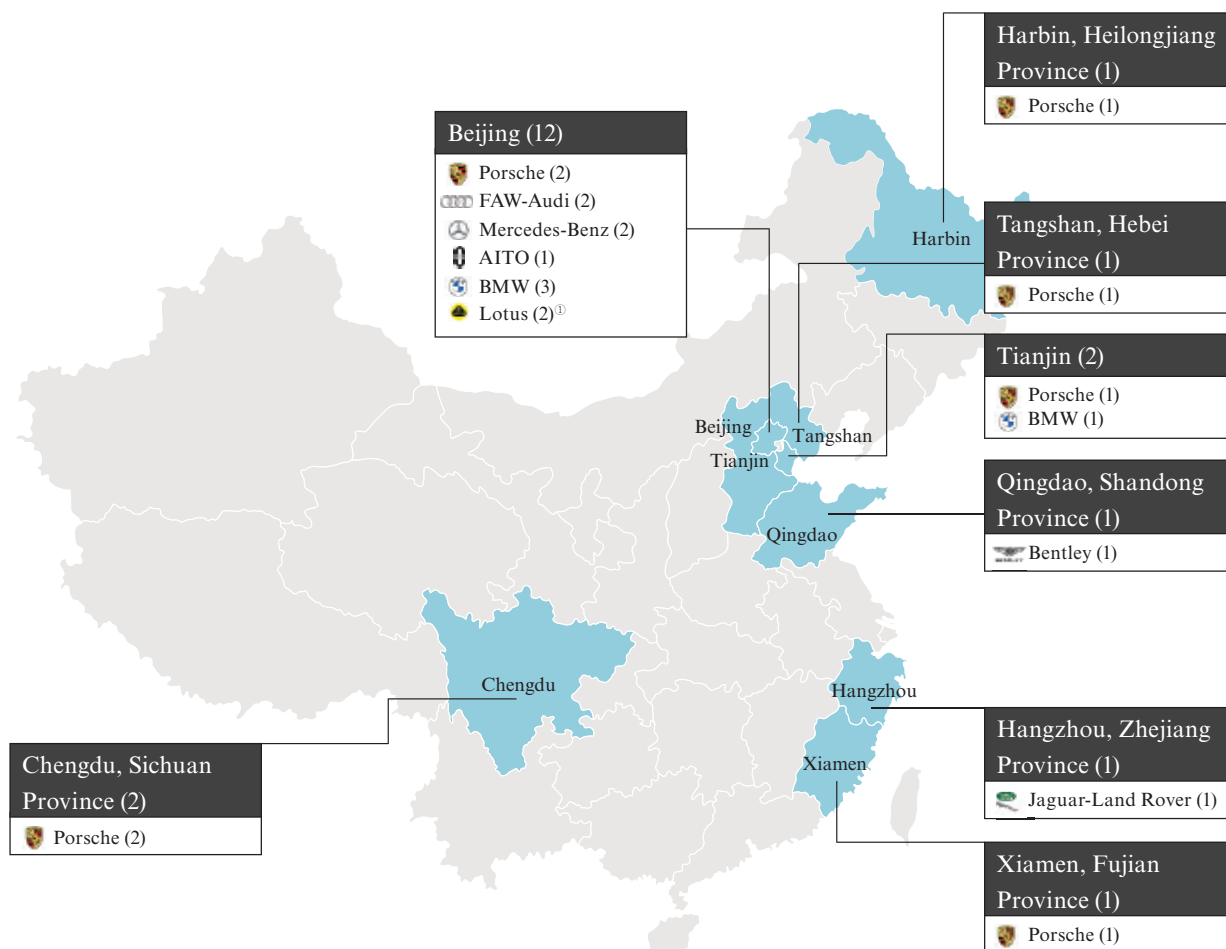
Had the acquisition been completed on 1 January 2025, total revenue of the Group for the year would have been RMB8,891,712,000 and loss for the year would have been RMB29,352,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the pro forma revenue and profit of the Group had Jiguang Xinghui Group been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of property, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. As of the date of this announcement, we operated 20 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover, AITO and Lotus and one Lotus showroom across eight provinces and municipalities in China, namely Beijing, Tianjin, Shandong, Sichuan, Zhejiang, Hebei, Fujian and Heilongjiang. All of our stores are strategically located near commercial centers in affluent cities in the economically well-developed regions and prime urban destinations in China, including Beijing, Tianjin, Hangzhou, Chengdu, Qingdao, Tangshan, Harbin and Xiamen.



*Note: ① One 4S store and one showroom

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

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

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

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

During the Year, the Group sold 19,943 passenger vehicles in total, representing an increase of approximately 1,038 from 18,905 passenger vehicles sold during the previous year. The revenue generated from the sales of automobiles for the Year amounted to approximately RMB7,075.1 million, representing a decrease of approximately 5.4% over that of the previous year, which accounted for approximately 82.0% of the Group's total revenue for the Year. During the Year, the Group's revenue from after-sales services amounted to approximately RMB1,549.5 million, representing an increase of approximately 22.7% as compared to that of last year, which accounted for approximately 18.0% of the Group's total revenue for the Year.

Revenues from our top five customers for the Year represented approximately 9.4% of our total revenue, compared to approximately 8.0% for the previous year. The sales to our largest customer accounted for approximately 3.6% of our total revenue for the Year, as compared to approximately 2.6% for the previous year.

Our top five suppliers are automobile manufacturers that supply new automobiles and spare parts to us. During the Year, purchases from our top five suppliers represented approximately 73.8% of our total purchases, compared to approximately 62.2% for the previous year. And the purchases from our largest supplier represented approximately 26.8% of our total purchases for the Year, as compared to approximately 25.6% for the previous year.

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

Financial Review

Revenue

Our revenue decreased by approximately RMB121.4 million, or approximately 1.4%, from approximately RMB8,746.0 million for the year ended 31 December 2024 to approximately RMB8,624.6 million for the Year. Revenue from sales of automobiles decreased by approximately RMB407.7 million, or approximately 5.4%, from approximately RMB7,482.8 million for the year ended 31 December 2024 to approximately RMB7,075.1 million for the Year, accounting for approximately 82.0% of the total revenue of the Group for the Year (the year ended 31 December 2024: approximately 85.6%). In terms of sales volume, the Group sold 19,943 units of passenger vehicles in total for the Year, representing an increase of approximately 5.5% from 18,905 units of passenger vehicles sold during the year ended 31 December 2024. However, the impact of increase in sales volume was offset by the decrease in the average selling price (the “ASP”) of automobile of approximately 10.4% from approximately RMB395,810 for the year ended 31 December 2024 to approximately RMB354,768 for the Year. The decrease in ASP during the Year was mainly due to the consumers consumption power adversely affected by the decline in macro-economy and weak market sentiment. Revenue from after-sales services increased by approximately RMB286.3 million, or approximately 22.7%, from approximately RMB1,263.2 million for the year ended 31 December 2024 to approximately RMB1,549.5 million for the Year, accounting for approximately 18.0% of the total revenue of the Group for the Year (the year ended 31 December 2024: approximately 14.4%).

Cost of sales

Cost of sales decreased by approximately 2.5% from approximately RMB8,467.3 million for the year ended 31 December 2024 to approximately RMB8,258.1 million for the Year, which was primarily due to the favorable shift in the vehicle model mix.

Gross Profit and Gross Profit Margin

During the Year, the Group recorded gross profits of approximately RMB366.5 million, representing an increase of approximately 31.5% from the gross profit of approximately RMB278.7 million for the year ended 31 December 2024. Our gross profit margin increased from approximately 3.2% for the year ended 31 December 2024 to approximately 4.2% for the Year. Such increase was primarily due to the increase in the revenue from after-sales services. Gross profit margin for the sales of passenger motor vehicles decreased to approximately -4.1% for the Year from approximately -3.3% for the year ended 31 December 2024. Gross profit margin for the after-sales services increased to approximately 42.4% for the Year from approximately 41.9% for the year ended 31 December 2024.

Other Income, Gains or Losses

Other income, gains or losses decreased by approximately 12.1% from approximately RMB503.7 million for the year ended 31 December 2024 to approximately RMB443.0 million for the Year. Other income, gains or losses mainly comprised commission income from other value-added automobile services, including referring customers who require financing arrangements for purchasing automobiles and pre-owned automobile brokerage services and the gain from disposal of property, plant and equipment, etc. The decrease of other income, gains or losses during the Year was mainly due to the decrease in commission income generated from the other value-added automobile services.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by approximately 6.6% from approximately RMB529.8 million for the year ended 31 December 2024 to approximately RMB495.0 million for the Year, which was due to the cost-saving preference in Group's operation during the Year. It accounted for approximately 5.7% of the total revenue of the Group which decreased from approximately 6.1% recorded for the year ended 31 December 2024.

Administrative Expenses

Our administrative expenses increased by approximately 15.5% from approximately RMB212.0 million for the year ended 31 December 2024 to approximately RMB244.8 million for the Year, as the Group commenced operation of additional 7 4S dealership stores during the Year. It accounted for approximately 2.8% of the total revenue of the Group for the Year which increased slightly from approximately 2.4% recorded for the year ended 31 December 2024.

Financial Costs

Our finance costs increased by approximately 82.7% from approximately RMB31.8 million for the year ended 31 December 2024 to approximately RMB58.1 million for the Year, primarily due to the increased bank loan for merger and acquisition during the Year. It accounted for approximately 0.7% of the total revenue of the Group for the Year, compared with approximately 0.4% recorded for the year ended 31 December 2024.

Profit before Tax

As a result of the foregoing, our profit before tax increased by approximately 30.3% from approximately RMB8.9 million for the year ended 31 December 2024 to approximately RMB11.6 million for the Year.

Income Tax Expense

Our income tax expense decreased by approximately 86.8% from approximately RMB25.0 million for the year ended 31 December 2024 to approximately RMB3.3 million for the Year, primarily due to the Group no longer incurring material amount of deductible tax losses expiration during the Year.

Profit (loss) for the Year and Net Profit Margin

As a result of the foregoing, profit for the year ended 31 December 2025 amounted to approximately RMB8.3 million (loss for the year ended 31 December 2024: approximately RMB16.2 million). The net profit margin for the Year was approximately 0.1%, comparing to the net profit margin of approximately -0.2% for the year ended 31 December 2024.

Profit (loss) Attributable to Owners of the Parent

The profit attributable to owners of the parent for the year ended 31 December 2025 amounting to approximately RMB3.1 million as a result of the foregoing (the loss attributable to owners of the parent for the year ended 31 December 2024: approximately RMB24.1 million).

Dividend

The Board resolved to recommend a final dividend of RMB2.0 cents per share for the Year (the year ended 31 December 2024: RMB2.0 cents per share), representing a total payout of approximately RMB12.2 million, subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 29 May 2026. Any amount of dividend we pay will be considered annually at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors consider relevant. There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, the Company does not have a fixed dividend distribution ratio.

Inventory Turnover Days

There was a decrease in inventory balance of approximately 16.9% from approximately RMB829.1 million as at 31 December 2024 to approximately RMB688.6 million as at 31 December 2025, which was the result of the Group's more rigorous and efficient inventory management. The Group continued to focus on inventory management and to achieve a healthy liquidity position throughout the Year. The average inventory turnover days as at 31 December 2025 totaled approximately 33.5 days (31 December 2024: approximately 35.2 days).

Liquidity and Financial Resources

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

As at 31 December 2025, the total equity of the Group amounted to approximately RMB2,732.1 million (31 December 2024: approximately RMB2,739.0 million). As at 31 December 2025, the current asset of the Group amounted to approximately RMB2,492.8 million (31 December 2024: approximately RMB2,469.7 million) while current liabilities amounted to approximately RMB1,940.7 million (31 December 2024: approximately RMB1,577.8 million).

As at 31 December 2025, the Group's loans and borrowings amounted to RMB927.5 million, representing an increase of approximately 111.6% as compared to RMB438.4 million as at 31 December 2024. The increase in the Group's interest-bearing bank and other borrowings during the Year was primarily due to the increased bank loan for merger and acquisition during the Year. The annual interest rates of the bank loans and other borrowings ranged from approximately 2.45% to approximately 8.5%. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group currently has not used any derivatives to hedge interest rate risk. The debt-to-equity ratio (being the total loans and borrowings divided by total equity) was approximately 33.9% as at 31 December 2025 (31 December 2024: approximately 16.0%). The Group achieved a net cash inflow from operating activities of approximately RMB324.2 million during the Year (the year ended 31 December 2024: RMB529.8 million).

As at 31 December 2025, cash and cash equivalents, cash in transit, restricted cash and pledged deposits amounted to approximately RMB909.1 million (31 December 2024: approximately RMB899.4 million). The cash and cash equivalents and pledged bank deposits were mainly denominated in Renminbi and Hong Kong Dollars. Other than part of the cash denominated in Hong Kong Dollars, the Group's business operations in China and major transactions are all denominated in Renminbi. During the Year, the Group did not employ in any significant financial instruments such as forward foreign exchange contracts for foreign exchange hedging purposes, nor did it employ any major financial instruments for hedging purposes. The management of the Group will closely monitor foreign exchange risks and will consider measures to hedge potential major foreign exchange risks when necessary.

Capital Commitments

The Group's capital commitments mainly comprised expenditures on property, plant and equipment, intangible assets and business acquisition. As at 31 December 2025, the capital commitments were approximately RMB1.1 million (31 December 2024: approximately RMB2.5 million). Save as disclosed above, the Group did not make any significant commitments as at 31 December 2025.

Details of the Future Investment Plans for Material Investment

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

Significant Acquisition and Disposal of Subsidiaries

During the Year, the Group realised an acquisition of a subsidiary and details were disclosed in note 18 to the consolidated financial statements in this announcement.

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

Capital Expenditures and Investment

The Group's capital expenditures comprised expenditures on property, plant and equipment, land use rights and business acquisition. For the Year, the Group's total capital expenditures were approximately RMB759.7 million (the year ended 31 December 2024: approximately RMB490.9 million). Save as disclosed above, the Group did not make any significant investments during the Year.

Contingent Liabilities

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

Charges on Group Assets

The Group pledged its group assets as securities for bank and other loan and banking facilities which were used to finance daily business operation. As of 31 December 2025, certain of our bank loans and other borrowings and bills payables were secured by (i) mortgages over our inventories, which had an aggregate carrying amount of approximately RMB430.6 million (31 December 2024: approximately RMB348.8 million); (ii) mortgages over the deposits, which had an aggregate carrying amount of approximately RMB452.7 million (31 December 2024: approximately RMB430.2 million); and (iii) mortgages over

the properties, which had an aggregate carrying amount of approximately RMB141.0 million (31 December 2024: nil). Save as disclosed above, as at 31 December 2025, no other assets of the Group were charged.

Human Resources

As of 31 December 2025, the Group had 1,761 employees (31 December 2024: 1,450). The remuneration of the existing employee includes basic salaries, discretionary bonuses and social security contributions. Payment levels of the employees are commensurate with their responsibilities, performance and contribution.

Important Events after the Year

The Directors are not aware of any significant event which had material effect on the Group subsequent to 31 December 2025 and up to the date of this announcement.

OTHER INFORMATION

Final Dividend

A final dividend in respect of the year ended 31 December 2025 of RMB2.0 cents per Share (2024: RMB2.0 cents) to Shareholders whose names appear on the register of members on Wednesday, 10 June 2026, was proposed pursuant to a resolution passed by the Board on 31 March 2026 and subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 29 May 2026. The expected date of payment of final dividend will be on or no later than Tuesday, 30 June 2026.

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2025. Neither the Company nor any of its subsidiaries held any treasury shares during the Year.

Corporate Governance Code

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

Model Code for Securities Transactions by Directors

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

Audit Committee

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditor, and to assist the Board in fulfilling its oversight responsibilities in relation to the Group’s financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The Audit Committee consists of three members, being Mr. Lou Sai Tong, Mr. Liu Dengqing, and Dr. Chu Fumin, with Mr. Lou Sai Tong being the chairman of the Audit Committee. The Audit Committee has reviewed, together with the management, the accounting principles and policies adopted by the Group, and discussed, among other things, auditing and financial reporting matters including a review of the consolidated results of the Group for the year ended 31 December 2025.

Scope of Work of SHINEWING (HK) CPA Limited

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, 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 herein have been compared by the Group’s auditor, SHINEWING (HK) CPA Limited, Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Public Float

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

Annual General Meeting

The annual general meeting of the Company (the “**AGM**”) will be held on Friday, 29 May 2026. Shareholders should refer to the circular of the Company, the notice of AGM and the enclosed form of proxy to be dispatched by the Company for details regarding the AGM.

Closure of Register of Members

For the purpose of determining the following entitlements:

(i) AGM

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no share transfers can be registered. In order to be eligible for attending and voting at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office 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 no later than 4:30 p.m. on Friday, 22 May 2026.

(ii) Proposed Final Dividend

The register of members of the Company will be closed from Friday, 5 June 2026 to Wednesday, 10 June 2026 (both days inclusive) for the purpose of determining the Shareholder's entitlement to the proposed final dividend of the Company. In order to qualify for the proposed final dividend (subject to the approval by Shareholders at the AGM), unregistered holders of Shares shall lodge share transfer documents, together with relevant share certificates, with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Thursday, 4 June 2026.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

The Board proposed to make certain amendments (the "**Proposed Amendments**") to the existing second amended and restated articles of association of the Company (the "**Existing Articles**") for the purpose of, among others, (i) enabling any general meeting to be held physically, as a hybrid meeting (partially physical and partially electronic) or entirely by electronic means, and attendance, participation and voting by electronic means; (ii) preparing for the uncertificated securities market regime; and (iii) making necessary and consequential updates to align the Existing Articles with applicable laws of the Cayman Islands and the Listing Rules; and to adopt the third amended and restated articles of association of the Company incorporating and consolidating the Proposed Amendments, in substitution for, and to the exclusion of, the Existing Articles (the "**New Articles**").

The Proposed Amendments and the proposed adoption of the New Articles are subject to the approval by the Shareholders by way of a special resolution at the AGM and shall be effective thereupon. A circular of the AGM containing, among other things, particulars relating to the Proposed Amendments and the proposed adoption of the New Articles, together with a notice convening the AGM will be published by the Company in due course.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.blchina.com. The annual report of the Company for the Year containing all the information required by the Listing Rules will be published on the above websites and made available to the Shareholders in due course.

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

Hong Kong, 31 March 2026

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

This announcement is available for viewing on the Company's website at www.blchina.com and the website of the Stock Exchange at www.hkexnews.hk.