YONDA 永达汽车

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

2026

INTERIM REPORT


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CONTENT

Note: Due to an inadvertent clerical error in the sections headed "Purchase, Sale or Redemption of the Company's Listed Securities" on page 41 and "Audit and Compliance Committee" on page 42 in English Version, the interim results announcement for the six months ended June 30, 2026 published by the Company at 16:39 on August 31, 2026 has been cancelled and replaced by the interim results announcement for the six months ended June 30, 2026 published at 22:46 on August 31, 2026. Such adjustment (i.e. the removal of drafting notes) involves no substantive textual or numerical amendments.

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. CHEUNG Tak On *(Chairman)*
Mr. XU Yue *(Vice-chairman, President and Chief Executive Officer)*
Mr. WANG Zhigao *(Vice-chairman)*
Mr. TANG Liang *(Vice-president)*

Non-executive Director
Ms. CHEN Yi

Independent Non-executive Directors
Ms. ZHU Anna Dezhen
Mr. LYU Wei
Mr. SUN Minjie

CORPORATE HEADQUARTER

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REGISTERED OFFICE

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Cayman Islands

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LEGAL ADVISERS TO HONG KONG LAW

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JOINT COMPANY SECRETARIES

Ms. ZHANG Hong
Ms. SO Ka Man *(HKFCG, FCG)*

AUTHORIZED REPRESENTATIVES

Mr. XU Yue
Ms. SO Ka Man

AUDIT AND COMPLIANCE COMMITTEE

Ms. ZHU Anna Dezhen *(Chairlady)*
Mr. LYU Wei
Mr. SUN Minjie

REMUNERATION COMMITTEE

Ms. ZHU Anna Dezhen *(Chairlady)*
Mr. WANG Zhigao
Mr. LYU Wei

NOMINATION COMMITTEE

Mr. CHEUNG Tak On *(Chairman)*
Mr. XU Yue
Ms. ZHU Anna Dezhen
Mr. LYU Wei
Mr. SUN Minjie

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COMPANY WEBSITE

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Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") and the management of China Yongda Automobiles Services Holdings Limited (the "**Company**"), I hereby present the 2026 Interim Report of the Company and its subsidiaries (collectively referred to as the "**Group**", "**we**" or "**us**").

In the first half of 2026, faced with declining domestic passenger vehicle demand, ongoing price competition and further differentiation among brands and distribution channels, we prioritised operational quality, proactively controlled inventory and capital occupation, continued to optimise our outlet structure, and consolidated the fundamentals of our after-sales services and client operations. Although overall operations remained under pressure, as expense reduction, inventory improvements and business restructuring gradually took effect, the Group's operating performance showed signs of recovery compared with the second half of 2025, while cash flow and financial position remained fundamentally sound.

INDUSTRY REVIEW: PRESSURES AND DIVERGENCE AMID EXISTING MARKET RESTRUCTURING

In the first half of 2026, the Chinese automotive market continued to undergo a period of profound adjustment. Domestic passenger vehicle consumption came under significant pressure due to factors such as weak consumer demand, the transition of vehicle replacement policies, adjustments to the purchase tax policy for new energy vehicles, and a certain degree of demand brought forward in prior periods. According to statistics from the China Passenger Car Association, national retail sales of passenger vehicles in the first half of the year were approximately 8.701 million units, representing a year-on-year decrease of 20.2%; during the same period, passenger vehicle exports totalled approximately 4.252 million units, representing a year-on-year increase of 70.9%. While export growth provided support for the industry's overall scale, domestic end-user demand, transaction prices and dealer profitability continued to face significant pressure.

The new energy vehicle market gradually shifted from its previous phase of rapid expansion to a stage of structural adjustment. In the first half of the year, retail sales of new energy passenger vehicles were approximately 4.704 million units, accounting for approximately 54.1% of total passenger vehicle retail sales. While the penetration rate of new energy vehicles continued to rise, the rapid iteration of new models, competition among different technological routes and divergent brand performance further heightened the importance of the quality of channel operations. Meanwhile, the national vehicle ownership and the average vehicle age continued to grow; demand for full-lifecycle services, including repair and maintenance, insurance, accident vehicles and pre-owned vehicles, remained resilient, laying a solid foundation for automotive dealers to stabilise revenue, gross profit and cash flow.

FINANCIAL PERFORMANCE: GRADUAL OPERATIONAL RECOVERY, WITH A FOCUS ON QUALITY AND STABILITY

In the first half of 2026, primarily due to the decline in new vehicle sales of traditional fuel vehicle brands, the Group recorded revenue of RMB20,849 million, representing a decrease of 23.0% compared with the same period in 2025; gross profit was RMB1,989 million, representing a year-on-year decrease of 16.1%. The Group's net profit and net profit attributable to owners of the Company amounted to RMB11 million and RMB27 million, respectively. Although profit levels declined compared with the same period of the previous year (under non-IFRSs measures), they showed a marked recovery compared with the second half of 2025.

Cost management was further strengthened: in the first half of the year, the aggregate of selling expenses, administrative expenses and finance costs was RMB2,049 million, representing a year-on-year decrease of RMB333 million or 14.0%. We continued to drive forward organisational and process optimisation, channelling more resources into business areas that enhance customer value and operational quality.

Cash flow remained robust: net cash generated from operating activities in the first half of the year was RMB1,173 million, remaining basically unchanged compared with the same period in 2025, providing a vital safeguard for the Group to navigate market volatility and push ahead with business restructuring.

Inventory and financial structure continued to improve: as of June 30, 2026, the Group's balance of goods in transit and in stock was RMB4,431 million, representing a decrease of 9.5% from the end of 2025, with inventory turnover days of 31.3 days; the gearing ratio was 60.2%, representing a decrease of 4.7 percentage points from the end of 2025. We will continue to regard inventory, cash flow and balance sheet structure as key priorities in our operational management.

VEHICLE BUSINESS PERFORMANCE: STABILIZING THE CORE FOUNDATION AND PROMOTING STRUCTURAL OPTIMIZATION

Outlet optimization: Dynamic adjustment to enhance single-store operational quality

In the first half of the year, the Group continued to optimize its outlets in respect of brand structure, single-store operational quality and regional distribution. Four independent new energy vehicle brand stores were opened, and ten stores were closed or converted, resulting in a net decrease of six outlets during the period. As of June 30, 2026, the Group operated a total of 203 outlets. We will continue to maintain the market share of key luxury brands, adjust underperforming outlets, and prudently develop high-quality new energy brand outlets based on product competitiveness and project returns.

New vehicle sales: Proactively responding to market downturn and maintaining the growth of new energy vehicle sales

In the first half of 2026, the Group achieved new vehicle sales of 59,500 units (including direct sales of new energy vehicles), representing a year-on-year decrease of 17.9%; revenue from new vehicle sales and related services amounted to RMB15,010 million, representing a year-on-year decrease of 26.9%. Under the continuous pressure on market demand and the price system, we strengthened analysis of key brands' commercial policies, the conversion of customer leads and the management of purchase, sales and inventory. The gross profit margin for new vehicle sales and related services was 0.1%, representing an increase of 0.9 percentage points compared with the second half of 2025. The sales volume of independent new energy vehicle brands reached 10,820 units, representing a year-on-year increase of 4.9%, and the comprehensive gross profit margin per vehicle remained stable at 4.0%. We will continue to take product competitiveness, order quality and single-store operational efficiency as the primary criteria for developing related businesses.

After-sales services: Acting as a stabilizer with sustained growth in new energy vehicle after-sales

Affected by temporary store shutdowns, the Group's revenue from after-sales services was RMB4,445 million in the first half of the year, representing a year-on-year decrease of 7.1%. After excluding the factor of shutdown, workshop visits increased by 3.9% year-on-year, while revenue from the repair and maintenance business decreased slightly by 1.0% year-on-year. The gross profit margin of the repair and maintenance business remained at 39.7%, and the absorption rate of retail services increased to 90.1%. The revenue from the repair and maintenance business of independent new energy vehicle brands was RMB290 million, representing a year-on-year increase of 34.4%. The gross profit was RMB114 million, representing a year-on-year increase of 54.4%. Both business scale and profit contribution of related businesses continued to grow.

Focusing on existing customer operations, we rolled out a new CRM after-sales business solicitation management system. By integrating our proprietary system with OEM systems, we expanded the pool of reachable effective leads, while leveraging WeCom and AI tools to enhance the efficiency of customer outreach and solicitation conversion. We also continued to optimize the management of insurance accident vehicles, policy renewals, non-vehicle insurance and parts inventory, striving to enhance the revenue and profit resilience of the after-sales business.

Pre-owned vehicle business: Controlling price risk and maintaining profit resilience

In the first half of 2026, the Group's transaction volume of pre-owned vehicles was 25,129 units, representing a year-on-year decrease of 17.4%; the gross profit margin of pre-owned vehicles based on the selling price of pre-owned vehicles remained relatively stable at 5.1%; the turnover days were 20.9 days. In the face of fluctuations in new vehicle prices and changes in the valuation of pre-owned new energy vehicles, we adhered to the principle of "high turnover, risk control and profit preservation", continued to deepen the integration of online and offline channels, expanded channels including consignment, entrusted auctions and pre-owned new energy vehicle exports, and enhanced transaction efficiency through standardized vehicle sourcing management and digital tools.

COMMERCIAL APPLICATION SERVICES OF EMBODIED INTELLIGENCE: STEADILY ADVANCING AND CULTIVATING NEW GROWTH DRIVERS

With the continuous development of artificial intelligence models, perceptual control and robotic hardware, embodied intelligence is gradually transitioning from technical demonstrations to real-world application scenarios. The Group has explored the intelligent robotics and embodied intelligence related businesses since 2024. Based on existing robot leasing business and prior project experience, the Group has continued to build up its capabilities, rather than starting from scratch, across customer demands, product selection, scenario adaptability, project implementation, delivery, operation and maintenance as well as supply chain collaboration. In the first half of the year, the Group obtained authorizations for robot brands such as AGIBOT, PrimeBOT and UBTECH, and made preparations centering on product demonstrations and experiences, client engagement, conversion of sales clues, delivery and after-sales service.

On the basis of the above, the Group entered into strategic cooperations with Xiamen Hongxin Electronics Technology Group Inc. on the commercial application services of embodied intelligence, and proposed to advance specific cooperation regarding data services, robot sales, scenario deployment and ongoing services. The existing related businesses are still in their early stages of development and are relatively small in scale, thus they have limited impact on the Group's overall operating performance for the first half of the year. We will steadily and orderly advance relevant businesses in line with market demand and project progress, continuously refine our service capabilities and business models in practice, while rationally controlling risks related to capital investment, project execution and data compliance.

FUTURE DEVELOPMENT STRATEGIES

Looking ahead to the second half of 2026, structural adjustments in the industry will continue, but channel optimization of mainstream brands, advancements in new energy technology, growth in automobile exports and service demand from existing customers will also present structural opportunities. We will adhere to consolidating our main businesses, improving quality, cultivating new opportunities and ensuring steady growth, with a focus on advancing the following initiatives:

Consolidating the main automobile sales service businesses: we will promote the coordinated development of luxury and new energy brands, maintain the industry position as a leading domestic dealership group for BMW and HIMA, capitalize on product opportunities such as BMW's Neue Klasse series models, and enhance the single-store operational quality in combination with product cycles and channel layouts of key brands.

Enhancing operational quality and customer lifetime value: we will adhere to the orientation of profitability and cash returns, improve gross margins on new vehicles, stabilize after-sales services, and advance the upgrading of pre-owned vehicles; strengthen customer operation, digitization and AI empowerment, optimize organizational and expense structures; and solidify the customer base and single-store profitability.

Prudently cultivating commercial application services of embodied intelligence: we will steadily develop related businesses centering on data services, robot sales, scenario deployment and ongoing services, continuously enhance the capabilities of professional teams, delivery and operations through project implementation, and gradually foster new drivers of business growth.

Ensuring cash flow and financial stability: we will continue to control inventory and capital expenditure, accelerate collection of accounts receivable and OEM rebates, optimize the financing structure, and enhance risk resilience. While balancing business development, capital security and shareholders' interests, we will explore appropriate dividend distribution and share repurchase arrangements.

ACKNOWLEDGEMENTS

In the first half of 2026, industry adjustments continued to deepen. Faced with declining demand and changes in profit models, we intensified our focus on inventory, cash flow, single-store quality and customer value, and promoted a shift in our business operations from a scale-oriented to a quality-oriented approach. Recovery will take time, but the brand partnerships, customer resources, service outlets and operational capabilities we have built up over the long term serve as a solid foundation for us to weather industry cycles.

On behalf of the Board of Directors, I hereby would like to extend my sincere gratitude to our shareholders, customers, partners and all employees. We will stay prudent and ambitious, delivering more solid operational results to reward every trust and support.

CHEUNG Tak On
Chairman

August 31, 2026

Management Discussion & Analysis

MARKET REVIEW

In the first half of 2026, the Chinese automotive market continued its profound adjustment. Affected by factors such as weak macro-level consumer demand, the transition period for the vehicle trade-in policy, adjustments to the purchase tax policy for new energy vehicles, and partial front-loading of demand in the prior period, domestic passenger vehicle consumption faced significant pressure compared to expectations at the beginning of the year. Meanwhile, automobile exports maintained rapid growth. The industry featured declining domestic demand, rapid export growth, ongoing shifts in the powertrain mix, and further divergence across brands and distribution channels.

According to statistics from the China Passenger Car Association, the national retail sales of passenger vehicles in the first half of 2026 reached approximately 8.701 million units, representing a year-on-year decrease of 20.2%. Among these, retail sales in June were approximately 1.602 million units, representing a year-on-year decrease of 23.2%. During the corresponding period, passenger vehicle exports reached approximately 4.252 million units, representing a year-on-year increase of 70.9%. While this growth in exports provided certain support for the industry's overall wholesale and production volumes, domestic end-consumer demand remained under substantial pressure.

The new energy vehicle market gradually transitioned from a period of rapid expansion to a phase of structural adjustment. In the first half of 2026, retail sales of new energy passenger vehicles reached approximately 4.704 million units, representing a year-on-year decrease of 14.0%, accounting for approximately 54.1% of total passenger vehicle retail sales; retail sales of new energy passenger vehicles in June reached approximately 1.007 million units, representing a year-on-year decrease of 9.4%, with a retail penetration rate of approximately 62.8%. While the penetration rate of new energy vehicles continued to rise, market competition has further intensified, driven by weak end-consumer demand, rapid model iteration, and divergent performance across different technology paths and brands.

While domestic demand contracted, price competition within the industry remained intense. Automakers continued to compete for market share through the launch of new models, configuration upgrades, limited-time promotions and financial incentives, further accelerating the pace of product iteration and price adjustments. Traditional fuel vehicles and luxury brands were simultaneously facing multiple challenges, including weakening demand, substitution by new energy vehicles and adjustments to pricing structures, resulting in continued pressure on retail transaction prices and dealers' profit per vehicle. Certain OEMs gradually improved dealers' operating conditions by adjusting pricing structures, optimizing sales policies and strengthening rebate support, leading to a further increase in the importance of channel operational quality and manufacturer-dealer relationship.

Management Discussion & Analysis

Compared to the new vehicle market, the automotive aftermarket exhibited robust overall resilience. As of the end of June 2026, the national vehicle ownership reached 371 million units, of which 48.97 million units were new energy vehicles; passenger vehicles over seven years accounted for more than 50% of the total, and the demand base for full lifecycle vehicle services covering maintenance and repair, accident repair, insurance and pre-owned vehicles continued to expand. Meanwhile, more rational consumer behavior, the accelerated development of independent repair chains and online platforms, policy adjustments regarding insurance claims and parts settlements, and the gradual improvement of the after-sales service system for new energy vehicles have all driven changes in the aftermarket's customer structure, business scope and profit models. For automobile dealers, after-sales services and the management of existing customers remained a crucial foundation for stabilizing revenue, gross profit and cash flow.

Overall, in the first half of 2026, the core focus of the automotive industry has further shifted from incremental competition to structural reshaping within the existing market. The increasing proportion of exports, rising penetration rates of new energy vehicles and growth in vehicle ownership continued to provide long-term support for the industry; nevertheless, domestic demand, terminal prices and channel profitability were exposed to substantial short-term uncertainties.

BUSINESS REVIEW

In the first half of 2026, primarily due to a significant year-on-year decline in new vehicle sales of traditional fuel vehicle brands, our revenue amounted to RMB20,849 million, representing a decrease of 23.0% compared with the corresponding period in 2025. Our gross profit amounted to RMB1,989 million, representing a decrease of 16.1% compared with the corresponding period in 2025, of which gross profit from the sales of new vehicles and related services decreased by 91.3% year-on-year.

In the first half of 2026, the selling expenses, administrative expenses and financing costs totaled RMB2,049 million, representing a year-on-year decrease of RMB333 million or 14.0% compared with the corresponding period in 2025.

In the first half of 2026, our net profit and net profit attributable to the owners of the Company were RMB11 million and RMB27 million (with no adjustments under non-IFRS measures), respectively. Although this represented a decrease compared to our adjusted net profit and adjusted net profit attributable to the owners of the Company (under non-IFRS measures) of RMB54 million and RMB63 million in the first half of 2025, the results reflected a marked improvement compared to our adjusted net loss and adjusted net loss attributable to the owners of the Company (under non-IFRS measures) of RMB401 million and RMB367 million, respectively, in the second half of 2025.

In the first half of 2026, we remained committed to reducing the capital tied up in inventory. As of June 30, 2026, our inventory balance in transit and in stock amounted to RMB4,431 million, representing a decrease of 9.5% compared with the end of 2025. We maintained a relatively healthy inventory turnover days of 31.3 days. In the first half of 2026, our net cash generated from operating activities was RMB1,173 million, remained basically unchanged compared with the corresponding period in 2025. Our gearing ratio as of June 30, 2026 was 60.2%, representing a decrease of 4.7 percentage points compared with the end of 2025.

Management Discussion & Analysis

Set forth below is a summary of our business development in the first half of 2026:

I. **Vehicle Sales Services Business**

1. *New vehicle sales business*

In the first half of 2026, the domestic automotive market experienced an overall decline in sales volume, and consumers adopted a wait-and-see attitude toward purchasing vehicles, which put pressure on both customer flow and transaction volumes in the industry. Although the overall business environment remained challenging, we proactively adjusted our sales strategies, carefully analyzed changes in the commercial policies of key brands, and promptly implemented various self-help measures to address the current challenges in the sales market.

In the first half of the year, the Group's new vehicle sales volume was 59,500 units (including direct sales of new energy vehicles), representing a year-on-year decrease of 17.9%. Revenue from new vehicle sales and related services amounted to RMB15,010 million, representing a year-on-year decrease of 26.9%. New vehicle sales volume of traditional brands was 48,680 units, representing a year-on-year decrease of 21.7%. The gross profit margin of new vehicle sales and related services stood at 0.1%, representing an increase of 0.9 percentage points compared with the second half of 2025.

In terms of new vehicle sales of independent new energy vehicle brands, the sales volume reached 10,820 units in the first half of the year, representing a year-on-year increase of 4.9%. Among them, 5,849 units were sold through the dealership model and 4,971 units under the direct sales model; the average selling price of new vehicles reached RMB276,300, and the comprehensive gross profit margin per vehicle remained stable at 4.0%. The Group will continue to prudently advance the relevant business based on product competitiveness, order quality and single-store operational efficiency.

In terms of inventory and capital management, in the first half of 2026, the Group's new vehicle turnover days were 31.7 days. The Group continued to strengthen the conversion of customer leads and the end-to-end management of new vehicle procurement, sales and inventory. The Group implemented a coordinated approach combining fixed-quota control of inventory value and cap management on aged inventory, and reasonably arranged procurement, sales and order retention to control the scale of inventory and capital occupation at the end of the period.

2. ***After-sales services business***

Due to business closures, in the first half of 2026, our revenue from after-sales services was RMB4,445 million, representing a decrease of 7.1% compared with the corresponding period in 2025. Among them, revenue from repair and maintenance business was RMB4,309 million, representing a decrease of 7.5% compared with the corresponding period in 2025; excluding the impact of business closures, the number of repair units we serviced increased by 3.9% year-on-year, while revenue from repair and maintenance business decreased slightly by 1.0% year-on-year. In the first half of 2026, the gross profit margin of our repair and maintenance services was 39.7%, remaining basically unchanged from the corresponding period in 2025; the absorption rate of retail services was 90.1%, representing an increase of 5.9 percentage points compared with the corresponding period in 2025.

Excluding the impact of closure, merger and transfer, the number of repair units increased. However, due to factors such as more cautious consumer spending, heightened price sensitivity among customers and changes in settlement methods for certain business segments, the revenue per vehicle decreased, resulting in a slight year-on-year decrease in revenue from the repair and maintenance business. The Group will continue to strengthen the revenue and profit resilience of its after-sales business through customer acquisition, business structure optimization and improvements in service efficiency.

In terms of after-sales services for independent new energy vehicle brands, in the first half of the year, revenue from the repair and maintenance business reached RMB290 million, representing a year-on-year increase of 34.4%; gross profit from maintenance and repair business for the independent new energy brands was RMB114 million, representing a year-on-year increase of 54.4%. By expanding its operations in areas such as mechanical and electrical services and panel beating and painting, the Group continued to enhance its after-sales service capabilities for new energy vehicles, with the scale and profit contribution of such businesses maintaining growth.

In terms of customer operations, we rolled out a new CRM system for after-sales business acquisition management. By integrating our proprietary system with OEM systems, we increased the volume of qualified leads, and by leveraging WeCom and AI capabilities, we improved the customer acquisition and conversion efficiency. Meanwhile, we continuously optimized and expanded our customer-oriented marketing product portfolio based on user value models, analysis of consumer habits, and factors such as brand and vehicle age, with the aim of reducing customer churn. As of June 30, 2026, the number of customers under our management increased both year-on-year and month-on-month.

In terms of the insurance accident vehicle business, to mitigate the impact of declining new vehicle sales on premium volume, we continued to strengthen our efforts in policy renewal and the marketing of non-vehicle insurance business. In the first half of 2026, the scale of our policy renewal and non-vehicle insurance business achieved year-on-year growth. We actively enhanced cooperation with insurance companies to ensure the policy supports for claims assessment and loss determination. Additionally, based on our ongoing "repair instead of replacement" cooperation with insurance companies, we established new collaborations for remanufactured parts, further deepening our strategic partnerships and ensuring the stability of our accident vehicle business operations.

In terms of inventory control, we promptly adjusted our procurement strategies in response to business changes and strictly controlled the scale of parts and supplies procurement, resulting in a decrease of 6.7% in the scale of parts and supplies inventory as at the end of June 2026 compared to the end of 2025.

3. *Pre-owned vehicle business*

In the first half of 2026, we adopted a business strategy of "high turnover, risk control and profit protection" to actively address the impact of new vehicle price fluctuations on our pre-owned vehicle business, while seizing the opportunities and challenges brought by new energy pre-owned vehicles. In the first half of 2026, our transaction volume of pre-owned vehicles was 25,129 units, representing a year-on-year decrease of 17.4%, with a new-to-pre-owned ratio of 42.2%; the gross profit margin of pre-owned vehicles based on the selling price of pre-owned vehicles remained stable at 5.1%; and the turnover days increased by 3.2 days year-on-year to 20.9 days.

We continued to deepen our new retail operational capabilities for pre-owned vehicles in the integrated online-and-offline mode, and drove online transactions by strengthening our digital capabilities and building a marketing matrix that combines official website, new media and vertical media platforms; integrated cross-brand and cross-regional vehicle inventory information in a standardized manner to accelerate turnover efficiency; leveraged the pre-owned vehicle retail business to drive growth in ancillary services including finance and insurance, and promoted comprehensive profitability and expansion of customer retention scale of pre-owned vehicles; and established bulk vehicle supply cooperation mechanisms with numerous OEMs to ensure a stable supply of vehicles for the retail business.

We actively expanded the new energy pre-owned vehicle business, continuously upgrading our vehicle procurement application system tailored for the consumption scenarios of new energy vehicle brands, and providing standardized and efficient full-chain services; leveraged high-traffic new media platforms to conduct retail-oriented operations; adopted a more rigorous turnover strategy than those for fuel vehicles to mitigate depreciation risks; expanded brokerage services including consignment sales and entrusted auctions for greater transparency and efficiency in transactions; and actively promoted the export of new energy pre-owned vehicles to build diversified sales channels.

4. *Changes of outlets*

In the first half of 2026, the passenger vehicle market remained under pressure, with demand for new vehicles of luxury and ultra-luxury brands yet to show a significant recovery, and competition in the new energy vehicle market intensifying. The Group continued to optimize its outlet structure, maintained market share of key luxury brands, restructured underperforming outlets, and prudently reserved outlets of high-quality new energy brands.

In the first half of the year, the Group opened 4 new independent new energy brand outlets, and closed or restructured 10 outlets, resulting in a net decrease of 6 outlets during the period. Such adjustments were primarily centered on brand structure, single-store operational performance and regional layout.

	Newly opened	Closed or restructured
Traditional luxury brands	0	8
New energy brands	4	2

As of June 30, 2026, the Group operated a total of 203 outlets. From the perspective of brand structure, luxury brands accounted for 59.1%, independent new energy brands accounted for 23.6%, mid-to-high-end brands accounted for 10.8%, and Yongda Pre-owned Vehicle Malls accounted for 6.4%.

Set out below are the details and changes of the Group's outlets opened as of June 30, 2026:

	Outlets opened as of December 31, 2025	Outlets opened as of June 30, 2026	Changes of outlets
4S dealerships of luxury and ultra-luxury brands	115	**109**	-6
City showrooms of luxury brands	13	**11**	-2
Sub-total of luxury and ultra-luxury brands outlets	128	**120**	-8
4S dealerships of mid-to-high-end brands	22	**22**	0
Sub-total of mid-to-high-end brands outlets	22	**22**	0
4S dealerships of independent new energy brands	39	**41**	+2
Authorized maintenance centers of independent new energy brands	7	**7**	0
Sub-total of independent new energy brands outlets	46	**48**	+2
Outlets of Pre-owned Vehicle Malls	13	**13**	0
Total outlets	209	**203**	-6

II. Commercial Applications of Embodied Intelligence

Market Background and Business Development

With the continuous development of artificial intelligence models, perceptual control and robotic hardware, embodied intelligence is gradually transitioning from technical demonstrations to real-world scenario applications. The transition of robots from R&D and testing to commercial application depends not only on products and technology, but also on addressing a series of practical problems such as customer requirements alignment, product selection, application adaptation, project implementation, delivery and acceptance, and after-sales services. Based on this industry trend and the Group's long-term accumulated capabilities in customer service, offline operations, project management and after-sales services, the Group has been exploring commercial application services of embodied intelligence since 2024, with a focus on commercial applications and service aspects including product sales, scenario applications, project delivery and ongoing services.

In the first half of 2026, based on its existing experience in robot leasing and prior projects, the Group continued to carry out product research, scenario validation, industry collaboration and service capability development. The Group has engaged in product and ecosystem cooperation with multiple robotics companies, and continuously evaluated the performance, scenario adaptability and service requirements of different products. It has also obtained relevant authorizations from robotics brands including AGIBOT, PrimeBOT and UBTECH, laying the foundation for subsequent product display, sales and leasing, project delivery and after-sales services.

In terms of scenario applications, the Group has carried out various project practices in real environments such as automobile stores, corporate exhibitions and events, commercial advertisements, public events and healthcare and elderly care exhibitions, involving applications such as reception and guided tours, product presentation, human-robot interaction, stage collaboration and event services. Through relevant projects, the Group has gained a further understanding of the operational stability, interactive capabilities, on-site deployment and ongoing service requirements of different robot products in complex environments.

In terms of project services, the Group has carried out scenario solution design, functional configuration, knowledge base and interactive content development, application software and system interface integration, equipment deployment and commissioning as well as on-site operational support based on the actual needs of customers. The Group has also preliminarily accumulated project service experience covering requirements communication, solution design, deployment and implementation, training and delivery, as well as operational support, fault handling and maintenance support.

Overall, the Group has established a certain foundation in areas such as robotics product cooperation, scenario applications, project implementation and ongoing services. However, the relevant businesses remain in the incubation and business model validation stage, and the project scale is relatively small and has not yet generated large-scale revenue, thus having a limited impact on the Group's overall operating performance in the first half of the year.

Strategic Cooperation Project

Embodied intelligence model training and product iteration require a large amount of high-quality data covering different robot platforms, tasks and application scenarios. Due to the high difficulty in collecting, producing and managing real-scenario data, the effective supply of high-quality and multi-scenario data collection and training within the industry remains relatively insufficient at present, and related demand is expected to continue growing with model iteration and the expansion of scenario applications. Based on this market demand, subsequent to the reporting period, the Group entered into strategic cooperation with Xiamen Hongxin Electronics Technology Group Inc. ("**Hongxin Electron-Tech**") on the commercial application services of embodied intelligence, with a focus on advancing cooperation in robot data collection and training services and related supporting businesses.

Both parties intend to leverage Hongxin Electron-Tech's capabilities in data services, computing power and storage resources, robotics industry resources and project collaboration, as well as the Group's experience in real-scenario operation, project management, delivery and after-sales services. In accordance with the training tasks, data requirements and acceptance criteria specified by robotics companies, large model companies and relevant research institutions, the parties will organize scenario and task design, data collection and production, quality management, acceptance and deliverables handover, and will provide computing power and storage resources required for data processing, storage and training validation in a coordinated manner according to the project needs.

Hongxin Electron-Tech will also collaborate to introduce more robotics companies, large model companies and related industry resources. Through participation in data training and product validation projects of relevant enterprises, the Group can further gain insights into robotics products, model capabilities and practical application conditions, and enter more real customer scenarios. As the relevant products gradually progress towards scenario applications and commercial deployment, the Group can further strive for business opportunities in application development, product sales and leasing, deployment and delivery, and after-sales services.

FINANCIAL REVIEW

Revenue

Revenue was RMB20,849 million for the six months ended June 30, 2026, representing a decrease of 23.0% from RMB27,072 million for the six months ended June 30, 2025. The decrease in revenue was mainly due to the year-on-year decrease in new vehicles sales volume and average selling price of traditional fuel vehicle brands. The table below sets forth a breakdown of our revenue and relevant information of various business segments for the periods indicated:

	First half of 2026			First half of 2025		
	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	**11,557,911**	**39,017**	**296**	15,667,841	48,959	320
Mid- to high-end brands	**1,298,229**	**9,663**	**134**	1,890,174	13,230	143
Independent new energy brands (distribution model)	**1,636,822**	**5,849**	**280**	1,219,443	4,455	274
Sub-total	**14,492,962**	**54,529**	**266**	18,777,458	66,644	282
Commission income related to new vehicle sales	**350,199**			1,511,678		
Others	**166,689**			242,442		
Sub-total revenue from sales of new vehicles and related services	**15,009,850**			20,531,578		
Sales of pre-owned vehicles	**1,268,511**	**11,516**	**110**	1,560,655	15,496	101
Brokerage income related to sales of pre-owned vehicles	**13,810**			15,695		
Sub-total revenue from sales of pre-owned vehicles and related services	**1,282,321**			1,576,350		
Repair and maintenance related services	**4,308,588**			4,659,958		
Commission income	**136,588**			124,521		
Sub-total revenue from after-sales services	**4,445,176**			4,784,479		
Automobile operating lease services	**147,036**			196,795		
Less: inter-segment eliminations	**(35,472)**			(17,268)		
Total	**20,848,911**			27,071,934		

The distribution sales volume of new vehicles of the passenger vehicle sales and services segment was 54,529 units for the six months ended June 30, 2026, representing a decrease of 18.2% from 66,644 units for the six months ended June 30, 2025.

Among them, the distribution sales volume of new vehicles under luxury and ultra-luxury brands was 39,017 units for the six months ended June 30, 2026, representing a decrease of 20.3% from 48,959 units for the six months ended June 30, 2025; and the distribution sales volume of new vehicles under independent new energy brands was 5,849 units for the six months ended June 30, 2026, representing an increase of 31.3% from 4,455 units for the six months ended June 30, 2025.

Revenue from sales of new vehicles of the passenger vehicle sales and services segment was RMB14,493 million for the six months ended June 30, 2026, representing a decrease of 22.8% from RMB18,777 million for the six months ended June 30, 2025.

Among them, revenue from sales of new vehicles under luxury and ultra-luxury brands was RMB11,558 million for the six months ended June 30, 2026, representing a decrease of 26.2% from RMB15,668 million for the six months ended June 30, 2025; and revenue from sales of new vehicles under independent new energy brands was RMB1,637 million for the six months ended June 30, 2026, representing an increase of 34.2% from RMB1,219 million for the six months ended June 30, 2025.

Commission income related to the sales of new vehicles of the passenger vehicle sales and services segment was RMB350 million for the six months ended June 30, 2026, representing a decrease of 76.8% from RMB1,512 million for the six months ended June 30, 2025.

The sales volume of direct agency sales of vehicles under independent new energy brands was 4,971 units for the six months ended June 30, 2026, representing a decrease of 15.1% from 5,857 units for the six months ended June 30, 2025.

Other revenue related to new vehicles of the passenger vehicle sales and services segment was RMB167 million for the six months ended June 30, 2026, representing a decrease of 31.2% from RMB242 million for the six months ended June 30, 2025.

Total revenue from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB15,010 million for the six months ended June 30, 2026, representing a decrease of 26.9% from RMB20,532 million for the six months ended June 30, 2025.

The distribution sales volume of pre-owned vehicles was 11,516 units for the six months ended June 30, 2026, representing a decrease of 25.7% from 15,496 units for the six months ended June 30, 2025.

Revenue from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB1,269 million for the six months ended June 30, 2026, representing a decrease of 18.7% from RMB1,561 million for the six months ended June 30, 2025.

Brokerage income from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB14 million for the six months ended June 30, 2026, representing a decrease of 12.0% from RMB16 million for the six months ended June 30, 2025.

Revenue from after-sales services of the passenger vehicle sales and services segment was RMB4,445 million for the six months ended June 30, 2026, representing a decrease of 7.1% from RMB4,784 million for the six months ended June 30, 2025.

Among them, the revenue from repair and maintenance related services was RMB4,309 million for the six months ended June 30, 2026, representing a decrease of 7.5% from RMB4,660 million for the six months ended June 30, 2025; and the insurance commission income was RMB137 million for the six months ended June 30, 2026, representing an increase of 9.7% from RMB125 million for the six months ended June 30, 2025.

Revenue from the automobile operating lease services segment was RMB147 million for the six months ended June 30, 2026, representing a decrease of 25.3% from RMB197 million for the six months ended June 30, 2025.

Cost of Sales and Services

Cost of sales of new vehicles and cost of related services of the passenger vehicle sales and services segment was RMB14,991 million for the six months ended June 30, 2026, representing a decrease of 26.2% from RMB20,321 million for the six months ended June 30, 2025.

Cost of sales of pre-owned vehicles and cost of related services was RMB1,193 million for the six months ended June 30, 2026, representing a decrease of 18.5% from RMB1,464 million for the six months ended June 30, 2025.

Cost of after-sales services of the passenger vehicle sales and services segment was RMB2,599 million for the six months ended June 30, 2026, representing a decrease of 6.5% from RMB2,779 million for the six months ended June 30, 2025.

Cost of services for the automobile operating lease services segment was RMB112 million for the six months ended June 30, 2026, representing a decrease of 25.8% from RMB151 million for the six months ended June 30, 2025.

As described above, cost of sales and services was RMB18,859 million for the six months ended June 30, 2026, representing a decrease of 23.7% from RMB24,702 million for the six months ended June 30, 2025.

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 RMB18 million for the six months ended June 30, 2026, representing a decrease of 91.3% from RMB211 million for the six months ended June 30, 2025.

Gross profit margin for sales of new vehicles and related services decreased to 0.1% for the six months ended June 30, 2026 from 1.0% for the six months ended June 30, 2025.

Gross profit from sales of pre-owned vehicles and related services of the passenger vehicle sales and services segment was RMB90 million for the six months ended June 30, 2026, representing a decrease of 20.6% from RMB113 million for the six months ended June 30, 2025.

Gross profit margin for distribution of pre-owned vehicles of the passenger vehicle sales and services segment decreased to 6.0% for the six months ended June 30, 2026 from 6.2% for the six months ended June 30, 2025.

Gross profit from after-sales services of the passenger vehicle sales and services segment was RMB1,847 million for the six months ended June 30, 2026, representing a decrease of 7.9% from RMB2,005 million for the six months ended June 30, 2025.

Gross profit margin for repair and maintenance was 39.7% for the six months ended June 30, 2026, which remained basically unchanged compared with 40.4% for the six months ended June 30, 2025.

Gross profit from the automobile operating lease services segment was RMB35 million for the six months ended June 30, 2026, representing a decrease of 23.5% from RMB46 million for the six months ended June 30, 2025.

Gross profit margin for the automobile operating lease services segment was 23.7% for the six months ended June 30, 2026, representing an increase of 0.5 percentage points from 23.2% for the six months ended June 30, 2025.

As described above, gross profit was RMB1,989 million for the six months ended June 30, 2026, representing a decrease of 16.1% from RMB2,370 million for the six months ended June 30, 2025.

Gross profit margin was 9.5% for the six months ended June 30, 2026, representing an increase of 0.7 percentage points from the gross profit margin of 8.8% for the six months ended June 30, 2025.

Other Income, Other Gains and Losses

Other income, other gains and losses were net gains of RMB28 million for the six months ended June 30, 2026, representing an increase of 25.3% from RMB22 million for the six months ended June 30, 2025.

Distribution and Selling Expenses and Administrative Expenses

Distribution and selling expenses and administrative expenses were RMB1,942 million for the six months ended June 30, 2026, representing a decrease of 14.2% from RMB2,264 million for the six months ended June 30, 2025.

The ratio of distribution, selling and administrative expenses to revenue was 9.3% for the six months ended June 30, 2026, representing an increase of 0.9 percentage points from 8.4% for the six months ended June 30, 2025.

Finance Costs

Finance costs were RMB107 million for the six months ended June 30, 2026, representing a decrease of 8.9% from RMB118 million for the six months ended June 30, 2025.

The percentage of the finance costs to revenue for the six months ended June 30, 2026 was 0.5%, representing an increase of 0.1 percentage points from 0.4% for the six months ended June 30, 2025.

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 impairment of related assets in the first half of 2025 and the resulting income tax and non-controlling interest impacts should be supplemented as adjustments on non-IFRS measures to the condensed consolidated statement of profit or loss presented in accordance with IFRSs, as set out in this interim report. 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 six months ended June 30, 2026 and the six months ended June 30, 2025, and the consolidated net profit or loss and net profit or loss attributable to owners of the Company for the six months ended June 30, 2026 and the six months ended June 30, 2025, as calculated and presented in accordance with IFRSs:

	For the six months ended June 30, 2026 ***(RMB million)***	For the six months ended June 30, 2025 *(RMB million)*
Consolidated profit/(net loss) for the period	**11**	(3,485)
Including: Profit/(net loss) for the period attributable to owners of the Company	**27**	(3,331)
Adjustments for:		
Impairment losses recognized on long-term assets such as goodwill, intangible assets of dealership agreements and buildings and renovations	**–**	3,553
Effect of deferred income tax[(i)]	**–**	(14)
Subtotal of adjustments	**–**	3,539
Including: Subtotal of adjustments attributable to owners of the Company	**–**	3,394
Adjusted consolidated profit for the period (under non-IFRS measures)	**11**	54
Including: Adjusted profit for the period attributable to owners of the Company (under non-IFRS measures)	**27**	63

(i) Effect of deferred income tax amounted to RMB14 million, including reversal of deferred income tax liabilities related to impairment losses recognized on distribution agreements and other intangible assets of RMB314 million, offset by reversal of tax losses recognized as deferred tax assets of RMB300 million.

Adjusted Net Profit or Loss

As a result of the foregoing, the consolidated profit was RMB11 million for the six months ended June 30, 2026 (with no adjustments under non-IFRS measures), representing a decrease of 79.3% compared with the adjusted profit of RMB54 million (under non-IFRS measures) for the six months ended June 30, 2025.

Adjusted Net Profit or Loss Attributable to Owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company was RMB27 million for the six months ended June 30, 2026 (with no adjustments under non-IFRS measures), representing a decrease of 57.6% compared with the adjusted profit attributable to owners of the Company of RMB63 million (under non-IFRS measures) for the six months ended June 30, 2025.

The adjusted consolidated net profit or loss (under non-IFRS measures) and adjusted net profit or loss attributable to owners of the Company (under 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 (under non-IFRS measures) and adjusted net profit or loss attributable to owners of the Company (under 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 these measures 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 we will be able to meet our capital expenditures and liquidity requirements through 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 six months ended June 30, 2026, our net cash generated from operating activities was RMB1,173 million, which included cash generated from non-cash items such as profit before tax and depreciation and amortization of RMB532 million, cash generated from movements in working capital of RMB727 million and the payment of income tax of RMB86 million. For the six months ended June 30, 2025, our net cash generated from operating activities was RMB1,167 million, which included cash generated from non-cash items such as profit before tax and depreciation and amortization of RMB722 million, cash generated from movements in working capital of RMB589 million and the payment of income tax of RMB144 million.

For the six months ended June 30, 2026, our net cash used in investing activities was RMB162 million, which mainly included the payment for purchase of property, plant and equipment of RMB502 million, which was partially offset by the proceeds of RMB287 million from the disposal of property, plant and equipment. For the six months ended June 30, 2025, our net cash used in investing activities was RMB260 million, which mainly included the payments for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB656 million, which was partially offset by the proceeds of RMB365 million from the disposal of property, plant and equipment, intangible assets and right-of-use assets.

For the six months ended June 30, 2026, our net cash used in financing activities was RMB431 million, which mainly included the net repayment of borrowings of RMB146 million, the payment of interest of RMB108 million, the repayment of lease liabilities of RMB138 million and the payment for repurchase of shares of the Company of RMB11 million. For the six months ended June 30, 2025, our net cash used in financing activities was RMB5 million, which mainly included the net repayment of borrowings of RMB483 million, the payment of dividends to shareholders of the Company of RMB129 million, the payment of dividends to minority shareholders of subsidiaries of RMB42 million, the payment of interest of RMB118 million, the repayment of lease liabilities of RMB173 million and the payment for repurchase of shares of the Company of RMB70 million.

Inventories

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

As of June 30, 2026, the balance of our inventories was RMB2,857 million, representing a decrease of 20.9% compared with RMB3,612 million as of December 31, 2025. The following table sets forth our average inventory turnover days for the periods indicated:

	As of June 30,	
	2026	2025
Average inventory turnover days	**31.3**	26.3

Capital Expenditures and Investment

Our capital expenditures primarily included expenditures on purchase of property, plant and equipment, which were partially offset by the proceeds from the disposal of property, plant and equipment. For the six months ended June 30, 2026, our total capital expenditures were RMB215 million. The following table sets forth a breakdown of our capital expenditures for the period indicated:

	For the six months ended June 30, 2026 ***(RMB million)***
Expenditures on purchase of property, plant and equipment – test-drive automobiles and vehicles for operating lease purposes	**386**
Expenditures on purchase of property, plant and equipment – primarily used for establishing and upgrading automobile sales and service outlets	**116**
Proceeds from the disposal of property, plant and equipment (mainly test-drive automobiles and vehicles for operating lease purposes)	**(287)**
Total	**215**

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 June 30, 2026, the outstanding amount of our borrowings amounted to RMB2,768 million, representing a decrease of 5.0% from RMB2,914 million as of December 31, 2025. The following table sets forth the maturity profile of our borrowings as of June 30, 2026:

	As of June 30, 2026 ***(RMB million)***
Within one year	**1,647**
One to two years	**844**
Two to five years	**277**
Total	**2,768**

As of June 30, 2026, our net liabilities amounted to negative RMB4 million, representing a decrease of RMB724 million from RMB720 million as of December 31, 2025, and our net gearing ratio (being net liabilities divided by total equity) was 0.0% (as of December 31, 2025: 8.5%). Net liabilities represent borrowings minus cash and cash equivalents and time deposits.

As of June 30, 2026, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of June 30, 2026 consisted of (i) inventories of RMB577 million; (ii) property, plant and equipment of RMB49 million; (iii) land use rights of RMB43 million; and (iv) interests in subsidiaries of RMB329 million.

Contingent Liabilities

As of June 30, 2026, the Group provided guarantees of RMB111 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 borrowing costs, 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. Since June 30, 2023, we have had no financial borrowings denominated in foreign currencies.

DEVELOPMENT OUTLOOK AND STRATEGIES

Currently, the domestic automotive industry remains in a period of profound structural transformation and adjustment, with intensified market divergence and continuous reshaping of channels and brand landscapes. In the first half of 2026, the overall market was under pressure due to factors such as weak end-user demand, policy coordination and price competition. Meanwhile, traditional luxury brands accelerated their transformation toward electrification and intelligence, new energy power batteries and intelligent driving technologies continued to evolve, and the automobile exports maintained growth, providing support for the medium- to long-term development of the industry.

As industry governance and manufacturer relationships undergo gradual adjustment, the market is expected to shift from simple price competition to comprehensive competition in products, technology, services and operational efficiency. Dealers will still play an important role in brand communication, customer operations and aftermarket services. Besides, the exit of inefficient dealers and the optimization of major brand channel networks are expected to continue, and industry resources will further concentrate on enterprises with higher operational quality.

In response to industry development trends and changes, the Group will proactively consolidate its core vehicle sales and services business, promote the coordinated development of new energy and luxury vehicle businesses, continuously improve sales quality, after-sales operation, inventory turnover and cost efficiency, and maintain stable core financial indicators and operating cash flows. Besides, the Group will promote the commercial application services of embodied intelligence in a phased manner and cultivate new business increments.

Consolidate the Core Vehicle Sales and Services Business, and Continuously Optimize Operations to Achieve Quality Improvement and Efficiency Enhancement

The Group will maintain stability of its core vehicle sales and services business, promote the coordinated development of the two major business segments of new energy and luxury vehicles, and maintain its industry position as a leading domestic dealer group for BMW and HIMA. In terms of luxury vehicle business, in addition to stabilizing the existing business, the Group will actively expand into the new energy market, driven by BMW's upcoming Neue Klasse series models, while continuously optimizing the network layout. In terms of new energy business, the Group will, in combination with the product cycles and channel layouts of key brands, increase single-store sales and operational quality, and leverage the supporting role of new vehicle gross margins and after-sales growth in the business structure. Meanwhile, the Group will maintain stable after-sales maintenance business, promote the upgrading of pre-owned vehicle business, improve single-store operational quality and strengthen cost management, further consolidate the customer base and achieve overall profitability improvement.

Promote the Commercial Application Services of Embodied Intelligence to Cultivate New Growth Drivers

The Group will position its external business as a provider of commercial application services of embodied intelligence, without manufacturing robot platforms or engaging in large model research and development. Instead, leveraging its capabilities in customers, channels, scenario operations, project delivery and after-sales services, the Group will focus on the application and service segments of the industry value chain. In the future, the Group will advance its business development in phases across four interconnected business segments including robot sales and leasing, robot application development, delivery and after-sales services, and robot data collection and training services.

In the second half of 2026, the Group will focus on driving the implementation of the initial batch of projects. In terms of robot sales and leasing, the Group will leverage its existing product authorizations, customer base and distribution channels to accelerate the expansion of enterprise customers, product demonstrations, demand conversion and sales delivery, while prudently exploring the individual customer business based on product maturity and market demand. In terms of robot application development, delivery and after-sales services, the Group will improve the process of demand analysis, solution design, application configuration, system integration, deployment and commissioning, acceptance and delivery, and ongoing services around specific customer projects, gradually building replicable project experience. In terms of robot data collection and training services, the Group will leverage its industry partners to drive the preparation and implementation of the initial batch of projects, gradually build up capabilities in data production, quality management and deliverable output, and provide relevant computing power and storage resources as required by the projects.

The Group will further expand its cooperative relationships with robotics companies and large model companies through data collection and training services, continuously follow up on the scenario application and commercial deployment requirements of relevant products, and seek opportunities in subsequent application development, product sales, deployment and delivery, and after-sales services. The relevant business will be prudently advanced on the premise of real customer demands, confirmed orders, acceptance criteria and collection arrangements through pilot validation, phased investment and relatively asset-light approach. The Group will focus on controlling inventory and capital expenditure, continuously monitor risks related to project performance, data compliance and capital recovery, and gradually validate its business model while cultivating new business growth drivers.

Safeguard Cash Flow and Financial Stability to Continuously Strengthen Risk Resilience

The Group will continue to strengthen cash flow management and capital utilization efficiency, and will enhance single-store cash flow management capabilities by maintaining the intensity of inventory turnover management, promoting the collection of accounts receivable and OEM rebate collection. Besides, the Group will prudently control capital expenditures and optimize financing channels and term structures to enhance risk resilience amid market volatility.

The Group will continue to monitor the gearing ratio, the coverage of current assets over liabilities, and the coverage of net assets over long-term assets, and will maintain a robust financial position while balancing business development, capital security and shareholder returns.

Looking ahead, as accelerated industry consolidation drives capacity rationalization and further concentrates resources on top-tier high-quality dealers, the domestic market remains promising. We will focus on principal businesses to ensure our core vehicle sales and services business, while simultaneously seizing the development opportunities in the commercial application industry of embodied intelligence, to build new growth drivers and achieve coordinated development. We will also actively participate in and continue to respond to the national “low carbon” strategy and be committed to fulfilling 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

(A) Long positions in the Company's Shares

Name of Directors	Capacity/Nature of Interest	Total number of Shares	Approximate Percentage of Shareholding (%)
Mr. CHEUNG Tak On[1]	Founder of a discretionary trust	405,509,500	22.058
	Interest of controlled corporation	167,080,000	9.088
	Beneficial owner	9,303,000	0.506
Mr. XU Yue[3]	Beneficial owner	3,158,000	0.172
Mr. WANG Zhigao[2]	Interest of controlled corporation	9,570,500	0.521
Ms. CHEN Yi	Beneficial owner	537,000	0.029
Mr. TANG Liang	Beneficial owner	1,005,000	0.055

Notes:

(1) (i) Mr. CHEUNG Tak On is the settlor and protector of a discretionary trust of which HSBC International Trustee Limited acts as its trustee and the beneficiaries of which are Mr. CHEUNG Tak On and certain of his family members (the "**Family Trust**"). Palace Wonder Company Limited (柏麗萬得有限公司) ("**Palace Wonder**") is wholly-owned by Regency Valley Company Limited (麗晶萬利有限公司) ("**Regency Valley**"), which is in turn wholly-owned by HSBC International Trustee Limited, as the trustee of the Family Trust. Mr. CHEUNG Tak On (as founder of the Family Trust), HSBC International Trustee Limited and Regency Valley are deemed to be interested in the 405,509,500 Shares held by Palace Wonder.

(ii) Asset Link Investment Limited ("**Asset Link**") is wholly-owned by Mr. CHEUNG Tak On and he is deemed to be interested in the 167,080,000 Shares held by Asset Link.

(iii) Mr. CHEUNG Tak On also holds 9,303,000 Shares as beneficial owner.

(2) Mr. WANG Zhigao holds 100% of the issued share capital of Golden Rock Global Investment Company Limited ("**Golden Rock**") and he is deemed to be interested in the 9,570,500 Shares held by Golden Rock.

(3) Mr. XU Yue holds 3,158,000 Shares as beneficial owner.

(B) Long positions in underlying Shares

Name of Directors	Capacity	Number of underlying Shares in respect of the share options granted	Approximate Percentage of Shareholding (%)
Mr. XU Yue	Beneficial owner	22,100,000	1.202
Ms. CHEN Yi	Beneficial owner	564,000	0.031
Mr. TANG Liang	Beneficial owner	10,325,000	0.562

(C) Long positions in shares of associated corporation

Name of Director	Associated corporation	Nature of Interest	Number of shares held	Approximate percentage of shares controlled
Mr. SUN Minjie(1)	Shanghai Yongda Finance Leasing Co., Ltd.	Interest of controlled corporation	–	5%

Note:

(1) Mr. SUN Minjie indirectly holds a 5% interest in Shanghai Yongda Finance Leasing Co., Ltd. by virtue of his capacity as a limited partner of Shanghai Binxin Enterprise Management Center (Limited Partnership) (上海檳信企業管理中心(有限合夥)), in which he holds 50% of the capital contributions.

Save as disclosed above, as at June 30, 2026, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, to the best of knowledge of the Company and the Directors, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the Shares and underlying Shares

Name of Substantial Shareholders	Capacity/Nature of Interest	Total number of Shares	Approximate Percentage of Shareholding (%)
Palace Wonder[(1)]	Beneficial owner	405,509,500	22.058
Regency Valley[(1)]	Interest of controlled corporation	405,509,500	22.058
HSBC International Trustee Limited[(1)]	Trustee	405,509,500	22.058
Asset Link[(2)]	Beneficial owner	167,080,000	9.088

Notes:

(1) Palace Wonder is wholly-owned by Regency Valley, which is in turn wholly-owned by HSBC International Trustee Limited as the trustee of the Family Trust. The Family Trust is a discretionary trust established by Mr. CHEUNG Tak On as settlor and protector with HSBC International Trustee Limited appointed as trustee on April 5, 2012. The beneficiaries of the Family Trust are Mr. CHEUNG Tak On and certain of his family members. Mr. CHEUNG Tak On (as founder of the Family Trust), HSBC International Trustee Limited and Regency Valley are deemed to be interested in the 405,509,500 Shares held by Palace Wonder.

(2) Asset Link is wholly-owned by Mr. CHEUNG Tak On and he is deemed to be interested in the 167,080,000 Shares held by Asset Link.

Save as disclosed above, as at June 30, 2026, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above or otherwise disclosed in this interim report, at no time during the reporting period and up to the date of this interim report was the Company, or any of its subsidiaries, a party to any arrangement that would enable the Company's Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Company's Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at June 30, 2026, the Group had 12,391 employees (including employees in all regions of the Group). The remuneration of the Group's employees includes salaries and allowances. Details of the staff costs during the six months ended June 30, 2026 are set out in note 6 to the Condensed Consolidated Financial Statements in this interim report. The Group also provides training to its staff to enhance technical and product knowledge. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. The Group offers competitive remuneration packages to the Directors, and the Board is delegated by the Shareholders at general meeting to fix the Directors' remuneration. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**2013 Share Option Scheme**") pursuant to Chapter 17 of the Listing Rules on October 10, 2013, which was terminated on June 1, 2023. No further share option has been or will be granted under the 2013 Share Option Scheme since its termination, while the share options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2013 Share Option Scheme. For further details of the termination of the 2013 Share Option Scheme, please refer to the announcement of the Company dated March 24, 2023 and the circular of the Company dated April 26, 2023.

The Company has adopted a new share option scheme pursuant to Chapter 17 of the Listing Rules on June 1, 2023 (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons ("**Eligible Person(s)**") for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time. Eligible Persons include (a) any Director of the Company or employee of the Group (including persons who are granted share options under the Share Option Scheme as an inducement to enter into employment contracts with the Group); and (b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company. The basis of eligibility of any of the above classes of Eligible Persons to the grant of any share options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group. The Share Option Scheme shall be valid and effective for a period of ten years commencing from June 1, 2023, after which period no further share option shall be granted. Therefore, as at the date of this interim report, the remaining life of the Share Option Scheme was approximately six years and nine months.

Under the Share Option Scheme, the Board shall be entitled to determine the grant of share options and the number of share options to be granted to the relevant grantees taking into account such factors as the Board may consider appropriate. The Company shall not make any further grant of share options which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Option Scheme and all other share schemes existing at such time of the Company to exceed 194,502,551 Shares, being 10% of the total number of Shares in issue as at June 1, 2023, excluding the share awards and/or share options lapsed under the share schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time (the "**Share Incentive Schemes**"). The Company may seek the approval of its Shareholders in general meeting to refresh the aforesaid scheme mandate limit pursuant to the Share Option Scheme and the Listing Rules.

No share option shall be granted to any Eligible Person if, at the relevant time of grant, the number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any share options or awards lapsed in accordance with any share scheme(s) of the Company) to the relevant Eligible Person in the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at such time. Any grant or further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting of the Company.

The exercise price of share options is determined by the Board and shall be at least the highest of (i) the closing price of the Company's Shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the share options, which must be a business day; (ii) the average of the closing prices of the Company's Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of offer of the share options; and (iii) the nominal value of a Share.

The vesting period is determined at the Company's discretion and is set out in the offer letters to the grantees. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of a grant. A share option must be held by the grantee for at least 12 months before the share option can be exercised, unless a shorter vesting period is granted at the discretion of the Board and/or the remuneration committee of the Company (the "**Remuneration Committee**") as deemed appropriate under circumstances prescribed by the Share Option Scheme. The Board shall specify in an offer letter a date by which a grantee must accept an offer, being a date no later than 28 days after the date on which the share option is offered or the date on which the conditions for the offer are satisfied, if any. No payment shall be made upon acceptance of the offer.

The maximum number of share options and awards available for grant under the Share Incentive Schemes, including the Share Option Scheme, was 179,902,551 as at January 1, 2026, and 142,202,551 as at June 30, 2026. No option shall be granted to any service provider under the Share Option Scheme, and thus there is no service provider sublimit under the Share Option Scheme. As at the date of this interim report, the number of Shares available for issue under the Share Incentive Schemes, including the Share Option Scheme, amounted to 198,262,551 Shares, representing approximately 10.42% of the total number of issued Shares.

Details of movements during the six months ended June 30, 2026 in the share options granted under the 2013 Share Option Scheme are as follows:

		Number of Share Options										Weighted average closing price of the Company's Shares	
Category and name of grantee	As at January 1, 2026	Granted during the six months ended June 30, 2026	Cancelled during the six months ended June 30, 2026	Exercised during the six months ended June 30, 2026	Lapsed during the six months ended June 30, 2026	As at June 30, 2026	Date of grant of share options	Vesting period of share options[1]	Exercise period of share options	Exercise price of share options *HK$ per share*	Closing price of the Company's Shares immediately before the grant date of share options *HK$ per share*	Immediately before the exercise dates *HK$ per share*	At the exercise dates *HK$ per share*
Directors													
XU Yue	1,000,000	–	–	–	–	1,000,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	–	–
CHEN Yi	264,000	–	–	–	–	264,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	–	–
TANG Liang	825,000	–	–	–	–	825,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	–	–
Other employees in aggregate	1,721,000	–	–	–	–	1,721,000	March 17, 2022	Three years from the date of grant of share options	March 17, 2022 to March 16, 2027	8.220	8.370	–	–

Note:

(1) The vesting of share options granted under the 2013 Share Option Scheme would be subject to the performance criteria to be satisfied by the grantees as determined by the Board and/or the Remuneration Committee and specified in the respective offer letters, which may comprise a mixture of attaining a satisfactory key performance indicators components (including, without limitation, the business performance and financial performance of the Group and/or department by reference to annual corporate targets and/or goals attained, market capitalization milestones and individual performance based on the periodic performance assessment and annual review results).

Details of movements during the six months ended June 30, 2026 in the share options granted under the Share Option Scheme are as follows:

Category and name of grantee	As at January 1, 2026	Number of Share Options Granted during the six months ended June 30, 2026[2]	Cancelled during the six months ended June 30, 2026	Exercised during the six months ended June 30, 2026	Lapsed during the six months ended June 30, 2026	As at June 30, 2026	Date of grant of share options	Vesting period of share options[1]	Exercise period of share options	Exercise price of share options *HK$ per share*	Closing price of the Company's Shares immediately before the grant date of share options *HK$ per share*	Weighted average closing price of the Company's Shares Immediately before the exercise dates *HK$ per share*	At the exercise dates *HK$ per share*
Directors													
XU Yue	6,200,000	–	–	–	3,100,000	3,100,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	–	–
	–	18,000,000	–	–	–	18,000,000	April 2, 2026	50% to be vested on or after April 2, 2027, and the remaining 50% to be vested on or after April 2, 2028	No later than the last day of the 10-year period after April 2, 2026 and as specified in the offer letter	1.392	1.34	–	–
CHEN Yi	600,000	–	–	–	300,000	300,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	–	–
TANG Liang	3,000,000	–	–	–	1,500,000	1,500,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	–	–
	–	8,000,000	–	–	–	8,000,000	April 2, 2026	50% to be vested on or after April 2, 2027, and the remaining 50% to be vested on or after April 2, 2028	No later than the last day of the 10-year period after April 2, 2026 and as specified in the offer letter	1.392	1.34	–	–
Other employees in aggregate[2]	4,750,000	–	–	–	2,400,000	2,350,000	March 28, 2024	50% to be vested on or after March 28, 2025, and 50% to be vested on or after March 28, 2026	No later than the last day of the 10-year period after March 28, 2024 and as specified in the offer letter	2.336	2.06	–	–
	–	19,000,000	–	–	–	19,000,000	April 2, 2026	50% to be vested on or after April 2, 2027, and the remaining 50% to be vested on or after April 2, 2028	No later than the last day of the 10-year period after April 2, 2026 and as specified in the offer letter	1.392	1.34	–	–

Notes:

(1) The vesting of share options granted is subject to the performance criteria to be satisfied by the grantees as specified in the respective offer letters of the share options, which comprise a mixture of attaining a satisfactory key performance indicators components (including, without limitation, the business performance and financial performance of the Group and/or department by reference to annual corporate targets and/or goals attained, market capitalization milestones and individual performance based on the periodic performance assessment and annual review results).

(2) The average fair value of the share options granted on April 2, 2026 was RMB0.48 per Share at the date of grant. For the fair value and the accounting standard and policy adopted, please refer to note 16 to the Condensed Consolidated Financial Statements in this interim report.

(3) Employee participants include employees of the Group.

AMENDED EMPLOYEE PRE-IPO INCENTIVE SCHEME

The Company's employee pre-IPO incentive scheme (the "**Employee Pre-IPO Incentive Scheme**"), the details of which are set out in the paragraph headed "Employee Pre-IPO Incentive Scheme" in Appendix IV to the Company's prospectus dated June 29, 2012, was conditionally approved and adopted by a resolution of the Directors on April 3, 2012. The purpose of the Employee Pre-IPO Incentive Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time. Any employees, Directors (other than independent non-executive Directors) and members of the senior management of the Company, but excluding (a) any person who has given or been given notice terminating his or her office or directorship, as the case may be; and (b) any other person that the Board may determine from time to time, may participate in this scheme. The Company adopted the Employee Pre-IPO Incentive Scheme mainly to provide incentive or reward with its existing Shares to the employees, directors and members of senior management of the Group for their contribution to, and continuing efforts to promote the interest of, the Group.

The Remuneration Committee has full power and authority to (a) propose, select or determine which beneficiary is entitled to an award; (b) determine the amount of the award for each selected beneficiary; and (c) make the relevant award to the beneficiaries under the Employee Pre-IPO Incentive Scheme. Only the dividend payments on the Shares held by BOCI Trustee (Hong Kong) Limited ("**BOCI HK Trustee**") via special purpose vehicle under the Employee Pre-IPO Incentive Scheme (the "**Scheme Shares**") will be distributed to the beneficiaries, and the Scheme Shares themselves will not be vested in the beneficiaries of the Employee Pre-IPO Incentive Scheme. The BOCI HK Trustee, as the trustee holding unvested Shares of the Employee Pre-IPO Incentive Scheme, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Under the Pre-IPO Employee Incentive Scheme, the total number of Shares underlying the restricted Shares to be granted from time to time must not, in any event, exceed 5% of the number of the Shares in issue on such date without the Board's prior approval. There is no maximum entitlement of each participant under the Employee Pre-IPO Incentive Scheme.

Subject to the terms of the Employee Pre-IPO Incentive Scheme and the specific terms and conditions applicable to each grant of the award, the restricted Shares awarded shall be subject to a vesting period as determined by the Board or the Remuneration Committee, and to the satisfaction of performance and/or other conditions to be determined by the Board or the Remuneration Committee as specified in the notice of grant of award under the Employee Pre-IPO Incentive Scheme. There is no consideration for application or acceptance of the award granted nor purchase price of restricted Shares awarded.

Unless terminated earlier by a resolution of the Board made in accordance with the terms of the trust deed, the Employee Pre-IPO Incentive Scheme has a term of 80 years from the listing date of the Company. Therefore, as at the date of this interim report, the remaining life of the Employee Pre-IPO Incentive Scheme was approximately 65 years and 10 months. On termination of the Employee Pre-IPO Incentive Scheme, BOCI HK Trustee will transfer the Scheme Shares to Shanghai Yongda Holding (Group) Limited ("**Yongda Holding**"), unless the board of directors of Yongda Holding requests the Scheme Shares to be transferred to such other employee incentive scheme trust as may be selected by the board of directors of Yongda Holding, provided that such other employee award scheme trust selected by the board of directors of Yongda Holding satisfies the reasonable requirements for the time being of BOCI HK Trustee, the articles of association of the Company and all applicable laws, failing which the Scheme Shares will be transferred directly to Yongda Holding.

On August 30, 2013, the Board resolved to amend the Employee Pre-IPO Incentive Scheme (the "**Amended Scheme**") to the effect that, in addition to the previously allowed cash awards, awards of restricted share awards could be granted to eligible persons pursuant to the terms of the Amended Scheme. The scope of the eligible persons under the Amended Scheme was amended to include any director (whether executive or non-executive, including any independent non-executive director), employee (whether full time or part time) and members of the senior management of the Group, but excluding (i) any person who has given or been given notice terminating his or her office or directorship, as the case may be; and (ii) any other person that the Board may determine from time to time. For further details of the amendments to the Employee Pre-IPO Incentive Scheme, please refer to the announcement of the Company dated August 30, 2013.

On June 18, 2020, the Board resolved to amend the Amended Scheme (the "**2020 Amended Scheme**") to the effect that, and any reference in Amended Scheme to the previous trustee namely HSBC Trustee (Hong Kong) Limited shall be changed to the new trustee namely BOCI Trustee (Hong Kong) Limited. The 2020 Amended Scheme is funded purely by existing Shares of the Company. As at the date of this interim report, the number of Shares available for issue under the 2020 Amended Scheme amounted to 30,429,205 Shares, representing approximately 1.60% of the total number of issued Shares.

During the six months ended June 30, 2026, no awards have been granted, vested, cancelled or lapsed under the 2020 Amended Scheme. There were no unvested awards as at January 1, 2026 or June 30, 2026 under the 2020 Amended Scheme.

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the "**Share Award Scheme**") on June 1, 2022, which was amended pursuant to Chapter 17 of the Listing Rules on June 1, 2023 (the "**Amendment Date**"). The specific objectives of the Share Award Scheme are (i) to recognize the contributions by certain participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. The eligible participants (the "**Eligible Participants**") of the Share Award Scheme include (a) any Director of the Company or employee of the Group (including persons who are granted awards (the "**Award(s)**") under the Share Award Scheme as an inducement to enter into employment contracts with the Group); and (b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company. The basis of eligibility of any of the above classes of Eligible Participants to the grant of any awards shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

Unless terminated earlier by the Board pursuant to the provisions of the Share Award Scheme, the Share Award Scheme shall be valid and effective for ten years commencing from June 1, 2022 (the "**Trust Period**"), being the date on which the Share Award Scheme was adopted, after which period no further Awards will be granted under the Share Award Scheme. Therefore, as at the date of this interim report, the remaining life of the Share Award Scheme was approximately five years and nine months.

Subject to the provisions of the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than those being excluded pursuant to the provisions of the Share Award Scheme) for participation in the Share Award Scheme as a selected participant (the "**Selected Participant**"). Where any grant of Award is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director) or senior management of the Group, such grant must first be approved by all the members of the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

Subject to the provisions of the Share Award Scheme, the Board may grant such number of Awards to any Selected Participant at such consideration and on and subject to such terms and conditions as it may in its absolute discretion determine. The consideration shall be determined by the Company with reference to other cases of listed companies, taking into account factors such as the implementation effect of the Company's historical share-based incentive scheme, the trend of the Company's Share price in recent years and the actual situation of the Company. Except for such consideration which shall be paid in such manner and on or before such deadline(s) as prescribed in the grant notice by the Selected Participant who accepts the Award (the "**Awardee**") to the Company where applicable, no other purchase price shall be paid for the Awards.

The Awards granted shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from the date of the grant notice, unless a shorter vesting period is granted at the discretion of the Board and/or the Remuneration Committee as deemed appropriate under circumstances prescribed by the Share Award Scheme. Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all vesting conditions and vesting period applicable to the vesting of the Awards on such Awardee and all requirements applicable to such Awardee as specified in the Share Award Scheme and the relevant grant notice (unless waived by the Board), the respective Awards granted to the Awardee pursuant to the provision of the Share Award Scheme shall vest in such Awardee in accordance with the vesting schedule as set out in the grant notice. In the event that the Board does not receive the required transfer documents from the Selected Participant at least 10 business days prior to the vesting date, the Awards which would have otherwise vested in such Selected Participant shall automatically lapse.

The Company shall not make any further grant of Awards which will result in the aggregate number of Shares underlying all grants made pursuant to the Share Award Scheme after the Amendment Date and all other share schemes existing at such time of the Company to exceed 194,502,551 Shares, being 10% of the total number of Shares in issue as at the Amendment Date, excluding the share awards and/or share options lapsed under the Share Incentive Schemes. The Company may seek the approval of its Shareholders in general meeting to refresh the aforesaid scheme mandate limit pursuant to the Share Award Scheme and the Listing Rules.

The maximum number of share options and awards available for grant under the Share Incentive Schemes, including the Share Award Scheme, was 179,902,551 as at January 1, 2026, and 142,202,551 as at June 30, 2026. No Award shall be granted to any service provider under the Share Award Scheme, and thus there is no service provider sublimit under the Share Award Scheme. As at the date of this interim report, the number of Shares available for issue under the Share Incentive Schemes, including the Share Award Scheme, amounted to 198,262,551 Shares, representing approximately 10.42% of the total number of issued Shares.

The maximum number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding share options or awards lapsed in accordance with any share scheme(s) of the Company) to a Selected Participant in the 12-month period up to and including the date of grant of the relevant Awards shall not exceed 1% of the total number of Shares in issue, unless separately approved by the Shareholders in a general meeting of the Company. The approval of independent non-executive Directors (excluding any independent non-executive Directors who is a proposed Selected Participant) is required for each grant of Awards to a Director, chief executive, or a substantial Shareholder or any of their respective associates. Where any grant of Awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company or any of their associates would result in the total number of Shares issued and to be issued in respect of all awards granted under any share award scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any awards lapsed in accordance with respective award share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by Shareholders in general meeting in compliance with the requirements of Rule 17.04 of the Listing Rules. Where any grant of Awards to a substantial Shareholder or an independent non-executive Director, or their respective associates would result in the total number of Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding options or awards lapsed in accordance with any share scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting in compliance with the requirements of Rule 17.04 of the Listing Rules.

During the six months ended June 30, 2026, no awards have been granted, vested, cancelled or lapsed under the Share Award Scheme. There were no unvested awards as at January 1, 2026 or June 30, 2026 under the Share Award Scheme.

During the six months ended June 30, 2026, save for the grant of an aggregate of 26,000,000 share options to two Directors on April 2, 2026 as disclosed above, there was (i) no Director, chief executive or substantial shareholder of the Company or their respective associates, or other employees with options and awards granted or to be granted, (ii) no participant with options and awards granted and to be granted in any 12-month period exceeding 1% of the Shares of the Company in issue (excluding treasury shares, if any), and (iii) no related entity participant and service provider with options and awards granted, and no related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the Shares of the Company in issue (excluding treasury shares, if any), under the share schemes of the Company and shall be disclosed in this interim report.

During the six months ended June 30, 2026, the number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company was 45,000,000 Shares. The number of such Shares divided by the weighted average number of Shares in issue (excluding treasury shares, if any) during the six months ended June 30, 2026 was approximately 2.43%.

MATERIAL ACQUISITIONS AND DISPOSALS

The Company did not have any material acquisitions or disposals in relation to subsidiaries, associates and joint ventures during the six months ended June 30, 2026.

SIGNIFICANT INVESTMENTS

As at June 30, 2026, the Company did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2026).

Save for the matters relating to the strategic cooperation as disclosed in the announcement of the Company dated July 15, 2026, during the six months ended June 30, 2026 and up to the date of this interim report, the Company had no other plans to make significant investments or purchase capital assets in the future. The potential strategic cooperation will be funded by the proceeds raised from the subscription completed by the Company on July 24, 2026, external debt financing (if required) and/or the internal resources of the Group. The Company will make appropriate disclosures as and when necessary in accordance with the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended June 30, 2026, the Company repurchased a total of 10,727,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$11,765,320.30. Particulars of the Shares Repurchased are as follows:

Month/Year	Number of Shares Repurchased	Price Paid per Share Highest *(HK$)*	Price Paid per Share Lowest *(HK$)*	Aggregate Consideration *(HK$)*
January 2026	1,339,000	1.69	1.61	2,211,155.30
April 2026	4,438,500	1.30	1.01	5,084,450.00
May 2026	4,350,000	1.03	0.77	3,978,195.00
June 2026	600,000	0.82	0.81	491,520.00
Total	10,727,500			11,765,320.30

The repurchase of the Company's shares during the six months ended June 30, 2026 was effected by the Directors pursuant to the general mandates granted to the Directors at the annual general meeting dated 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 16,521,000 shares repurchased from August 28, 2025 to January 16, 2026 and a total of 9,388,500 shares repurchased from April 8, 2026 to June 4, 2026 were cancelled on April 20, 2026 and July 15, 2026, respectively. As at the date of this interim report, the Company did not hold any shares repurchased 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 six months ended June 30, 2026. As at June 30, 2026, the Company did not hold any treasury shares.

CHANGES IN DIRECTORATE AND INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

During the six months ended June 30, 2026, Mr. MU Binrui resigned as an independent non-executive Director and Mr. SUN Minjie was appointed as an independent non-executive Director with effect from January 1, 2026; Ms. CHEN Yi was re-designated as a non-executive Director with effect from March 31, 2026; and Mr. CAI Yingjie resigned as an executive Director and ceased to act as Vice-chairman with effect from June 26, 2026. During the six months ended June 30, 2026, Mr. SUN Tianya was re-designated as the assistant to our president and Mr. WU Yuxiao was appointed as the intern assistant to our president with effect from February 9, 2026. Save as disclosed above, the Directors confirm that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, and that there were no changes to the senior management during the six months ended June 30, 2026.

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 of the Listing Rules and has complied with the code provisions in the CG Code during the six months ended June 30, 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as 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 six months ended June 30, 2026.

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.

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, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2026. The Audit and Compliance Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditors of the Company, Deloitte Touche Tohmatsu, have carried out a review of the condensed consolidated financial statements of the Group for the six months ended June 30, 2026 in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On July 24, 2026, pursuant to the subscription agreement, the Company has allotted and issued a total of 73,159,881 shares to HongKong Hongxin International Shipping Limited at the subscription price of HK$0.825 per share. For details, please refer to the announcements of the Company dated July 15, 2026 and July 24, 2026 and the next day disclosure return of the Company dated July 24, 2026.

Save as disclosed in this interim report, no significant events after the reporting period need to be brought to the attention of the Shareholders.

INTERIM DIVIDEND

Having considered the Group's results for the first half of 2026 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 an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: RMB0.070 per share). 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.

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

PRC, August 31, 2026

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF
CHINA YONGDA AUTOMOBILES SERVICES HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Yongda Automobiles Services Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 48 to 84, which comprise the condensed consolidated statement of financial position as at June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

August 31, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	NOTES	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue			
Goods and services	3A	**20,701,875**	26,879,212
Rental		**147,036**	192,722
Total revenue	3B	**20,848,911**	27,071,934
Cost of sales and services		**(18,859,417)**	(24,701,567)
Gross profit		**1,989,494**	2,370,367
Other income and other gains and losses	4	**27,538**	21,971
Distribution and selling expenses		**(1,275,071)**	(1,487,725)
Administrative expenses		**(666,712)**	(776,204)
Share of (losses) profits of joint ventures		**(1,355)**	682
Share of profits of associates		**46,247**	49,959
Finance costs	5	**(107,204)**	(117,618)
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets and goodwill	6	**–**	(3,552,837)
Profit (loss) before tax	6	**12,937**	(3,491,405)
Income tax (expense) credit	7	**(1,644)**	6,776
Profit (loss) for the period		**11,293**	(3,484,629)
Profit (loss) for the period attributable to:			
Owners of the Company		**26,574**	(3,331,377)
Non-controlling interests		**(15,281)**	(153,252)
		11,293	(3,484,629)
Earnings (loss) per share – basic	9	**RMB0.01**	RMB(1.78)
Earnings (loss) per share – diluted	9	**RMB0.01**	RMB(1.78)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit (loss) for the period	**11,293**	(3,484,629)
Other comprehensive (expense) income		
Item that will not be reclassified subsequently to profit or loss:		
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**(2,854)**	2,441
Total comprehensive income (expense) for the period	**8,439**	(3,482,188)
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**23,720**	(3,328,936)
Non-controlling interests	**(15,281)**	(153,252)
	8,439	(3,482,188)

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	10	3,326,772	3,364,660
Right-of-use assets	10	2,561,421	2,739,775
Goodwill	10	314,428	314,428
Other intangible assets	10	1,068,597	1,114,205
Deposits paid for acquisition of property, plant and equipment		5,300	8,751
Equity instruments at FVTOCI	19	3,196	6,050
Financial assets at fair value through profit or loss ("**FVTPL**")	19	325,799	310,207
Interests in joint ventures		74,225	46,195
Interests in associates		1,009,479	981,000
Deferred tax assets		191,141	148,073
Time deposits		–	7,500
		8,880,358	9,040,844
Current assets			
Inventories	11	2,856,910	3,611,826
Trade and other receivables	12	4,539,814	5,196,800
Amounts due from related parties	20	26,046	55,705
Cash in transit		34,241	21,804
Time deposits		–	2,400
Restricted bank balances		2,269,046	4,110,018
Bank balances and cash		2,771,976	2,191,904
		12,498,033	15,190,457
Current liabilities			
Trade and other payables	13	6,683,889	8,923,268
Amounts due to related parties	20	55,320	43,029
Tax liabilities		763,524	803,336
Borrowings	14	1,646,775	1,607,491
Contract liabilities		956,098	1,253,309
Lease liabilities		330,448	240,061
		10,436,054	12,870,494
Net current assets		2,061,979	2,319,963
Total assets less current liabilities		10,942,337	11,360,807

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	14	1,121,230	1,306,928
Lease liabilities		1,059,980	1,298,722
Deferred tax liabilities		252,723	254,553
		2,433,933	2,860,203
Net assets		8,508,404	8,500,604
Capital and reserves			
Share capital	15	15,069	15,220
Treasury shares		(9,263)	(25,837)
Reserves		8,506,516	8,499,525
Equity attributable to owners of the Company		8,512,322	8,488,908
Non-controlling interests		(3,918)	11,696
Total equity		8,508,404	8,500,604

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus reserve *RMB'000* *(note a)*	Treasury shares *RMB'000*	Special reserve *RMB'000* *(note b)*	Share-based payments reserve *RMB'000*	FVTOCI reserve *RMB'000*	Retained profits *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At January 1, 2026 (Audited)	15,220	404,252	3,172,770	(25,837)	34,230	343,734	(12,523)	4,557,062	8,488,908	11,696	8,500,604
Profit (loss) for the period	–	–	–	–	–	–	–	26,574	26,574	(15,281)	11,293
Other comprehensive expense for the period	–	–	–	–	–	–	(2,854)	–	(2,854)	–	(2,854)
Total comprehensive (expense) income for the period	–	–	–	–	–	–	(2,854)	26,574	23,720	(15,281)	8,439
Capital injection by non-controlling interests	–	–	–	–	–	–	–	–	–	2,900	2,900
Repurchase and cancellation of shares *(Note 15)*	(151)	(27,328)	–	16,574	–	–	–	–	(10,905)	–	(10,905)
Recognition of equity-settled share-based payments *(Note 16)*	–	–	–	–	–	10,599	–	–	10,599	–	10,599
Transfer to statutory reserve	–	–	10,211	–	–	–	–	(10,211)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(3,233)	(3,233)
At June 30, 2026 (Unaudited)	15,069	376,924	3,182,981	(9,263)	34,230	354,333	(15,377)	4,573,425	8,512,322	(3,918)	8,508,404

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory surplus reserve *RMB'000* *(note a)*	Treasury shares *RMB'000*	Special reserve *RMB'000* *(note b)*	Share-based payments reserve *RMB'000*	FVTOCI reserve *RMB'000*	Retained profits *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At January 1, 2025 (Audited)	15,564	483,292	3,089,508	(7,342)	34,551	309,445	(14,063)	9,970,322	13,881,277	335,401	14,216,678
Loss for the period	–	–	–	–	–	–	–	(3,331,377)	(3,331,377)	(153,252)	(3,484,629)
Other comprehensive income for the period	–	–	–	–	–	–	2,441	–	2,441	–	2,441
Total comprehensive income (expense) for the period	–	–	–	–	–	–	2,441	(3,331,377)	(3,328,936)	(153,252)	(3,482,188)
Capital injection by non-controlling interests	–	–	–	–	–	–	–	–	–	1,228	1,228
Acquisition of non-controlling interests	–	–	–	–	(156)	–	–	–	(156)	(312)	(468)
Repurchase and cancellation of shares *(Note 15)*	(146)	(31,049)	–	(38,843)	–	–	–	–	(70,038)	–	(70,038)
Recognition of equity-settled share-based payments *(Note 16)*	–	–	–	–	–	18,231	–	–	18,231	–	18,231
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(883)	(883)
Transfer to statutory reserve	–	–	8,940	–	–	–	–	(8,940)	–	–	–
Dividends recognized as distributions *(Note 8)*	–	–	–	–	–	–	–	(128,813)	(128,813)	–	(128,813)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(41,638)	(41,638)
At June 30, 2025 (Unaudited)	15,418	452,243	3,098,448	(46,185)	34,395	327,676	(11,622)	6,501,192	10,371,565	140,544	10,512,109

Notes:

a. As stipulated by the relevant laws and regulations in the People's Republic of China (the "**PRC**"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve. An appropriation to such reserve is made out of net profit after tax as reflected in the statutory financial statements of the PRC subsidiaries with the amount and allocation basis to be decided by the respective boards of directors annually. The appropriation is 10% of profit after tax at a minimum and should cease when it reaches into 50% of the registered capital of the relevant PRC subsidiaries. The statutory surplus reserve, which is non-distributable, can be used (i) to make up for prior year losses, if any, and/or (ii) in capital conversion.

b. The special reserve at June 30, 2026 mainly consisted of:

   (i) an amount of RMB333,647,000 representing deemed distribution to the owners of the subsidiaries of the Group pursuant to a group reorganization which was effected in 2011; and

   (ii) a reduction of reserve of approximately RMB299,417,000 (2025: RMB299,417,000) representing the accumulated difference between the consideration paid/received and the carrying amount of the non-controlling interests upon acquisition or disposal of partial interests in subsidiaries.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash generated from operations	**1,259,183**	1,310,907
Income taxes paid	**(86,354)**	(144,192)
NET CASH FROM OPERATING ACTIVITIES	**1,172,829**	1,166,715
INVESTING ACTIVITIES		
Additions to and deposits paid for property, plant and equipment	**(502,120)**	(624,321)
Purchase of other intangible assets	**(343)**	(31,985)
Purchase of financial assets at FVTPL	**(15,750)**	–
Refund of financial assets at FVTPL	**1,000**	1,613
Proceeds on disposal of property, plant, equipment and other intangible assets	**287,261**	365,249
Collection of advances to non-controlling shareholders	**167**	–
Advance to related parties	**(70)**	(7,013)
Collection of advances to related parties	**29,791**	10,451
Proceeds on disposal of a subsidiary	**1,500**	6,494
Proceeds on disposal of a joint venture	**322**	–
Dividends received from associates	**22,768**	17,375
Dividends received from financial assets at FVTPL	**1,631**	3,287
Investment in an associate	**(5,000)**	(1,320)
Investment in joint ventures	**(29,500)**	–
Placement of time deposits	**–**	(2,400)
Withdrawal of time deposits	**9,900**	–
Interest received	**10,896**	25,005
Withdrawal of rental deposits	**31,378**	3,301
Payments of rental deposits	**(5,793)**	(26,043)
NET CASH USED IN INVESTING ACTIVITIES	**(161,962)**	(260,307)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
New borrowings raised	**5,256,692**	6,317,186
Repayments of borrowings	**(5,403,106)**	(5,834,211)
Repayments of advance from third parties	**(3,552)**	(1,050)
Repayments of lease liabilities	**(137,832)**	(172,702)
Advance from related parties	**11,113**	14,788
Repayments of advance from related parties	**(11,460)**	(5,060)
Capital injection by non-controlling interests	**2,900**	1,228
Acquisition of non-controlling interests	**–**	(468)
Advance from non-controlling interests	**–**	28,800
Repayment of advance from non-controlling interests	**(455)**	–
Interest paid	**(108,449)**	(117,571)
Placement of deposits to entities controlled by suppliers for borrowings	**(35,111)**	(18,194)
Withdrawal of deposits to entities controlled by suppliers for borrowings	**12,603**	22,635
Dividends paid as distribution	**–**	(128,813)
Dividends paid to non-controlling interests	**(3,233)**	(41,638)
Share repurchase and cancellation	**(10,905)**	(70,038)
NET CASH USED IN FINANCING ACTIVITIES	**(430,795)**	(5,108)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**580,072**	901,300
CASH AND CASH EQUIVALENTS AT JANUARY 1	**2,191,904**	1,457,667
CASH AND CASH EQUIVALENTS AT JUNE 30, REPRESENTED BY BANK BALANCES AND CASH	**2,771,976**	2,358,967

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 "**Stock Exchange**"). 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 condensed consolidated financial statements are presented in Renminbi (the "**RMB**"), which is also the functional currency of the Company.

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of new vehicles and related services income:		
– Sale of new vehicles of luxury and ultra-luxury brands *(note a)*	**11,550,181**	15,663,412
– Sale of new vehicles of mid-to high-end brands *(note a)*	**1,288,444**	1,883,519
– Sale of new vehicles of independent new energy brands *(note a)*	**1,618,865**	1,219,111
– Commission income related to sale of new vehicles *(note b)*	**350,199**	1,511,678
– Others *(note c)*	**166,689**	242,442
	14,974,378	20,520,162
Sale of pre-owned vehicles and related services income:		
– Sale of pre-owned vehicles *(note d)*	**1,268,511**	1,560,655
– Brokerage income related to sale of pre-owned vehicles *(note d)*	**13,810**	15,695
	1,282,321	1,576,350
After-sales services:		
– Repair and maintenance related services *(note e)*	**4,308,588**	4,658,179
– Commission income *(note b)*	**136,588**	124,521
	4,445,176	4,782,700
	20,701,875	26,879,212
Geographical markets		
Mainland China	**20,701,875**	26,879,212
Timing of revenue recognition		
A point in time	**16,393,287**	22,221,033
Over time	**4,308,588**	4,658,179
	20,701,875	26,879,212

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers (continued)

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 derived 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 derived 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 invoicing.

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 does 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.

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

***Disaggregation of revenue from contracts with customers** (continued)*

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Sale of new vehicles and related services income RMB'000 (Unaudited)	Sale of pre-owned vehicles and related services income RMB'000 (Unaudited)	After-sales services RMB'000 (Unaudited)	Sale of new vehicles and related services income RMB'000 (Unaudited)	Sale of pre-owned vehicles and related services income RMB'000 (Unaudited)	After-sales services RMB'000 (Unaudited)
Revenue disclosed in segment information						
External customers	**14,974,378**	**1,282,321**	**4,445,176**	20,520,162	1,576,350	4,782,700
Inter-segment	**35,472**	**–**	**–**	11,416	–	1,779
Total	**15,009,850**	**1,282,321**	**4,445,176**	20,531,578	1,576,350	4,784,479
Eliminations	**(35,472)**	**–**	**–**	(11,416)	–	(1,779)
Revenue from contracts with customers	**14,974,378**	**1,282,321**	**4,445,176**	20,520,162	1,576,350	4,782,700

3B. OPERATING SEGMENTS

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

For the six months ended June 30, 2026

	Passenger vehicle sales and services RMB'000 (Unaudited)	Automobile operating lease services RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
External revenue	20,701,875	147,036	–	20,848,911
Inter-segment revenue	35,472	–	(35,472)	–
Segment revenue *(note a)*	20,737,347	147,036	(35,472)	20,848,911
Segment cost *(note b)*	(18,782,701)	(112,188)	35,472	(18,859,417)
Segment gross profit	1,954,646	34,848	–	1,989,494
Other income and other gains and losses				27,538
Distribution and selling expenses				(1,275,071)
Administrative expenses				(666,712)
Share of losses of joint ventures				(1,355)
Share of profits of associates				46,247
Finance costs				(107,204)
Profit before tax				12,937

3B. OPERATING SEGMENTS (continued)

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

For the six months ended June 30, 2025

	Passenger vehicle sales and services *RMB'000* (Unaudited)	Automobile operating lease services *RMB'000* (Unaudited)	Eliminations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
External revenue	26,879,212	192,722	–	27,071,934
Inter-segment revenue	13,195	4,073	(17,268)	–
Segment revenue *(note a)*	26,892,407	196,795	(17,268)	27,071,934
Segment cost *(note b)*	(24,563,532)	(151,230)	13,195	(24,701,567)
Segment gross profit	2,328,875	45,565	(4,073)	2,370,367
Other income and other gains and losses				21,971
Impairment losses recognized on other intangible assets, property, plant and equipment, right-of-use assets, and goodwill				(3,552,837)
Distribution and selling expenses				(1,487,725)
Administrative expenses				(776,204)
Share of profits of joint ventures				682
Share of profits of associates				49,959
Finance costs				(117,618)
Loss before tax				(3,491,405)

Notes:

a. The segment revenue of passenger vehicles sales and services for the six months ended June 30, 2026 was RMB20,737,347,000 (for the six months ended June 30, 2025: RMB26,892,407,000) which included the revenue of sales of new vehicles and related services amounting to RMB15,009,850,000 (for the six months ended June 30, 2025: RMB20,531,578,000), the revenue of sales of pre-owned vehicles and related services amounting to RMB1,282,321,000 (for the six months ended June 30, 2025: RMB1,576,350,000) and the revenue of after-sales services amounting to RMB4,445,176,000 (for the six months ended June 30, 2025: RMB4,784,479,000).

b. The segment cost of passenger vehicles sales and services for the six months ended June 30, 2026 was RMB18,782,701,000 (for the six months ended June 30, 2025: RMB24,563,532,000) which included the cost of sales of new vehicles and related services amounting to RMB14,991,413,000 (for the six months ended June 30, 2025: RMB20,320,504,000), the cost of sales of pre-owned vehicles and related services amounting to RMB1,192,750,000 (for the six months ended June 30, 2025: RMB1,463,577,000) and the cost of after-sales services amounting to RMB2,598,538,000 (for the six months ended June 30, 2025: RMB2,779,451,000).

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income comprises:		
Government grants *(note)*	**11,562**	7,765
Interest income on bank deposits	**10,896**	24,729
	22,458	32,494
Other gains and losses comprise:		
Net loss on disposal of property, plant and equipment, and other intangible assets and early termination of leases	**(1,064)**	(11,796)
Gain on fair value change of financial assets at FVTPL	**842**	297
Dividends from financial assets at FVTPL	**1,631**	3,287
Net foreign exchange loss	**(318)**	(922)
Others	**3,989**	(1,389)
	5,080	(10,523)
Total	**27,538**	21,971

Note: Government grants represent unconditional grants received from local finance bureaus in compensation for expenses incurred by the Group.

5. FINANCE COSTS

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interests on:		
– bank loans	**33,881**	46,944
– other borrowings from entities controlled by suppliers	**556**	7,212
– reimbursement to suppliers *(note)*	**37,478**	20,145
– lease liabilities	**35,289**	43,740
Less: interest capitalized	**–**	(423)
	107,204	117,618

Note: The Group is required to undertake part of the finance costs incurred by suppliers of the Group in relation to discounting bank acceptance notes issued by the Group to the suppliers for the purchase of new passenger vehicles.

6. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	**792,579**	865,363
Retirement benefits scheme contributions	**76,682**	78,174
Share-based payment expenses	**10,599**	18,231
Total staff costs	**879,860**	961,768
Depreciation of property, plant and equipment	**238,473**	338,915
Depreciation of right-of-use assets	**183,627**	186,274
Amortisation of other intangible assets	**37,270**	66,506
Cost of inventories recognized as an expense	**18,629,071**	24,440,383
Impairment losses on:		
– property, plant and equipment	**–**	964,791
– right-of-use assets	**–**	54,907
– goodwill	**–**	1,275,992
– other intangible assets	**–**	1,257,147

7. INCOME TAX EXPENSE (CREDIT)

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**45,630**	98,111
Under (over) provision of PRC EIT in prior years	**912**	(957)
	46,542	97,154
Deferred tax		
Current period credit	**(44,898)**	(404,440)
Write-down of previously recognized deferred tax *(note)*	**–**	300,510
	(44,898)	(103,930)
Total	**1,644**	(6,776)

Note: During the current interim period, the Group did not reverse any tax losses recognized as deferred tax assets in prior years (six months ended June 30, 2025: RMB300,510,000, of which RMB30,992,000 related to non-controlling interests).

8. DIVIDENDS

No dividend has been proposed by the Board of Directors during the interim period (for the six months ended June 30, 2025: a dividend of RMB0.070 per share was determined by the board of directors).

9. EARNINGS (LOSS) PER SHARE

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

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings (loss) figures are calculated as follows:		
Profit (loss) for the period attributable to owners of the Company	**26,574**	(3,331,377)

	For the six months ended June 30,	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**1,850,724**	1,871,540

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the repurchase and cancellation of ordinary shares including treasury shares during the six months ended June 30, 2026 and 2025.

The computation of diluted earnings per share for the six months ended June 30, 2026 and 2025 did not assume the conversion of the Company's potential ordinary shares, since their inclusion would be anti-dilutive.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS

Property, plant and equipment and other intangible assets

During the current interim period, the Group acquired property, plant and equipment of RMB494,879,000 (for the six months ended June 30, 2025: RMB609,872,000), other intangible assets of RMB343,000 (for six months ended June 30, 2025: RMB31,985,000)

During the current interim period, the Group disposed of property, plant and equipment and other intangible assets with a carrying amount of RMB302,587,000 (for the six months ended June 30, 2025: RMB408,556,000), and resulting in a loss on disposal of RMB14,826,000 (for the six months ended June 30, 2025: loss on RMB11,796,000).

Right-of-use assets

	June 30, 2026 ***RMB'000*** **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Leased properties	**1,486,871**	1,644,217
Leasehold land	**1,074,550**	1,095,558
	2,561,421	2,739,775

During the current interim period, the Group entered into several new lease agreements for the use of operation ranging from 2 years to 9 years (for six months ended June 30, 2025: 2 years to 10 years). On lease commencement, the Group recognized right-of-use assets of approximately RMB134,135,000 (for six months ended June 30, 2025: RMB107,545,000).

During the current interim period, early termination of certain lease agreements for leased properties resulted in a gain of RMB13,762,000 (for the six months ended June 30, 2025: nil).

The Group has obtained the land use right certificates for all leasehold lands except for leasehold lands with carrying amount of RMB177,053,000 (December 31, 2025: RMB177,053,000) in which the Group is in the process of obtaining.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Impairment assessment

The Group assesses whether there are any indicators of impairment for its property, plant and equipment, right-of-use assets and other intangible assets with finite useful lives at the end of each reporting period. Non-financial assets are tested for impairment only when there are indicators that the carrying amounts may not be recoverable.

For the six months ended June 30, 2026, the Group assessed impairment indicators for non-current assets that exclude financial instruments. No significant impairment indicators were identified by the Group as at June 30, 2026. Accordingly, no impairment test was performed and no impairment loss was recognized for property, plant and equipment, right-of-use assets and other intangible assets with finite useful lives during the current interim period.

For prior period comparison, in the first half of 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 manufacturers increasingly resorted to price cuts, with price wars becoming more intense. Independent new energy vehicle brands 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 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**"). As at June 30, 2025, the CGUs were allocated by different brands and locations for impairment testing purposes. Based on the result of the assessment, the Group recognized impairment loss of RMB1,275,992,000 related to goodwill, RMB964,791,000 related to property, plant and equipment, RMB54,907,000 related to right-of use assets, RMB1,257,147,000 related to other intangible assets generated from acquisition of subsidiaries and reversed the related deferred tax liabilities of RMB314,287,000 during the six months ended June 30, 2025, among which the impact of impairment loss on non-controlling interests was RMB114,032,000.

Key assumptions used in the value-in-use calculations included: (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 since the first half of 2025, coupled with the impact of macroeconomic factors, several traditional fuel vehicle brands had seen new vehicle sales gross margins at their outlets fall below expectations, and the timing of recovery was difficult to predict. Management had prudently lowered its future operational outlook, adjusting downward the expected future revenue growth and profitability levels for cash-generating units with weaker profitability.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Impairment assessment *(continued)*

The key inputs and assumptions used for the six months ended June 30, 2025 in the impairment test for those CGUs with impairment indications on goodwill, property, plant and equipment, right-of-use assets and other intangible assets were listed as follows:

Inputs	For the six months ended June 30, 2025 2026	2027	2028-2030
Revenue growth rate	**0% – 0.3%**	**0.3% – 0.6%**	**0.6% – 1.5%**
Gross profit margin	**3.8% – 11.1%**	**3.8% – 11.1%**	**3.8% – 11.1%**

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

The pre-tax discount rates applied to the impairment test were within a range from 11% to 12% which reflected the market assessment at that time of the time value of money and the risk specific to these CGUs.

11. INVENTORIES

	June 30, 2026 ***RMB'000*** **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Motor vehicles	**2,444,791**	3,166,283
Spare parts and accessories	**462,929**	496,353
	2,907,720	3,662,636
Less: Provision for inventories	**(50,810)**	(50,810)
Total	**2,856,910**	3,611,826

12. TRADE AND OTHER RECEIVABLES

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 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 vehicles sales and after-sales services, a credit period not exceeding 60 days is granted; and

b. For automobile operating lease services, the Group typically allows a credit period of 30 to 90 days to its customers.

12. TRADE AND OTHER RECEIVABLES (continued)

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Current		
Trade receivables	627,067	738,237
Bills receivables	10,223	10,417
	637,290	748,654
Current		
Prepayments and other receivables comprise:		
Prepayments to suppliers	1,574,492	1,283,981
Deposits to suppliers	110,660	156,270
Deposits to entities controlled by suppliers for borrowings	93,493	70,985
Prepayments and rental deposits on properties	156,261	181,846
Rebate receivables from suppliers	1,465,971	2,190,511
Finance and insurance commission receivables	117,108	169,888
Staff advances	2,044	1,606
Value-added tax recoverable	152,621	228,337
Advances to non-controlling interests of a subsidiary *(note)*	5,000	5,167
Others	224,874	159,555
	3,902,524	4,448,146
	4,539,814	5,196,800
Non-current		
Other assets:		
Receivables from disposal of land use right	64,895	64,895
Consideration from disposal of joint venture	35,260	35,260
Other receivables from an independent third party	27,432	27,432
Less: Allowance for credit losses	(127,587)	(127,587)
	–	–

Note: The non trade-related balances are unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER RECEIVABLES (continued)

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:

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Trade receivables		
0 to 90 days	627,067	738,237
Bills receivables		
0 to 90 days	10,223	10,417

13. TRADE AND OTHER PAYABLES

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
Current		
Trade payables *(note c)*	653,982	650,165
Bills payables *(note a)*	5,432,408	7,513,311
	6,086,390	8,163,476
Other payables		
Other tax payables	121,032	127,766
Payables for acquisition of property, plant and equipment	52,030	62,722
Salary and welfare payables	66,095	195,837
Accrued interest	1,984	3,229
Accrued audit fee	2,200	2,960
Advance from non-controlling interests of subsidiaries *(note b)*	58,733	59,188
Advance from third parties *(note b)*	–	3,552
Other accrued expenses	162,085	95,674
Others	133,340	208,864
	597,499	759,792
	6,683,889	8,923,268

13. TRADE AND OTHER PAYABLES (continued)

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 suppliers of motor vehicles or spare parts, which normally require advance payments before delivery, 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.

In the condensed consolidated statement of financial position, the Group has presented the bills payable to the banks under these arrangements as "trade and other payables", because these bills payable continue to be part of the normal operating cycle of the Group.

In the condensed 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 non trade-related 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 the invoice date at the end of the reporting period:

	June 30, 2026 ***RMB'000*** **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Trade payables		
0 to 90 days	**653,982**	650,165
Bills payables		
0 to 90 days	**4,302,105**	6,879,937
91 to 180 days	**1,130,303**	633,374
	5,432,408	7,513,311

14. BORROWINGS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank loans	**2,286,923**	2,411,194
Other borrowings *(note)*	**481,082**	503,225
	2,768,005	2,914,419
Secured borrowings by the Group's assets	**1,056,520**	1,204,695
Unsecured borrowings	**1,711,485**	1,709,724
	2,768,005	2,914,419
Fixed-rate borrowings	**1,809,815**	1,765,920
Variable-rate borrowings	**958,190**	1,148,499
	2,768,005	2,914,419
Carrying amount repayable:		
Within one year	**1,646,775**	1,607,491
More than one year, but not exceeding two years	**844,270**	781,208
More than two years, but not exceeding five years	**276,960**	525,720
	2,768,005	2,914,419
Less: amounts due within one year shown under current liabilities	**(1,646,775)**	(1,607,491)
Amounts shown under non-current liabilities	**1,121,230**	1,306,928

Note: Other borrowings are mainly obtained from entities controlled by suppliers.

At the end of the reporting period, other borrowings (i) are of a term less than one year; (ii) are interest-free from the first 15 days to three months after drawdown; and (iii) carry interest at the People's Bank of China benchmark rate plus a premium as the borrowings are extended beyond the initial interest-free period.

14. BORROWINGS (continued)

The Group's borrowings were secured against the Group's assets with carrying amounts as follows:

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Right-of-use assets (leasehold land)	**42,634**	47,562
Property, plant and equipment (buildings and motor vehicles)	**49,036**	54,076
Inventories	**577,310**	570,047
Total	**668,980**	671,685

As at June 30, 2026, the Group has also pledged the equity interests of certain subsidiaries in favour of banks in respect of the Group's bank borrowings, the aggregate carrying amount of such pledged equity interests amounted to RMB329 million (2025: RMB424 million) in total.

15. SHARE CAPITAL

	Number of shares	Amount *RMB'000*
Ordinary shares of HK$0.01 each		
Authorized:		
As at January 1, 2025(audited), June 30, 2025 (unaudited), January 1, 2026 (audited) and June 30, 2026 (unaudited)	2,500,000,000	25,000

	Number of shares	Amount *HK$'000*	Shown in financial statements as *RMB'000*
Issued and fully paid:			
At January 1, 2026 (audited)	1,854,856,513	18,548	15,220
Cancellation of shares	(16,471,000)	(165)	(151)
At June 30, 2026 (unaudited)	1,838,385,513	18,383	15,069

During the six months ended June 30, 2026, the Company repurchased 10,727,500 (six months ended June 30, 2025: 30,860,000) of its own ordinary shares through the Stock Exchange with an aggregate consideration of RMB10,905,000 (six months ended June 30, 2025: RMB70,038,000) paid.

15. SHARE CAPITAL (continued)

During the six months ended June 30, 2026, a total of 16,471,000 shares were cancelled (six months ended June 30, 2025: 15,743,000). In addition, 9,388,500 shares repurchased during the period were not cancelled and remained as treasury shares at the end of the reporting period (six months ended June 30, 2025: 20,109,000).

16. SHARE-BASED COMPENSATION

(a) *Share Option Scheme*

The Company's share option scheme was adopted by the Company on October 10, 2013 ("**the Original Share Option Scheme**") and the Company has terminated the Original Share Option Scheme and adopted the 2023 share option scheme ("**the 2023 Share Option Scheme**"), which complies with the Listing Rules on June 1, 2023.

Set out below are details of movements of the outstanding options granted under the Original Share Option Scheme and the 2023 Share Option Scheme during the six months ended June 30, 2026 and 2025:

	Grant date	Exercised price *(HK$)*	Outstanding as at January 1, 2026	Granted during the period	Number of options exercised during the period	Cancellation during the period	Lapsed during the period	Outstanding as at June 30, 2026
Directors	March 17, 2022	8.22	2,089,000	–	–	–	–	2,089,000
	March 28, 2024	2.34	9,800,000	–	–	–	(4,900,000)	4,900,000
	April 2, 2026	1.39	–	26,000,000	–	–	–	26,000,000
Employees	March 17, 2022	8.22	1,721,000	–	–	–	–	1,721,000
	March 28, 2024	2.34	4,750,000	–	–	–	(2,400,000)	2,350,000
	April 2, 2026	1.39	–	19,000,000	–	–	–	19,000,000
			18,360,000	45,000,000	–	–	(7,300,000)	56,060,000
Weighted average exercise price (HK$)			3.56					1.98

16. SHARE-BASED COMPENSATION (continued)

(a) *Share Option Scheme (continued)*

	Grant date	Exercised price *(HK$)*	Outstanding as at January 1, 2025	Granted during the period	Number of options exercised during the period	Cancellation during the period	Lapsed during the period	Outstanding as at June 30, 2025
Directors	March 17, 2022	8.22	2,089,000	-	-	-	-	2,089,000
	March 28, 2024	2.34	9,800,000	–	–	–	–	9,800,000
Employees	March 17, 2022	8.22	1,721,000	–	–	–	–	1,721,000
	March 28, 2024	2.34	4,800,000	–	–	–	–	4,800,000
			18,410,000	–	–	–	–	18,410,000
Weighted average exercise price (HK$)			3.55					3.55

Granted on April 2, 2026

On April 2, 2026, a total of 45,000,000 options were granted at an exercise price of HK$1.39 with a service term of 5 years. The estimated granted date fair value of these options granted is RMB21,548,000, equivalent to a fair value of RMB0.48 per share. The fair value is calculated using the Black-Scholes option pricing model. The inputs into the model are as follows:

	April 2, 2026
Weighted average share price	HK$1.29
Exercise price	HK$1.39
Expected volatility	51.91%
Option life	5 years
Risk-free interest rate	2.45%
Excepted dividend yield	1.50%

The risk-free rate was based on the market yield rate of Hong Kong Government Bond with a maturity of two to ten years. Expected volatility was determined by using the historical volatility of entities with the business in which the Group is engaged and historical pattern of share prices of the Company. Changes in variables and assumptions may result in changes in the fair values of the share options.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognized an expense of RMB21,000 for the six months ended June 30, 2026 in relation to the share options granted by the Company under the 2023 Share Option Scheme (for the six months ended June 30, 2025: RMB3,112,000).

16. SHARE-BASED COMPENSATION (continued)

(b) Employee Pre-IPO Incentive Scheme

The Company's employee pre-IPO incentive scheme was adopted by the Company on April 3, 2012 (the "**Employee Pre-IPO Incentive Scheme**") for the primary purpose of recognition of the contributions of the beneficiaries under the Employee Pre-IPO Incentive Scheme and to incentivize them.

On August 30, 2013, the board of directors resolved to amend the Employee Pre-IPO Incentive Scheme (the "**Amended Scheme**") to the effect that, in addition to the previously allowed cash awards, awards of restricted share could be granted to eligible persons ("**Grantee**") pursuant to the terms of the Amended Scheme. The scope of the eligible persons under the Amended Scheme was amended to include any director, including independent non-executive directors. No Grantee shall be entitled to any dividend, income or any other right for which the record date is prior to the date on which the restricted shares are completed and actually transferred into the Grantee's account. The unvested restricted shares do not carry any right to vote at general meetings of the Company.

Awards of restricted shares have been made pursuant to the Share Award Scheme. Details are set out as follows:

	Number of shares *'000*	Vesting period	Total fair value *RMB'000*
Year 2017	9,413	1-28 years	63,888
Year 2018	10,080	10 years	68,718
Year 2019	2,667	10 years	11,131
Year 2020	4,615	5 years	35,869
Year 2021	3,890	5 years	41,905
Year 2022	2,740	5 years	11,195
Year 2023	200	5 years	562
Year 2024	650	5 years	1,015
Year 2025	200	5 years	384

The fair value of the restricted shares awards was determined based on the market value of the Company's shares at the grant date.

The Group recognized an expense of approximately RMB10,578,000 for the six months ended June 30, 2026 in relation to such awards made by the Company (for the six months ended June 30, 2025: RMB15,119,000).

(c) Share Award Scheme

The Company's new share award scheme was adopted by the Company on June 1, 2022 (the "**Share Award Scheme**") to recognize the contributions by the Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. As at June 30, 2026, no outstanding awards were subsisting under the Share Award Scheme within the Group.

17. CAPITAL COMMITMENTS

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided	**11,781**	61,526

18. CONTINGENT LIABILITIES

Upon the disposal of Shanghai Yongda Finance Leasing Co., Ltd. ("**Yongda Finance Leasing**"), the Group guaranteed the additional credits (the "**Additional Credits**") and corresponding debts of Yongda Finance Leasing in proportion to the Group's 20% shareholding in Yongda Finance Leasing. These guarantees were conducted on normal commercial terms and on several basis. As at June 30, 2026, the balance for the borrowings drawn under the Additional Credits of Yongda Finance Leasing was RMB555 million (2025: RMB732 million), of which the guarantee amount provided by the Group was RMB111 million (2025: RMB146 million).

As at June 30, 2026, save for the above, the Group did not have any other material contingent liabilities.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The fair values of the financial assets and financial liabilities of the Group are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can assess at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value as at June 30, 2026 RMB'000 (unaudited)	Fair value as at December 31, 2025 RMB'000 (audited)	Fair value hierarchy	Valuation technique and key inputs
Financial assets at FVTPL	**Listed securities 3,002**	Listed securities 2,160	Level 1	Quoted bid prices
Financial assets at FVTPL	**Unquoted equity instruments 62,416**	Unquoted equity instruments 66,802	Level 3*(note)*	Share of the net asset values of the financial asset, determined with reference to the fair value of underlying assets and liabilities and adjustments of related expense, if any; Key inputs: Liquidity discount of comparable company/quoted bid prices in an active market
Financial assets at FVTPL	**Unquoted equity Instruments 260,381**	Unquoted equity instruments 241,245	Level 3*(note)*	Price-to-Sales multiples of selected comparable listed companies in a similar business model and adjusted for the lack of marketability Key inputs: (1) Revenue growth rate (2) P/S multiples of selected comparable companies
Equity instruments at FVTOCI	**Listed securities 3,196**	Listed securities 6,050	Level 1	Quoted bid prices

Note: A slight increase in the fair value of underlying assets used in isolation would result in an increase in the fair value measurement of the unquoted equity investments and vice versa. A 5% increase/decrease in the fair value of underlying assets holding all other variables constant would increase/decrease the carrying amount of the equity investments by RMB3,121,000 and RMB13,019,000 (2025: RMB3,340,000 and RMB12,062,000).

There is no transfer among Level 1, 2 and 3 during the current interim period.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(continued)*

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial assets at FVTPL *RMB'000*
At January 1, 2025 (audited)	344,331
Disposal	(1,613)
At June 30, 2025 (unaudited)	342,718
At January 1, 2026 (audited)	308,047
Purchases	15,750
Disposal	(1,000)
At June 30, 2026 (unaudited)	322,797

20. RELATED PARTY DISCLOSURES

I. *Amounts due from related parties*

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Associates held by the Group		
Shanghai Baocheng Shenjiang Automobile Sales and Service Co., Ltd ("**Shanghai Baocheng Shenjiang**")	22,978	42,601
Guangzhou Xianghe Zhongyue Industrial Development Co., Ltd. ("**Guangzhou Xianghe Zhongyue**")	509	509
Yongda Finance Leasing	151	158
Guandao Network Technology (Shanghai) Co., Ltd. ("**Guandao Wangluo Shanghai**")	10	–
	23,648	43,268
Joint ventures held by the Group		
Beijing Miaocheng Network Technology Co., Ltd. ("**Beijing Miaocheng**")	1,886	2,871
Shanghai Miaocheng Network Technology Co., Ltd. ("**Shanghai Miaocheng**")	500	3,000
Shanghai Yongda Changrong Automobile Sales and Services Co., Ltd. ("**Shanghai Yongda Changrong**")	12	15
Shanghai Yinghua Lexus car sales Co., Ltd. ("**Yinghua Lexus**")	–	4,689
Shanghai Linheng Automobile Supplies Service Co., Ltd. ("**Shanghai Linheng**")	–	1,862
	2,398	12,437
Total	26,046	55,705
Analyzed as:		
Trade-related *(note a)*	65	3
Non trade-related *(note b)*	25,981	55,702
	26,046	55,705

Notes:

a. The Group offers at its discretion certain related parties a credit period up to 90 days and the balances of trade-related are with aging less than 90 days.

b. The maximum amount outstanding related to non trade-related balance during the six months ended June 30, 2026 is RMB55,742,000 (2025: RMB79,329,000).

All the above non trade-related balances are interest-free, unsecured and repayable on demand.

20. RELATED PARTY DISCLOSURES (continued)

II. *Amounts due to related parties*

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Associates held by the Group		
Yongda Finance Leasing	33,839	34,186
Shanghai Yongda Fengdu Automobile Sales and Services Co., Ltd. ("**Shanghai Yongda Fengdu Automobile**")	20,650	750
Shanghai Baocheng Shenjiang	583	–
Guangzhou Xianghe Zhongyue	60	60
	55,132	34,996
Joint ventures held by the Group		
Beijing Miaocheng	188	144
Shanghai Linheng *(note c)*	–	7,889
	188	8,033
Total	55,320	43,029
Analyzed as:		
Trade-related *(note a)*	618	7,905
Non trade-related *(note b)*	54,702	35,124
	55,320	43,029

Notes:

a. A credit period of not exceeding 90 days is granted to the Group by the related parties and the balances are with aging less than 90 days.

b. Except the balance of finance lease payables to Yongda Finance Leasing, the remaining balances are interest-free, unsecured and payable on demand.

c. Shanghai Linheng ceased to be a related party of the Group with effect from January 1, 2026. Transactions and balances with Shanghai Linheng prior to January 1, 2026 are included in the related-party disclosures for the current interim period.

20. RELATED PARTY DISCLOSURES (continued)

III. *Guarantees issued by the Group*

	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Bank borrowings of a related party under guarantees issued by the Group:		
Yongda Finance Leasing	**110,956**	146,340

IV. *Related party transactions*

	For the six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
a) Sales of motor vehicles		
Yinghua Lexus	**241**	564
Shanghai Baocheng Shenjiang	**–**	1,621
Shanghai Yongda Fengdu Automobile	**–**	718
	241	2,903
b) Sales of spare parts		
Shanghai Baocheng Shenjiang	**187**	1,059
Beijing Miaocheng	**77**	79
Shanghai Yongda Changrong	**28**	311
Shanghai Linheng	**–**	552
Shanghai Yongda Fengdu Automobile	**–**	81
Shanghai Shenjiang 296 Automobile Club Co., Ltd. ("**Shanghai Shenjiang 296**")	**–**	16
Yinghua Lexus	**–**	3
	292	2,101

20. RELATED PARTY DISCLOSURES (continued)

IV. *Related party transactions* (continued)

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
c) Purchase of services		
Shanghai Oriental Yongda	**–**	480
d) Services income from		
Yongda Finance Leasing	**309**	26
e) Finance lease interest expense to		
Yongda Finance Leasing	**1,716**	1,772
f) Rental expenses paid or payable to:		
Associate held by the Group		
Shanghai Yongda Fengdu Automobile	**1,698**	1,698
Entities controlled by the shareholders		
Shanghai Yongda Group Company Limited, Shanghai Yongda Transportation Equipment Co., Ltd. and Shanghai Yongda Property Development Co., Ltd.	**20,878**	21,562
	22,576	23,260

The Group has initially applied IFRS 16 as from January 1, 2019. Based on IFRS 16, the fixed payment of rent payable by the Group to related parties under the terms of the lease agreements in connection with the use of leased properties had resulted in recognition of a lease liability with the balance of RMB21,880,000 (2025: RMB46,963,000) and a right-of-use asset with the balance of RMB19,594,000 (2025: RMB45,884,000) as at June 30, 2026. In addition, the Group recorded depreciation of right-of-use asset of RMB20,543,000 (for the six months ended June 30, 2025: RMB22,588,000) and interest expense of RMB620,000 (for the six months ended June 30, 2025: RMB2,345,000) in the condensed consolidated statement of profit or loss for six months ended June 30, 2026.

20. RELATED PARTY DISCLOSURES (continued)

IV. Related party transactions (continued)

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
g) Compensation of key management personnel:		
Salaries and other benefits	**3,886**	3,550
Contributions to retirement benefits scheme	**444**	405
Share-based payments	**2,639**	5,411
	6,969	9,366

The remuneration of directors and key executives is determined by the board and its remuneration committee having regard to the performance of the individuals and market.

21. EVENTS AFTER THE REPORTING PERIOD

Issuance of ordinary shares

On July 24, 2026, in order to finance the Group's proposed initial layout for the commercial application of embodied intelligence, the Company has allotted and issued a total of 73,159,881 shares to HongKong Hongxin International Shipping Limited at the subscription price of HK$0.825 per share. The net proceeds from the subscription amounted to HK$60,356,902. The new shares rank pari passu with the existing shares in all respects. Further details of this transaction are set out in the Company's announcement dated July 15, 2026 and July 24, 2026 and the next day disclosure return dated July 24, 2026 of the Company.