



# 百得利控股有限公司 BetterLife Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 6909

## 2023 中期報告 INTERIM REPORT



### CUSTOMER FOR LIFE





# CONTENTS

- 2** Corporate Information
- 4** Chairman Statement
- 7** Management Discussion and Analysis
- 15** Corporate Governance and Other Information
- 22** Consolidated Statement of Profit or Loss
- 23** Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 24** Consolidated Statement of Financial Position
- 26** Consolidated Statement of Changes in Equity
- 28** Condensed Consolidated Cash Flow Statement
- 30** Notes to the Unaudited Interim Financial Report



# CORPORATE INFORMATION

## Board of directors

### Executive directors

Mr. Chou Patrick Hsiao-Po (Chairman)  
Ms. Sun Jing (Deputy chairlady)  
Mr. Xu Tao  
Mr. Chau Kwok Keung

### Independent non-executive directors

Mr. Liu Dengqing  
Mr. Wong Ka Kit  
Mr. Yau Ka Chi (*resigned on 31 October 2023*)  
Mr. Lou Sai Tong (*appointed on 13 November 2023*)

## Company secretary

Mr. Chau Kwok Keung

## Authorised representatives

Ms. Sun Jing  
Mr. Chau Kwok Keung

## Audit committee

Mr. Yau Ka Chi (Chairman)  
*(resigned on 31 October 2023)*  
Mr. Lou Sai Tong (Chairman)  
*(appointed on 13 November 2023)*  
Mr. Liu Dengqing  
Mr. Wong Ka Kit

## Remuneration committee

Mr. Wong Ka Kit (Chairman)  
Mr. Chou Patrick Hsiao-Po  
Mr. Liu Dengqing

## Nomination committee

Mr. Chou Patrick Hsiao-Po (Chairman)  
Mr. Liu Dengqing  
Mr. Yau Ka Chi (*resigned on 31 October 2023*)  
Mr. Lou Sai Tong (*appointed on 13 November 2023*)

## Strategic development committee

Mr. Chou Patrick Hsiao-Po (Chairman)  
Mr. Wong Ka Kit  
Ms. Sun Jing

## Corporate headquarters

No. 1 Donghuan North Road,  
Beijing Economic and Technological  
Development Area,  
Beijing  
People's Republic of China (the "PRC")

## Principal place of business in Hong Kong

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

## Registered office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## Cayman Islands share registrar and transfer office

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Hong Kong share registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong



## Corporate Information

### **Legal advisors as to Hong Kong law**

Morgan, Lewis & Bockius  
19th Floor, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

### **Stock code**

06909

### **Company website**

[www.blchina.com](http://www.blchina.com)

### **Auditor**

KPMG (*resigned on 29 November 2023*)  
Public Interest Entity Auditor registered in accordance  
with the Financial Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong



## CHAIRMAN STATEMENT

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of BetterLife Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the unaudited interim results of the Group for the six months ended 30 June 2023 (the “**Period**”). The Group’s net profits in the Period were approximately RMB51.7 million, representing a decrease of approximately 75.8% from approximately RMB213.7 million for the corresponding period in 2022.

We are an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. As of 30 June 2023, we operated 15 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover and Volvo, one Jaguar-Land Rover showroom and one SAIC-Audi showroom across seven provinces and municipalities in China, namely Beijing, Tianjin, Shandong, Sichuan, Zhejiang, Shanghai and Guangdong. These seven provinces and municipalities were all among the well-developed regions in China and had shown strong purchase power and demands for luxury and ultra-luxury automobiles. Promoting the consumption of passenger vehicles is considered as one of the key tasks of the PRC government as part of the efforts to stimulate domestic demand and consumption, which, we believe, would continue to fuel the growth of demand for our products and services by our customers.

We offer a comprehensive range of automobile-related products and services, including (i) sale of automobiles consisting of mainly imported and domestically manufactured petroleum models; and (ii) after-sales services, which consist of repair and maintenance services, sale of accessories and other automobile-related products, insurance agency services and automobile license plate registration services. We also provide other automobile-related value-added services to customers, such as automobile financing and pre-owned automobile brokerage services. We believe that our broad range of services allow us to build and maintain long-term relationships with our customers and establish a variety of revenue streams. By continuing to enhance customer satisfaction, we aim to become a one-stop provider of automobile products and services for our customers.

We are one of the first dealers of Audi and Porsche in China. We operated the first dealership store for Audi and 3S dealership store for Porsche in Beijing in 2000 and 2003, respectively. Our in-depth understanding of our customers’ needs and high-quality service with effective marketing strategies are the keys to our success in the luxury and ultra-luxury brand automobile industry. We believe that our operational capabilities and expertise have also helped automobile manufacturers gain market share and win customer loyalty in China, which, in turn, have contributed to our long-term relationships with them.

Our advanced information systems support our daily operation and management. We have a uniform digital platform across our headquarters and 4S dealership stores integrating the information of customers and automobile brands. In 2016, we also launched our ERP system, an integrated database containing business information, such as inventory, financial and human resources management. In order to maintain customer relationships and cultivate further business opportunities, we also offer after-sales and value-added services to our customers throughout the life cycle of their automobiles, including repair and maintenance, insurance and trading of used cars.



## Chairman Statement

We aim to strengthen our market position as a leading luxury and ultra-luxury automobile dealership service provider in China and to capture opportunities in the automobile market by pursuing the following strategies: (i) further expand our automobile dealership network and brand portfolio through organic growth and selective acquisitions; (ii) continue to maintain and upgrade our information technology systems to strengthen our operating capabilities, enhance customers' experience and increase our same-store sales growth; (iii) enhance our after-sales services and automobile-related value-added services to achieve fast business growth; (iv) further expand our new energy vehicle business to adapt to and capture the growing new energy vehicle market; and (v) continue to focus on the recruitment, training and retention of employees to support our future growth and expansion.

By the end of 2022, the public health control measures in Mainland China were gradually relaxed. The Group's revenue from sales of automobiles and aftersales services both increased healthily during the Period. However, the average selling price and gross margin of vehicles sales decreased during the Period due to the consumers sentiments have not been fully recovered in Mainland China. It resulted in a decline in the operating results of the Group in the first half of 2023 as compared to that of the same period in 2022. With the support of our Board and management team, I am confident that our business will continue to grow and to develop steadily and healthily in the long run. We are now in the process of further expanding our dealership network among tier-one and tier-two cities in China. We plan to expand our network by opening new dealership stores for the brands that we currently operate. For the locations, we will target tier-one and tier-two cities in China which are close to the cities where our existing 4S dealership stores are located, especially the Yangtze River Delta and the Greater Bay Area in Guangdong province. During the first half of 2023, we have established a new showroom of Jaguar-Land Rover in Shanghai. The new showroom have already been in operation during the Period. We have also obtained preliminary approvals from the manufacturer of Mercedes-Benz for a new showroom in Beijing. We will proceed to negotiate with these manufacturers on the required agreements and authorization documents. We expect to open the new showroom during the second half of 2023. We will also follow up with other manufacturers on their expansion plans. If they plan to establish new dealership stores in our target cities, we will formulate a proposal which sets out the background information of the operating entity, the track record of our Group in operating 4S dealership stores and a preliminary plan in relation to, among others, the properties or land to be used for the new dealership store and the expected timeline for the construction and renovation of the premises.

We still plan to acquire other 4S dealership stores that operate luxury and ultra-luxury brands, including, among others, Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover, Volvo and Rolls-Royce. And target locations would be similar to our plans of opening new stores. We expect to finance our capital expenditures with our cash inflow from operating activities and the bank borrowings.

The Group will continue to strive for improving our operating efficiency and profitability to further strengthen our competitive advantages. At present, the Group is proactively refining the existing business strategies and identifying potential business opportunities, in an effort to capture enormous opportunities in the automobiles dealership industry, in order to create the greatest return for our shareholders.



## Chairman Statement

I look forward to further reporting to the shareholders at the coming result announcements and annual general meetings in respect of the effective stewardship of the Company's business and assets and the continuous delivery of value to our shareholders.

**Chou Patrick Hsiao-Po**

*Chairman, Chief Executive Officer and Executive Director*

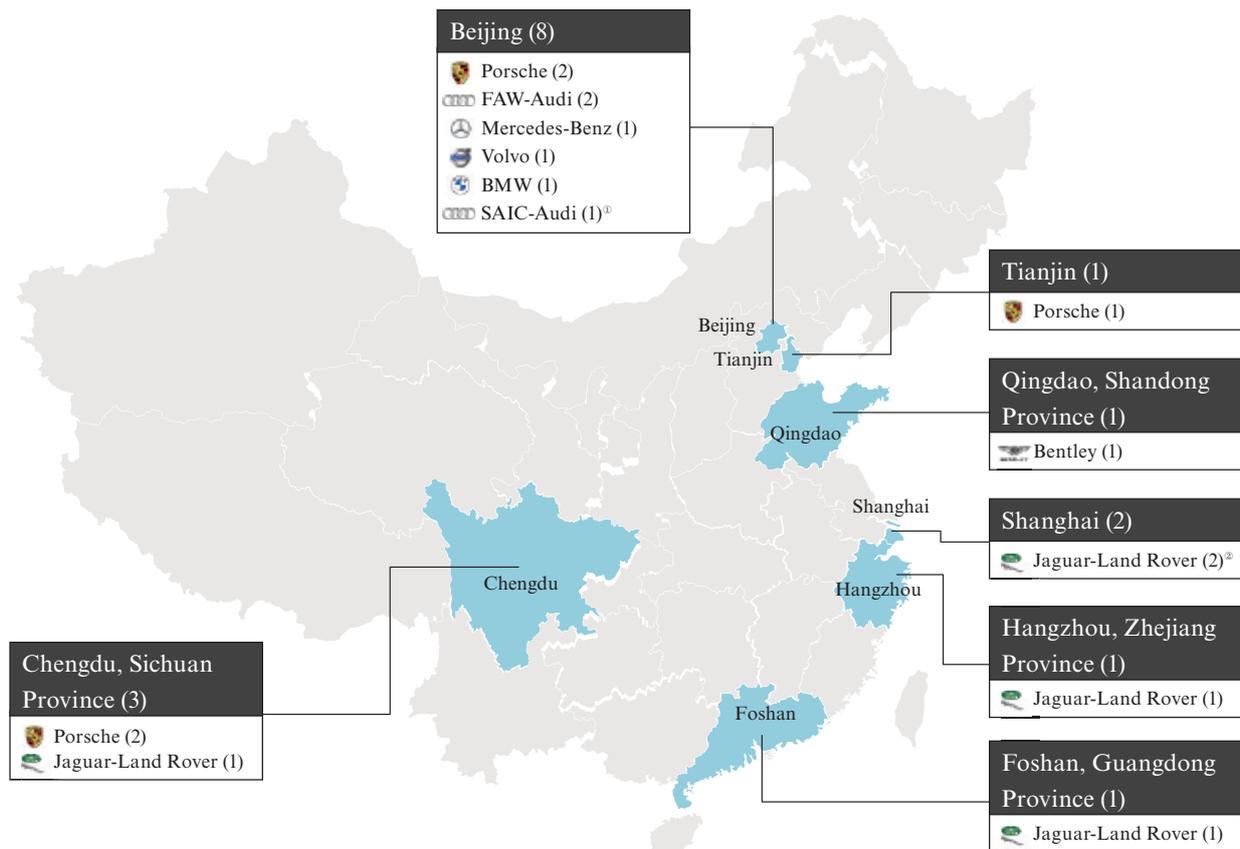
Beijing, the PRC, 11 December 2023



# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

We are an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. As of the date of this report, we operated 15 4S dealership stores for the brands of Porsche, Mercedes-Benz, BMW, Audi, Bentley, Jaguar-Land Rover and Volvo, one Jaguar-Land Rover showroom and one SAIC-Audi showroom across seven provinces and municipalities in China, namely Beijing, Shanghai, Tianjin, Shandong, Sichuan, Zhejiang and Guangdong. We believe these seven provinces and municipalities were all among the major provincial-level regions in China in terms of the number of high-net-worth individuals and had shown strong purchase power and demands for luxury and ultra-luxury automobiles. All of our stores are strategically located near commercial centers in affluent cities in the economically well-developed regions in China, including Beijing, Shanghai, Tianjin, Hangzhou, Chengdu, Qingdao and Foshan.



\*Note: ① SAIC-Audi showroom  
② One 4S store and one showroom

During the first half of 2023, we have established a new showroom of Jaguar-Land Rover in Shanghai. The new showroom has already been in operation during the Period. We have also obtained preliminary approvals from the manufacturer of Mercedes-Benz for a new showroom in Beijing. We will proceed to negotiate with the manufacturer of Mercedes-Benz on the required agreements and authorization documents. We expect to open such new showroom during the second half of 2023.



## Management Discussion and Analysis

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

We have implemented standardized and centralized management for our extensive 4S dealership store network across different regions in China. At the Group's level, we have adopted standardized management for our 4S dealership stores, including investment in new stores, pricing, procurement, inventory management, financial management and budgeting. These standardized management processes have resulted in an effective operation model which can be readily replicated to our future 4S dealership stores in new geographic areas. In addition, we have established advanced information technology systems, including a complete ERP system, in our headquarters and across our 4S dealership stores as a uniform digital platform which integrates data and information relating to our customers and automobile brands.

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



## Management Discussion and Analysis

In addition, we believe that customer retention is an important criterion in evaluating the management of each of our 4S dealership stores. We require our sales and after-sales staff to utilize the information technology systems to serve each customer in a flexible and proactive manner to enhance customers' experience at our 4S dealership stores. We also encourage customers to conduct online service review for our sales and after-sales staff, which allows us to collect feedback and assess the quality of our services in a timely manner. Our highly effective and efficient information technology systems and digital platforms have helped to streamline and significantly enhance our ordering, inventory and logistics management as well as financial and cash management, which, in turn, enabled us to minimize the costs of maintaining inventory and improve our overall sales performance and customers' satisfaction with our services.

We have a seasoned and efficient senior management team with substantial experience in the PRC automobile dealership sector. Our senior management has been working with our Group in the PRC automobile dealership industry for an average of approximately 15 years. In addition, we have experienced executives at our 4S dealership level across the regions we operate. We are committed to developing home grown talents. The majority of general managers at our 4S dealership stores have been promoted through our internal assessments. They have extensive experience in the management of 4S dealership stores and have a high degree of loyalty to us. Our general managers of each of our 4S dealership stores have been working with our Group for an average of approximately 10 years. We are dedicated to identifying and promoting talented employees and provide them with a clear career track. We primarily fill management vacancies through internal promotions, which enable us to maintain and foster a consistent corporate culture, motivate the better performance of employees and reduce management turnover. We organize practical workplace training and meetings for our staff and management team on a regular basis, which cover various aspects of the management of 4S dealership stores, including, among others, business development on sales and after-sales services, inventory management, management of customer satisfaction, intelligent management and other business operations.

During the Period, the Group has sold 8,433 passenger vehicles in total, representing an increase of approximately 30.8% from 6,448 passenger vehicles sold during the corresponding period in 2022. The revenue generated from the sales of automobiles for the Period amounted to approximately RMB4,719.7 million, representing an increase of approximately 16.3% over that of the corresponding period in 2022, which accounted for approximately 88.0% of the Group's total revenue. During the Period, the Group's revenue from after-sales services reached approximately RMB643.8 million, representing an increase of approximately 23.4% as compared to that of the corresponding period of last year, which accounted for approximately 12.0% of the Group's total revenue.

Revenues from our top five customers for the Period represented approximately 6.3% of our total revenues, compared to approximately 5.0% for the corresponding period in 2022. The sales to our largest customer accounted for approximately 1.9% of our total revenues in the Period, as compared to approximately 1.5% in the corresponding period in 2022.

Our top five suppliers are automobile manufacturers that supply new automobiles and spare parts to us. During the Period, purchases from our top five suppliers represented approximately 77.6% of our total purchases compared to approximately 79.8% for the corresponding period in 2022. And the purchases from our largest supplier represented approximately 38.4% of our total purchases for the Period, as compared to approximately 45.1% for the corresponding period in 2022.

We intend to explore further opportunities and make further expansion of our dealership networks so as to fuel the growth of our businesses. To leverage on our high quality product and service offerings, premium customer bases, deep industrial experiences and the strategic partnership with reputable premium automobile manufacturers, we are confident in our ability to capture enormous opportunities in the automobile dealership industry and to drive continued and healthy growth for the Group in the future.



## Management Discussion and Analysis

By the end of 2022, the public health control measures in Mainland China were gradually relaxed. The Group's revenue from sales of automobiles and aftersales services both increased healthily during the Period. However, the average selling price and gross margin of vehicles sales decreased during the Period due to the consumers sentiments have not been fully recovered in Mainland China. It resulted in a decline in the operating results of the Group in the first half of 2023 as compared to that of the same period in 2022. The prudent business strategy we have pursued in recent years, including a disciplined approach to dealership network expansion, efficient management of our various inventories, and the maintenance of a conservative capital structure as well as a solid financial position, has rewarded us with a position in the market that is able to weather the challenging economic environment and to capture future growth opportunities. We would continue to manage and to mitigate the risks to our business and aim to capture the opportunities that the automobile dealership sector will offer in the coming years.

### Financial Review

#### Revenue

By the end of 2022, the public health control measures in Mainland China were gradually relaxed and our businesses also started to recover accordingly. The Group's revenue from sales of automobiles and aftersales services both increased healthily during the Period. Our revenue increased by approximately RMB784.8 million, or approximately 17.1%, from approximately RMB4,578.7 million for the corresponding period in 2022 to approximately RMB5,363.5 million for the Period. Revenue from sales of automobiles increased by approximately RMB662.9 million, or approximately 16.3%, from approximately RMB4,056.8 million for the corresponding period in 2022 to approximately RMB4,719.7 million for the Period, accounting for approximately 88.0% (first half of 2022: approximately 88.6%) of the total revenue. It was mainly attributable to the increase in sales volume during the Period. The Group sold 8,433 units of passenger vehicles in total for the Period, representing an increase of approximately 30.8% from 6,448 units of passenger vehicles sold during the corresponding period in 2022. However, the impact of increase in sales volume was partially offset by the decrease in the average selling price (the "ASP") of automobile of approximately 11.0% from approximately RMB629,200 for the corresponding period in 2022 to approximately RMB559,700 for the Period. The decrease in ASP during the Period was mainly due to the consumers sentiments have not been fully recovered. Revenue from after-sales services also increased by approximately RMB121.9 million, or approximately 23.4%, from approximately RMB521.9 million for the corresponding period in 2022 to approximately RMB643.8 million for the Period which was mainly attributable to the increase in business volume. During the Period, revenue from after-sales services accounted for approximately 12.0% (first half of 2022: approximately 11.4%) of the total revenue.

#### Cost of sales

Cost of sales increased by approximately 23.3% from approximately RMB4,091.2 million for the corresponding period in 2022 to approximately RMB5,044.0 million for the Period, which was in line with the increase in revenue and transaction volume as described above.

#### Gross Profit and Gross Profit Margin

During the Period, the Group recorded gross profits of approximately RMB319.5 million, representing a decrease of approximately 34.5% from the gross profit of approximately RMB487.5 million for the corresponding period in 2022. Our gross profit margin decreased from approximately 10.6% for the corresponding period in 2022 to approximately 6.0% during the Period. It was primarily due to the decrease in average selling price and gross profit margin for sales of passenger vehicles.

Gross profit margin for the sales of passenger vehicles decreased to approximately 0.9% during the Period from approximately 5.9% for the corresponding period in 2022 which was mainly due to the decrease of ASP of approximately 11.0% as described above. Gross profit margin for after-sales services decreased slightly to approximately 43.4% during the Period from approximately 47.5% for the corresponding period in 2022.



## Management Discussion and Analysis

### Other Income

Our other income increased by approximately 55.0% from approximately RMB117.9 million for the corresponding period in 2022 to approximately RMB182.7 million during the Period. Other income mainly included commission income from other value-added automobile services, including referring customers who require financing arrangements for purchasing automobiles and pre-owned automobile brokerage services and the gain from disposal of property, plant and equipment which was mainly related to sales of test-drive vehicles etc. The increase of other income during the Period was mainly due to the increase in commission income generated from the other value-added automobile services.

### Selling and Distribution Expenses

Our selling and distribution expenses increased by approximately 27.8% from approximately RMB213.1 million for the corresponding period in 2022 to approximately RMB272.3 million during the Period, which was in line with the increase in sales volume of automobiles and aftersale services during the Period. It accounted for approximately 5.1% of the total revenue, comparing to approximately 4.7% recorded for the corresponding period in 2022.

### Administrative Expenses

Our administrative expenses increased by approximately 13.5% from approximately RMB112.4 million for the corresponding period in 2022 to approximately RMB127.6 million during the Period. The increase of administrative expenses was mainly due to the increase in depreciation and amortization expenses during the Period. It accounted for approximately 2.4% of the total revenue and decreased slightly from approximately 2.5% in the corresponding period in 2022.

### Financial Costs

Our finance costs increased by approximately 55.4% from approximately RMB16.6 million for the corresponding period in 2022 to approximately RMB25.8 million incurred for the Period, primarily due to the increase in our bank and other borrowings during the Period. It accounted for approximately 0.5% of the total revenue comparing to approximately 0.4% for the corresponding period in 2022.

### Profit before Tax

As a result of the foregoing, our profit before tax decreased by approximately 70.9% from approximately RMB263.3 million for the corresponding period in 2022 to approximately RMB76.6 million during the Period.

### Income Tax Expense

Our income tax expense decreased by approximately 50.0% from approximately RMB49.6 million incurred for the corresponding period in 2022 to approximately RMB24.8 million incurred for the Period, primarily due to the decrease in taxable profit that we recorded during the Period. Our effective tax rate increased from approximately 18.8% for the corresponding period in 2022 to approximately 32.4% for the Period, primarily due to the tax losses of certain PRC subsidiaries of our Group can not be offset against taxable profits of other group entities within the Period. The effective tax rates for the Period, after excluding the impact of this factor, would be approximately 19.3%.

### Profit for the Period

As a result of the foregoing, our profit for the Period decreased by approximately 75.8% from approximately RMB213.7 million for the corresponding period in 2022 to approximately RMB51.7 million for the Period. The net profit margin for the Period was approximately 1.0%, comparing to the net profit margin of approximately 4.7% for the corresponding period in 2022.



## Management Discussion and Analysis

### Profit Attributable to Equity Shareholders of the Company

The profit attributable to equity shareholders of the Company for the Period decreased by approximately 77.7% from approximately RMB159.1 million for the corresponding period in 2022 to approximately RMB35.5 million for the Period.

### Inventory Turnover Days

There was a decrease in inventory balance of approximately 19.6% from approximately RMB853.8 million as at 31 December 2022 to approximately RMB686.5 million as at 30 June 2023, despite of the increase in sales volume. The Group continued to focus on inventory management and to achieve a healthy liquidity position throughout the Period. The average inventory turnover days as at 30 June 2023 totaled approximately 27.6 days (31 December 2022: approximately 29.6 days).

### Liquidity and Financial Resources

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

As at 30 June 2023, the total equity of the Group amounted to approximately RMB2,859.5 million (31 December 2022: approximately RMB2,832.8 million). As at 30 June 2023, the current asset of the Group amounted to approximately RMB3,065.1 million (31 December 2022: approximately RMB2,495.6 million) while current liabilities amounted to approximately RMB1,903.1 million (31 December 2022: approximately RMB1,406.0 million).

As at 30 June 2023, the Group's interest-bearing bank and other borrowings amounted to RMB1,053.0 million, representing an increase of approximately 84.1% as compared to RMB572.1 million as at 31 December 2022. The Group's loans and borrowings were denominated in Renminbi and Hong Kong Dollars. The increase in the Group's interest-bearing bank and other borrowings during the Period was primarily to strengthen the cash positions for any opportunities available in the market. The annual interest rates of interest-bearing bank and other borrowings ranged from approximately 3.2% to approximately 5.7%. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group currently has not used any derivatives to hedge interest rate risk. The debt to equity ratio (being the total interest-bearing bank and other borrowings divided by total equity) was approximately 36.8% as at 30 June 2022 (31 December 2022: approximately 20.2%). The Group was in net cash position (the excess amount of the total of (i) pledged deposits; (ii) cash in transit; (iii) restricted cash; and (iv) cash and cash equivalents over the amount of interest-bearing bank and other borrowings) of approximately RMB559.0 million as at 30 June 2023 (31 December 2022: approximately RMB184.6 million).

As at 30 June 2023, cash and cash equivalents, cash in transit, pledged deposits and restricted deposits amounted to approximately RMB1,612.1 million (31 December 2022: approximately RMB756.7 million). The cash and cash equivalents and pledged bank deposits were mainly denominated in Renminbi and Hong Kong Dollars. Apart from part of the cash denominated in Hong Kong Dollars, the Group's business operations in China and major transactions are all denominated in Renminbi. During the Period, the Group did not employ in any significant financial instruments such as forward foreign exchange contracts for foreign exchange hedging purposes, nor did it employ any major financial instruments for hedging purposes. The management of the Group will closely monitor foreign exchange risks and will consider measures to hedge potential major foreign exchange risks when necessary.



## Management Discussion and Analysis

### Capital Commitments

The Group's capital commitments mainly comprised expenditures on property, plant and equipment, intangible assets and business acquisitions. As at 30 June 2023, the capital commitments were approximately RMB5.7 million (31 December 2022: approximately RMB14.5 million). Save as disclosed above, the Group did not make any significant commitments during the six months ended 30 June 2023.

### Details of the Future Investment Plans for Material Investment

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

### Significant Acquisition and Disposal of Subsidiaries

During the Period, the Group did not have any significant acquisition and disposal of subsidiaries.

### Capital Expenditures and Investment

The Group's capital expenditures mainly comprised expenditures on property, plant and equipment and business acquisitions. For the six months ended 30 June 2023, the Group's total capital expenditures were approximately RMB193.1 million (six months ended 30 June 2022: approximately RMB550.6 million). Save as disclosed above, the Group did not make any significant investments during the six months ended 30 June 2023.

### Contingent Liabilities

As at 30 June 2023, there was no material contingent liability (31 December 2022: Nil).

### Charges on Group Assets

The Group pledged its group assets as securities for bills payable and interest-bearing bank and other borrowings which were used to finance daily business operation. As of 30 June 2023, certain of our bills payable and interest-bearing bank and other borrowings were secured by (i) mortgages over our inventories, which had an aggregate carrying amount of approximately RMB223.6 million (31 December 2022: approximately RMB47.7 million); and (ii) mortgages over the deposits, which had an aggregate carrying amount of approximately RMB104.9 million (31 December 2022: approximately RMB36.6 million). Save as disclosed above, as at 30 June 2023, no other assets of the Group were charged.

### Human Resources

As of 30 June 2023, the Group had 1,454 (31 December 2022: 1,490) employees. The remuneration of the existing includes basic salaries, discretionary bonus, social security contributions and share-based incentives. Payment levels of the employees are commensurate with their responsibilities, performance and contribution.



## Management Discussion and Analysis

### Important Events after the Period

Dividend payable to equity shareholders of the Company attributable to the previous financial year of approximately RMB18.7 million were paid on 15 August 2023.

Save as disclosed above, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2023 and up to the date of this report.

### Suspension and Resumption of Trading

Pursuant to Rules 13.49(6) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company is required to publish the unaudited interim results for the six months ended 30 June 2023 (the “**2023 Interim Results**”) on a date not later than two months after the end of that period of six months, i.e. not later than 31 August 2023. Due to the delay in publication of the 2023 Interim Results, trading in shares of the Company (“**Share(s)**”) was suspended with effect from 9: 00 a.m. on 1 September 2023 pending the publication of the 2023 Interim Results.

The Company received a letter from the Stock Exchange dated 28 November 2023 which sets out the following guidance for the resumption of trading in the Shares (the “**Resumption Guidance**”):

- (a) publish all outstanding financial results required under the Listing Rules and address any modifications;
- (b) demonstrate the Company’s compliance with Rule 13.24; and
- (c) inform the market of all material information for the shareholders and investors to appraise the Company’s position.

The Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in its securities is allowed to resume. For details of the Resumption Guidance, please refer to the announcement of the Company dated 1 December 2023.

On 11 December 2023, the 2023 Interim Results was released by the Company. As all the Resumption Guidance have been fulfilled, trading in Shares was resumed with effect from 9: 00 a.m. on 12 December 2023. For details of the fulfilment of Resumption Guidance, please refer to the announcement of the Company dated 12 December 2023.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## Use of Net Proceeds from Initial Public Offering

The ordinary Shares of the Company with a nominal value of HK\$0.01 each were listed on the main board of the Stock Exchange on 15 July 2021 (the “**Listing Date**”) with total net proceeds from (i) the global offering of the Company and (ii) issue and allotment of additional shares pursuant to the exercise of over-allotment option on 11 August 2021 (the “**IPO**”), of approximately HK\$706.8 million (after deducting underwriting commissions and related expenses) in total. The Company issued 172,500,000 Shares in total at a price of HK\$4.4 per Share. The net price to the Company (which was calculated by dividing the net proceeds by the number of Shares issued in connection with the initial public offering of Shares) was approximately HK\$4.10 per Share. The net proceeds have been and will continue to be used in a manner consistent with that set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 June 2021 (the “**Prospectus**”). Please refer to the Prospectus and the announcements of the Company dated 14 July 2021 and 6 August 2021, respectively, for further details. Set out below is a summary of the utilization of the net proceeds from the IPO as of 30 June 2023:

Intended use of net proceeds	% of total net proceeds	Amount of net proceeds (HK\$ million)	Utilized from Listing Date up to	Utilized during the Period (HK\$ million)	% utilized	Amount not yet utilized (HK\$ million)
			31 December 2022 (HK\$ million)			
Acquire other automobile dealership store network	45	318	318	Nil	100	Nil
Open new automobile dealership store network	30	212	212	Nil	100	Nil
Renovate of our existing 4S dealership stores	10	71	71	Nil	100	Nil
Optimize and upgrade the information technology Systems	5	35	33	2	100	Nil
Working capital and general corporate purposes	10	71	71	Nil	100	Nil
<b>Total</b>	<b>100</b>	<b>707</b>	<b>705</b>	<b>2</b>	<b>100</b>	<b>Nil</b>

As at the date of this report, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

During the Period, the Group did not issue any equity securities (including securities convertible into equity securities).

## Corporate Governance and Other Information

### Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30 June 2023, the interests and short positions of our directors and chief executives in the shares, underlying shares or debentures of the Company or any of our 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 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 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 10 to the Listing Rules, were as follows:

Name of Director	Nature of interest	Number of shares interested	Approximate percentage of interest in the issued share capital of the Company
Mr. Chou Patrick Hsiao-Po <sup>1</sup>	Protector and beneficiary of a discretionary trust	450,000,000(L)	72.29%
	Beneficial owner	1,561,000(L)	0.25%
Ms. Sun Jing	Beneficial owner <sup>2</sup>	2,000,000(L)	0.32%
Mr. Xu Tao <sup>3</sup>	Beneficial owner <sup>2</sup>	1,000,000(L)	0.16%
Mr. Chau Kwok Keung	Beneficial owner <sup>2</sup>	5,800,000(L)	0.93%

Notes:

- (1) The 450,000,000 Shares were held by Chou Dynasty Holding Co., Ltd ("Chou Dynasty"), which was owned by Red Dynasty Investments Limited ("Red Dynasty") as to 100%. Red Dynasty has issued two ordinary shares in total, of which one share was issued to Serangoon Limited and one share to Seletar Limited, respectively. Each of Serangoon Limited and Seletar Limited has made a declaration of trust, confirming that the shares in Red Dynasty are held by them in their respective names as nominee and trustee for Credit Suisse Trust Limited as trustee of the Chou Family Trust. Therefore, Mr. Chou Patrick Hsiao-Po, in his capacity as the protector and beneficiary of the Chou Family Trust, is deemed to be interested in such Shares.
- (2) These interests represent options granted to the Director as beneficial owner under the Share Option Scheme (as defined below).
- (3) Mr. Xu Tao was granted with the share options under the capacity as senior management of the Company prior to his appointment as an executive Director on 1 January 2022.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.



## Corporate Governance and Other Information

Save as disclosed in this report, at no time throughout the Period was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations (within the meaning of Part XV of the SFO).

### Substantial shareholders' interests and short positions in shares and underlying shares

So far as is known to any Director or chief executive of the Company, as at 30 June 2023, the persons or corporations (other than Director or chief executive of the Company) who had interest or short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholders	Nature of interest	Number of shares interested	Approximate percentage of interest in the issued share capital of the Company
Chou Dynasty	Beneficial owner	450,000,000(L)	72.29%
Red Dynasty <sup>1</sup>	Interest in a controlled corporation	450,000,000(L)	72.29%
Credit Suisse Trust Limited <sup>1</sup>	Trustee	450,000,000(L)	72.29%
Xingtai Capital Management Limited <sup>2</sup>	Interest in a controlled corporation	32,026,000(L)	5.34%

Notes:

- (1) The 450,000,000 Shares were held by Chou Dynasty, which was owned by Red Dynasty as to 100%. Red Dynasty has issued two ordinary shares in total, of which one share was issued to Serangoon Limited and one share to Seletar Limited, respectively. Each of Serangoon Limited and Seletar Limited has made a declaration of trust, confirming that the shares in Red Dynasty are held by them in their respective names as nominee and trustee for Credit Suisse Trust Limited as trustee of the Chou Family Trust. Therefore, each of Red Dynasty and Credit Suisse Trust Limited is deemed to be interested in such Shares held by Chou Dynasty under the SFO.
- (2) The 32,026,000 Shares of the Company in which Xingtai Capital Management Limited as investment manager is deemed to be interested represent (i) 17,942,000 shares of the Company held by Xingtai China Master Fund, which is wholly owned by Xingtai Capital Management Limited; (ii) 11,894,000 shares of the Company held by Xingtai China Fund, which is wholly owned by Xingtai Capital Management Limited; and (iii) 2,190,000 shares of the Company held by Xingtai China Master Fund, which is wholly owned by Xingtai Capital Management Limited.

Save as disclosed above, as at 30 June 2023, the Directors of the Company are not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which would require to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



## Corporate Governance and Other Information

### Changes in Directors' or Chief Executives' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of Directors' information of the Company since the 2022 annual report of the Company is as follows:

- On 14 June 2023, Mr. Chau Kwok Keung has resigned as an independent non-executive director, the chairman of the audit committee, a member of the remuneration and appraisal committee and a member of the nomination committee of Suzhou Basecare Medical Corporation Limited, a company listed on the Stock Exchange (stock code: 2170). Mr. Chau was also appointed by Laekna, Inc., a company listed on the Stock Exchange (stock code: 2105), as its independent non-executive director, the chairman of the audit committee and a member of the remuneration committee with effect from 16 June 2023.
- Mr. Wong Ka Kit ceased to act as the chief executive officer, chief financial officer and a director of Bridgetown Holdings Limited, a company listed on NASDAQ (symbol: BTWNU) in October 2023, as a senior vice president (Mergers and Acquisitions) in Pacific Century Group Holdings (HK) Limited in October 2023, and as a consultant PineBridge Investments Asia Limited (a portfolio company of Pacific Century).

Save for the information disclosed above, the Company is not aware of other changes in the Directors' or chief executives' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### Purchase, Sale or Redemption of Listed Securities of the Company

During the Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

### Significant Investments Held

The Group did not hold any significant investment in equity interest in any company during the Period.

### Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

During the Period, the Company did not acquire and/or dispose any of its subsidiaries, associates, interests in joint ventures or affiliated companies.

### Corporate Governance Code

During the Period, the Company has complied with all code provisions of the Corporate Governance Code as set out in part 2 of Appendix 14 to the Listing Rules except for the following deviation.

The code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Chou Patrick Hsiao-Po is the chairman of the Board and the chief executive officer of the Company. As Mr. Chou has been managing the Group's business and overall strategic planning for over 20 years, the Board considers that the vesting of the roles of chairman and chief executive officer in Mr. Chou is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group, aligning the directions and approaches on the board level and execution level and enabling more effective and efficient overall strategic planning for the Group. Taking into account all the corporate governance measures that the Company has implemented, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company had not segregated the roles of its chairman and chief executive officer. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.



## Corporate Governance and Other Information

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct governing Directors' securities transactions. The Company confirms that, having made specific enquiries of all the Directors, each of them has complied with the required standard as set out in the Model Code during the Period and up to the date of this report.

### Continuing Disclosure Obligation under Rule 13.18 of the Listing Rules

On 11 March 2022, Beijing BetterLife Auto Sales Co., Ltd. ("**Beijing BetterLife Auto**") and Beijing BetterLife Star Auto Sales Co., Ltd ("**Beijing BetterLife Star**") (as borrowers), two wholly-owned subsidiaries of the Company and Hang Seng Bank (China) Limited Beijing Branch ("**Hang Seng Bank Beijing Branch**") (as lender) entered into the facility agreement ("**Facility Agreement**"), pursuant to which Hang Seng Bank Beijing Branch agreed to provide Beijing BetterLife Auto and Beijing BetterLife Star a term loan facility of an aggregate amount up to RMB140,000,000. Subject to review by Hang Seng Bank Beijing Branch and other terms and conditions under the Facility Agreement, the facility under the Facility Agreement will be available for multiple drawings within one year from the date of the Facility Agreement. Pursuant to the Facility Agreement, Mr. Chou Patrick Hsiao-Po, the chairman of the Board, an executive Director, and the ultimate controlling shareholder of the Company, is required to maintain directly or indirectly not less than 51% of the issued share capital of the Company. For details, please refer to the announcement of the Company dated 11 March 2022.

As at the date of this report, the above specific performance obligations imposed on Mr. Chou Patrick Hsiao-Po under the aforesaid agreements continued to exist.

### Audit Committee and Review of Interim Results

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to make recommendation to the Board on the appointment and removal of external auditor, and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, internal control structure, risk management processes and external audit functions, and corporate governance responsibilities. The Audit Committee consists of three members, being Mr. Lou Sai Tong, Mr. Liu Dengqing, and Mr. Wong Ka Kit, with Mr. Lou Sai Tong being the chairman of the Audit Committee.

An Audit Committee meeting was held on 11 December 2023 and the Audit Committee has reviewed the unaudited interim financial report for the six months ended 30 June 2023.

### Interim Dividend

The Board proposed not to declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

### Share Option Scheme

A share option scheme (the "**Share Option Scheme**") was conditionally approved by a written resolution of the shareholder on 17 June 2021 and adopted by a resolution of the Board on 17 June 2021. Details of the Share Option Scheme are set out in "Appendix IV — Statutory and General Information" of the Prospectus.



## Corporate Governance and Other Information

The purpose of the Share Option Scheme was to motivate eligible persons to optimize their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

Upon adoption, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the Listing Date, that is, 60,000,000 Shares.

No option may be granted to any participant of the Share Option Scheme such that the total number of shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An 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 the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before the 28 days after the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheets on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from 15 July 2021 to 16 June 2031, after which no further options will be granted or offered.

On 1 September 2021, the Company granted a total of 9,800,000 share options under the Share Option Scheme to a total of four grantees (including three directors and one senior management). The closing price of the Shares on 31 August 2021, being the trading date immediately before the date on which such share options were granted, was HK\$8.260 per Share.

As at the date of this report, the Company had 8,800,000 share options granted and remained outstanding under the Share Option Scheme, which represented approximately 1.4% of the Shares in issue as at the date of this report. As the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 60,000,000 Shares, as of 30 June 2023, additional share options in respect of a total of 51,200,000 Shares, representing approximately 8.2% of the Shares at the beginning and the end of the Period, could be further granted under the Share Option Scheme. The number of Shares that may be issued in respect of options granted under all schemes of the Company during the Period divided by the weighted average number of Shares in issue for the Period equals to approximately 1.4%.



## Corporate Governance and Other Information

Details of the outstanding options to subscribe for shares pursuant to the Share Option Scheme and the movement during the six months ended 30 June 2023 are set out below:

Grantee	Date of Grant	Exercise price per Share	Balance as at 1 January 2023	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Balance as at 30 June 2023
<b>Director</b>								
Ms. Sun Jing	1 September 2021	HK\$8.264	2,000,000	—	—	—	—	2,000,000
Mr. Chau Kwok Keung	1 September 2021	HK\$8.264	5,800,000	—	—	—	—	5,800,000
Mr. Xu Tao (was granted with the share options under the capacity as senior management of the Company. Mr. Xu was appointed as an executive Director on 1 January 2022)	1 September 2021	HK\$8.264	1,000,000	—	—	—	—	1,000,000
			8,800,000	—	—	—	—	8,800,000

Notes:

- (1) Share options granted under the Share Option Scheme on 1 September 2021 shall vest in the relevant grantee in accordance with the timetable below with a 10-year exercise period (for the purpose, the date or each such date on which the share options are to vest being hereinafter referred to as a “**Vesting Date**”):

Vesting Date	Percentage of Share Options to vest
31 August 2022	25% of the total number of Share Options granted
31 August 2023	25% of the total number of Share Options granted
31 August 2024	25% of the total number of Share Options granted
31 August 2025	25% of the total number of Share Options granted

During the Period, no options granted under the Share Option Scheme were cancelled.

Further details of the Share Option Scheme are set out in note 20 to the financial statements.

### Public Float

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

By order of the Board

**Chou Patrick Hsiao-Po**

*Chairman, Chief Executive Officer and Executive Director*

Beijing, the PRC, 11 December 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023 — unaudited  
(Expressed in RMB'000)

	Note	Six months ended 30 June	
		2023	2022
<b>Revenue</b>	4	<b>5,363,537</b>	4,578,702
Cost of sales		(5,044,015)	(4,091,172)
<b>Gross profit</b>		<b>319,522</b>	487,530
Other income	5	182,729	117,859
Selling and distribution expenses		(272,314)	(213,055)
Administrative expenses		(127,619)	(112,441)
<b>Operating profit</b>		<b>102,318</b>	279,893
Finance costs	6(a)	(25,764)	(16,616)
<b>Profit before taxation</b>	6	<b>76,554</b>	263,277
Income tax	7	(24,822)	(49,620)
<b>Profit for the period</b>		<b>51,732</b>	213,657
<b>Attributable to:</b>			
Equity shareholders of the Company		35,529	159,124
Non-controlling interests		16,203	54,533
<b>Profit for the period</b>		<b>51,732</b>	213,657
<b>Earnings per share</b>	8		
Basic and diluted earnings per share (RMB)		0.06	0.26



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023 — unaudited  
(Expressed in RMB'000)

	Six months ended 30 June	
	2023	2022
<b>Profit for the period</b>	<b>51,732</b>	213,657
<b>Other comprehensive income for the period (after tax):</b>		
Items that will not be reclassified to profit or loss:		
Exchange differences on translation of financial statements of the Company	10,849	26,404
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	(21,413)	(1,470)
<b>Other comprehensive income for the period</b>	<b>(10,564)</b>	24,934
<b>Total comprehensive income for the period</b>	<b>41,168</b>	238,591
<b>Attributable to:</b>		
Equity shareholders of the Company	24,965	184,058
Non-controlling interests	16,203	54,533
<b>Total comprehensive income for the period</b>	<b>41,168</b>	238,591

The Notes on pages 30 to 46 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023 — unaudited  
(Expressed in RMB'000)

	Note	At 30 June 2023	At 31 December 2022
<b>Non-current assets</b>			
Property, plant and equipment	9	553,207	561,420
Investment properties		60,327	62,136
Right-of-use assets	10	368,024	407,178
Intangible assets	11	896,390	897,450
Goodwill	12	378,625	378,625
Deferred tax assets		34,926	34,693
Long-term prepayments		1,737	3,694
		<b>2,293,236</b>	2,345,196
<b>Current assets</b>			
Inventories	13	686,450	853,774
Trade receivables	14	46,845	56,106
Amounts due from related parties	23(d)	13,436	9,065
Prepayments, other receivables and other assets	15	706,271	819,947
Pledged bank deposits	16	104,927	36,557
Cash in transit		14,412	11,184
Restricted cash	17	6,712	7,032
Cash and cash equivalents	17	1,486,018	701,887
		<b>3,065,071</b>	2,495,552
<b>Current liabilities</b>			
Trade and bills payables	19	431,596	334,144
Amounts due to related parties	23(d)	17,768	10,214
Other payables and accruals		163,001	235,472
Contract liabilities		157,828	183,562
Interest-bearing bank and other borrowings	18	1,053,032	572,075
Lease liabilities		27,715	32,154
Income tax payables		52,120	38,390
		<b>1,903,060</b>	1,406,011
<b>Net current assets</b>		<b>1,162,011</b>	1,089,541
<b>Total assets less current liabilities</b>		<b>3,455,247</b>	3,434,737



Consolidated Statement of Financial Position  
*At 30 June 2023 — unaudited*  
*(Expressed in RMB'000)*

Note	At 30 June 2023	At 31 December 2022
<b>Non-current liabilities</b>		
Contract liabilities	151,806	134,051
Lease liabilities	245,633	263,739
Deferred tax liabilities	198,314	204,195
	<b>595,753</b>	601,985
<b>NET ASSETS</b>		
	<b>2,859,494</b>	2,832,752
<b>CAPITAL AND RESERVES</b>		
21		
Share capital	5,180	5,180
Reserves	2,665,914	2,655,433
<b>Total equity attributable to equity shareholders of the Company</b>	<b>2,671,094</b>	2,660,613
<b>Non-controlling interests</b>	<b>188,400</b>	172,139
<b>TOTAL EQUITY</b>	<b>2,859,494</b>	2,832,752

Approved and authorised for issue by the board of directors on 11 December 2023.

**Chou Patrick Hsiao-Po**  
*Director*

**Chau Kwok Keung**  
*Director*

The Notes on pages 30 to 46 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023 — unaudited  
(Expressed in RMB'000)

	Attributable to shareholders of the Company						Sub-total	Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Capital reserve	Retained profits	Exchange reserve			
<b>Balance at 1 January 2022</b>	5,180	600,515	5,299	383,092	1,604,561	(11,835)	2,586,812	220,824	2,807,636
<b>Changes in equity for the six months ended 30 June 2022:</b>									
Profit for the period	—	—	—	—	159,124	—	159,124	54,533	213,657
Other comprehensive income for the period	—	—	—	—	—	24,934	24,934	—	24,934
Total comprehensive income for the period	—	—	—	—	159,124	24,934	184,058	54,533	238,591
Contributions from the controlling shareholder	—	—	—	3,017	—	—	3,017	—	3,017
Equity settled share-based transactions (Note 20)	—	—	8,177	—	—	—	8,177	—	8,177
Dividends paid to non-controlling shareholders (Note 21(a)(iii))	—	—	—	—	—	—	—	(120,000)	(120,000)
Dividends approved in respect of the previous year (Note 21(a)(ii))	—	(136,950)	—	—	—	—	(136,950)	—	(136,950)
<b>Balance at 30 June 2022 and 1 July 2022</b>	5,180	463,565	13,476	386,109	1,763,685	13,099	2,645,114	155,357	2,800,471
<b>Changes in equity for the six months ended 31 December 2022:</b>									
Profit for the period	—	—	—	—	12,404	—	12,404	16,782	29,186
Other comprehensive income for the period	—	—	—	—	—	(2,430)	(2,430)	—	(2,430)
Total comprehensive income for the period	—	—	—	—	12,404	(2,430)	9,974	16,782	26,756
Equity settled share-based transactions	—	—	5,525	—	—	—	5,525	—	5,525
<b>Balance at 31 December 2022</b>	5,180	463,565	19,001	386,109	1,776,089	10,669	2,660,613	172,139	2,832,752



Consolidated Statement of Changes in Equity  
*For the six months ended 30 June 2023 — unaudited*  
*(Expressed in RMB'000)*

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Capital reserve	Retained profits	Exchange reserve	Sub-total		
<b>Balance at 1 January 2023</b>	5,180	463,565	19,001	386,109	1,776,089	10,669	2,660,613	172,139	2,832,752
<b>Changes in equity for the six months ended 30 June 2023:</b>									
Profit for the period	—	—	—	—	35,529	—	35,529	16,203	51,732
Other comprehensive income for the period	—	—	—	—	—	(10,564)	(10,564)	—	(10,564)
Total comprehensive income for the period	—	—	—	—	35,529	(10,564)	24,965	16,203	41,168
Equity settled share-based transactions (Note 20)	—	—	4,249	—	—	—	4,249	—	4,249
Acquisition of NCI	—	—	—	(58)	—	—	(58)	58	—
Dividends declared (Note 21(a)(ii))	—	(18,675)	—	—	—	—	(18,675)	—	(18,675)
<b>Balance at 30 June 2023</b>	5,180	444,890	23,250	386,051	1,811,618	105	2,671,094	188,400	2,859,494

The Notes on pages 30 to 46 form part of this interim financial report.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023 — unaudited  
(Expressed in RMB'000)

	Note	Six months ended 30 June	
		2023	2022
<b>Operating activities</b>			
Cash generated from operations		582,463	127,279
Tax paid		(24,477)	(80,501)
<b>Net cash generated from operating activities</b>		<b>557,986</b>	<b>46,778</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		49,548	48,974
Proceeds from disposal of financial assets at fair value through profit or loss		—	281,327
Acquisition of financial assets measured at fair value through profit or loss		—	(230,000)
Acquisition of items of property, plant and equipment		(91,431)	(269,470)
Payment for residual amount of acquisition consideration		(83,575)	—
Payment for acquisition of a subsidiary, net of cash acquired		—	(282,270)
Acquisition of items of intangible assets		(18,078)	(1,750)
Others		—	2,841
<b>Net cash used in investing activities</b>		<b>(143,536)</b>	<b>(450,348)</b>



Condensed Consolidated Cash Flow Statement  
*For the six months ended 30 June 2023 — unaudited*  
*(Expressed in RMB'000)*

	Note	Six months ended 30 June	
		2023	2022
<b>Financing activities</b>			
Proceeds from bank and other borrowings		1,435,442	919,265
Repayment of bank and other borrowings		(959,517)	(668,998)
Increase in pledged bank deposits		(68,370)	(43,664)
Interest paid		(15,456)	(6,163)
Dividends paid to non-controlling shareholders		—	(120,000)
Proceeds from sale and lease-back transactions		16,374	8,504
Payment of sale and lease-back transactions		(8,750)	(8,752)
Capital element of lease rentals paid		(22,545)	(13,997)
Interest element of lease rentals paid		(9,400)	(9,477)
<b>Net cash generated from financing activities</b>		<b>367,778</b>	56,718
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>782,228</b>	(346,852)
<b>Cash and cash equivalents at 1 January</b>		<b>701,887</b>	1,333,369
<b>Effect of foreign exchange rate changes</b>		<b>1,903</b>	9,937
<b>Cash and cash equivalents at 30 June</b>	17	<b>1,486,018</b>	996,454

The Notes on pages 30 to 46 form part of this interim financial report.



# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

## 1 General information

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

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

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

## 2 Basis of preparation

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standard Board (“IASB”). It was authorised for issue on 11 December 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of these changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these financial statements for the year ended 31 December 2022 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on these financial statements in their report dated 31 March 2023.



## Notes to the Unaudited Interim Financial Report

### 3 Changes in accounting policies

#### (a) New and amended IFRSs

The Group has applied the following new and amended IFRSs issued by the IASB to this interim financial report for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform — Pillar Two model rules*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4 Revenue and segment reporting

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

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

	<b>Six months ended 30 June</b>	
	<b>2023</b> RMB'000	2022 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of passenger motor vehicles	4,719,710	4,056,797
Provision of after-sales services	643,827	521,905
	<b>5,363,537</b>	4,578,702
<b>Disaggregated by geographical location of customers</b>		
Mainland China	5,363,537	4,578,702
<b>Disaggregated by timing of revenue recognition</b>		
Point in time	5,363,537	4,578,702

## Notes to the Unaudited Interim Financial Report

### 5 Other income

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest income	6,461	4,299
Commission income	134,486	70,891
Rental income	2,606	2,325
Government grants	605	1,356
Gain on disposal of items of property, plant and equipment	6,623	13,571
Investment income from financial assets measured at fair value through profit or loss	—	1,327
Others	31,948	24,090
	<b>182,729</b>	<b>117,859</b>

### 6 Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>(a) Finance costs:</b>		
Interest on bank and other borrowings	16,038	6,560
Interest on lease liabilities	9,400	9,477
Interest on sale and lease-back liabilities	326	579
	<b>25,764</b>	<b>16,616</b>

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>(b) Staff costs:</b>			
Salaries, wages and other benefits		136,354	86,189
Contributions to defined contribution retirement plans	(i)	15,985	13,080
Equity settled share-based transactions (Note 20)		4,249	8,177
		<b>156,588</b>	<b>107,446</b>



## Notes to the Unaudited Interim Financial Report

### 6 Profit before taxation (continued)

#### Profit before taxation is arrived at after charging: (continued)

- (i) Employees of the Group's PRC subsidiaries are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments where the subsidiaries are registered. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal government to the schemes to fund the retirement benefits of the employees. The Group remits all pension fund contributions to the respective tax bureau, which are responsible for the payment and liabilities relating to the pension funds.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Company's and its subsidiaries' contributions made to the above defined contribution schemes are non-refundable and cannot be used to reduce the future or existing level of contribution of the Company and its subsidiaries should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits other than the contributions described above.

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
<b>(c) Other items:</b>		
Cost of inventories (Note 13(b))	<b>4,994,249</b>	4,055,376
Depreciation		
— Owned property, plant and equipment	<b>59,481</b>	48,150
— Right-of-use assets	<b>39,154</b>	38,409
— Investment properties	<b>1,809</b>	1,810
Amortisation of intangible assets	<b>19,138</b>	13,147
Operating lease charges	<b>5,161</b>	2,523
Auditors' remuneration		
— Audit services	<b>1,350</b>	1,360
— Other services	<b>556</b>	—

## Notes to the Unaudited Interim Financial Report

### 7 Income tax

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Current tax:</b>		
Provision for PRC income tax for the period	30,936	71,951
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(6,114)	(22,331)
	<b>24,822</b>	<b>49,620</b>

- (i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and accordingly is not subject to income tax.
- (ii) No provision for Hong Kong Profits Tax was made for the Group's subsidiaries located in Hong Kong as the subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the period.
- (iii) The PRC subsidiaries of the Group are subject to the PRC Corporate Income Tax rate of 25%, except for Chengdu Baichuanjinbao Auto Sales and Services Co., Ltd. ("Chengdu Jinbao"), Chengdu Baichuanxinbao Auto Sales and Services Co., Ltd. ("Chengdu Xinbao") and Hainan Liya Holding Co., Ltd. ("Hainan Liya"). Chengdu Jinbao and Chengdu Xinbao were incorporated in Chengdu for car dealership business and were granted a preferential rate of 15% for the development of the Western region for nine years starting from 2022. Hainan Liya was incorporated in Hainan for automobile accessories business and was granted a preferential rate of 15% for Hainan Free Trade Port from 2022 to 2024.

Taxation for the Group's PRC subsidiaries is calculated using the estimated annual effective rates of taxation that are expected to be applicable.

### 8 Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2023 was based on the profit attributable to equity shareholders of the Company of RMB35,529,000 (six months ended 30 June 2022: RMB159,124,000), and the weighted average number of ordinary shares in issue during the six months ended 30 June 2023 of 622,500,000 (six months ended 30 June 2022: 622,500,000).

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2023 and 2022 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.



## Notes to the Unaudited Interim Financial Report

### 9 Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with original costs of RMB94,193,000 in aggregate (six months ended 30 June 2022: RMB249,361,000). Items of property, plant and equipment with a net book value of RMB42,925,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB39,778,000), resulting in net gain on disposal of RMB6,623,000 (six months ended 30 June 2022: RMB13,571,000).

### 10 Right-of-use assets

During the six months ended 30 June 2023, the Group did not enter into any new lease agreements and therefore did not recognise any increase in the right-of-use asset (six months ended 30 June 2022: RMB164,750,000).

### 11 Intangible assets

	Office software RMB'000	Car Dealerships RMB'000	Total RMB'000
<b>Cost:</b>			
At 1 January 2022	30,130	632,537	662,667
Additions	7,061	—	7,061
Acquisition of a subsidiary	—	397,079	397,079
At 31 December 2022 and 1 January 2023	<b>37,191</b>	<b>1,029,616</b>	<b>1,066,807</b>
Additions	<b>18,078</b>	—	<b>18,078</b>
At 30 June 2023	<b>55,269</b>	<b>1,029,616</b>	<b>1,084,885</b>
<b>Accumulated amortisation:</b>			
At 1 January 2022	(17,265)	(120,236)	(137,501)
Charge for the year	(3,050)	(28,806)	(31,856)
At 31 December 2022 and 1 January 2023	<b>(20,315)</b>	<b>(149,042)</b>	<b>(169,357)</b>
Charge for the period	<b>(1,979)</b>	<b>(17,159)</b>	<b>(19,138)</b>
At 30 June 2023	<b>(22,294)</b>	<b>(166,201)</b>	<b>(188,495)</b>
<b>Net book value:</b>			
At 30 June 2023	<b>32,975</b>	<b>863,415</b>	<b>896,390</b>
At 31 December 2022	16,876	880,574	897,450

The car dealerships arise from business combinations and relate to relationships with automakers, with an estimated useful life of 30 years. The fair value of the car dealerships as at the respective acquisition date was determined by using the multiple excess earning method.

The amortisation charge for the period ended 30 June 2023 is included in administrative expenses in the consolidated statement of profit or loss.

## Notes to the Unaudited Interim Financial Report

### 12 Goodwill

	RMB'000
<b>Cost:</b>	
At 1 January 2022	862,427
Goodwill arising from business combination:	
— YZB Auto Service Group Limited	168,229
At 31 December 2022 and 30 June 2023	<b>1,030,656</b>
<b>Accumulated impairment losses:</b>	
At 1 January 2022, 31 December 2022 and 30 June 2023	(652,031)
<b>Carrying amount:</b>	
At 31 December 2022 and 30 June 2023	<b>378,625</b>

### 13 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Car dealership business		
— Motor vehicles	615,285	778,509
— Spare parts and accessories	88,263	90,895
	<b>703,548</b>	869,404
Less: Provision for inventories	<b>(17,098)</b>	(15,630)
	<b>686,450</b>	853,774

Inventories with a carrying amount of RMB112,891,000 were pledged as security for bank loans and other borrowings as at 30 June 2023 (31 December 2022: RMB31,766,000) (Note 18).

Inventories with a carrying amount of RMB110,713,000 were pledged as security for bills payable as at 30 June 2023 (31 December 2022: RMB15,911,000) (Note 19).



## Notes to the Unaudited Interim Financial Report

### 13 Inventories (continued)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Carrying amount of inventories sold	4,977,151	4,044,448
Write-down of inventories	17,098	12,280
Reversal of write-down of inventories	—	(1,352)
	<b>4,994,249</b>	<b>4,055,376</b>

### 14 Trade receivables

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
	Within 3 months	45,953
3 to 6 months	385	7,218
6 months to 1 year	489	158
Over 1 year	18	3
	<b>46,845</b>	<b>56,106</b>

All of the trade receivables are expected to be recovered within one year. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Credit risk in respect of trade receivables is limited since credit sales are offered in rare cases subject to high level management's approval. Trade receivables balances mainly represent receivables from individual customers, who obtain mortgages from their financial institutions and used the drawn-down mortgage principal to settle the Group's trade receivables within one month when the mortgages were granted by their financial institutions, and warranty receivables from automobile manufacturers. For the receivables from automobile manufacturers, risk of default is considered low, as these are companies with good credit rating.

## Notes to the Unaudited Interim Financial Report

### 15 Prepayments, other receivables and other assets

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Prepayments	354,180	503,934
Other receivables	133,143	135,486
Rebate receivables	213,571	163,434
Value-added tax recoverable	22,354	36,027
	<b>723,248</b>	838,881
Less: Long-term prepayments	(1,737)	(3,694)
Provision for impairment of other receivables	(15,240)	(15,240)
Current portion	<b>706,271</b>	819,947

All current portion of the prepayments, other receivables and other assets are expected to be recovered within one year except for deposits.

### 16 Pledged bank deposits

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Restricted guarantee deposits in respect of:</b>		
Bills payable	<b>104,927</b>	36,557

The bank deposits pledged for bills payable will be released upon the settlement of relevant bills payable.



## Notes to the Unaudited Interim Financial Report

### 17 Cash and cash equivalents and restricted cash

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Cash at banks and on hand	1,486,018	701,887
Restricted cash	6,712	7,032
	<b>1,492,730</b>	708,919
Less: Restricted cash	(6,712)	(7,032)
Cash and cash equivalents in the consolidated statement of financial position	<b>1,486,018</b>	701,887

As at 30 June 2023, cash and cash equivalents of the Group held in banks and financial institutions in the PRC amounted to RMB1,472,130,000 (2022: RMB597,061,000). The remittance of funds out of the PRC is subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

### 18 Interest-bearing bank and other borrowings

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Bank loans		
— secured	135,800	—
— unsecured	845,358	532,626
	<b>981,158</b>	532,626
Other borrowings		
— secured	71,874	39,449
Total	<b>1,053,032</b>	572,075

Certain of the Group's bank loans and other borrowings are secured by pledges over the Group's inventories, which had a carrying amount of RMB112,891,000 as at 30 June 2023 (31 December 2022: RMB31,766,000) (Note 13).

## Notes to the Unaudited Interim Financial Report

### 19 Trade and bills payables

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade payables	141,190	129,447
Bills payable	290,406	204,697
	<b>431,596</b>	<b>334,144</b>

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 3 months	419,710	326,004
Over 3 months but within 6 months	10,460	2,849
Over 6 months but within 12 months	163	3,294
Over 1 year	1,263	1,997
Trade and bills payables	<b>431,596</b>	<b>334,144</b>

Bills payable were secured by inventories with a carrying amount of RMB110,713,000 as at 30 June 2023 (31 December 2022: RMB15,911,000) (Note 13) and pledged bank deposits with an amount of RMB104,927,000 as at 30 June 2023 (31 December 2022: RMB36,557,000) (Note 16).

### 20 Equity settled share-based transactions

Pursuant to the share option scheme ("Share Option Scheme") effective on 17 June 2021, 9,800,000 share options of the Company were approved for granting to core employees of the Group on 1 September 2021 (the "Grant Date"). The exercise price of the share option granted is HK\$8.264 per share, as determined based on the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the offer date.

The share options are subject to various lock-up period of 1 year, 2 years, 3 years and 4 years, respectively, immediately from the Grant Date. During the lock-up period, these shares are not transferrable, nor subject to any guarantee or indemnity.

Subject to fulfilment of all vesting conditions under the Share Option Scheme, the restriction over the share options will be removed after the expiry of the corresponding lock-up period for each tranche and the participants will be fully entitled to these incentive share options. If the vesting conditions are not fulfilled and hence the share options cannot be unlocked, all the unvested or outstanding share options not yet vested shall be immediately forfeited.



## Notes to the Unaudited Interim Financial Report

### 20 Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors:			
— on 1 September 2021	2,450,000	One year from the date of grant	10 years
— on 1 September 2021	2,450,000	Two years from the date of grant	10 years
— on 1 September 2021	2,450,000	Three years from the date of grant	10 years
— on 1 September 2021	2,450,000	Four years from the date of grant	10 years
Total share options granted	9,800,000		

(b) The number and weighted average exercise prices of share options are as follows:

	At 30 June 2023		At 31 December 2022	
	Weighted average exercise price	Number of options '000	Weighted average exercise price	Number of options '000
Outstanding at the beginning of the period/year	HK\$8.264	8,800	HK\$8.264	8,800
Granted during the period/year	—	—	—	—
Forfeited during the period/year	—	—	—	—
Outstanding at the end of the period/year	HK\$8.264	8,800	HK\$8.264	8,800
Exercisable at the end of the period/year	HK\$8.264	2,200	HK\$8.264	2,200

No options were exercised during the six months ended 30 June 2023(2022: RMB nil). Total expenses of RMB4,249,000 (six months ended 30 June 2022: RMB8,177,000) were recognised as staff costs during the six months ended 30 June 2023.

## Notes to the Unaudited Interim Financial Report

### 21 Capital, reserves and dividends

#### (a) Dividends

- (i) No interim dividend was proposed after the end of reporting periods of six months ended 30 June 2023 and 2022.
- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period.

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.03 per ordinary share (six months ended 30 June 2022: RMB0.22 per ordinary share)	18,675	136,950

#### (iii) Other dividends

During the six months ended 30 June 2023, no dividends were declared and paid by subsidiaries of the Group to non-controlling shareholders (six months ended 30 June 2022: RMB120,000,000).

#### (b) Share capital

The share capital of the Group represents the issued capital of the Company at the end of the respective reporting periods.

Movements in the authorised share capital of the Company during the period are as follows:

	At 30 June 2023		At 31 December 2022	
	Number of shares (thousand)	Amount HK\$('000)	Number of shares (thousand)	Amount HK\$('000)
<b>Ordinary shares, authorised:</b>				
Ordinary shares of HK\$0.01 each	622,500	6,225	622,500	6,225
<b>Ordinary shares, issued and fully paid:</b>				
At 31 December 2022 and 30 June 2023	622,500	6,225	622,500	6,225
RMB equivalent ('000)		5,180		5,180



## Notes to the Unaudited Interim Financial Report

### 22 Commitments

Capital commitments outstanding at 30 June 2023 not provided for in the interim financial report:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Contracted, but not provided for:		
Property, plant and equipment	5,653	14,544

### 23 Material related party transactions

During the six months ended 30 June 2023, the directors are of the view that the following individual/companies are related parties of the Group:

Name of related parties	Relationship
Mr. Chou Patrick Hsiao-Po 周小波先生	Controlling shareholder of the Company
Chou Dynasty Holding Co., Ltd.	Controlling shareholder of the Company
Beijing Zhoushi Xingye International Trading Co., Ltd. 北京周氏興業國際貿易有限公司	A fellow subsidiary
Beijing Zhoushi Xingye Branding and Management Co., Ltd. 北京周氏興業品牌管理有限公司	A fellow subsidiary
Beijing Zhoushi Xingye Enterprise Management Co., Ltd. 北京周氏興業企業管理有限公司	A fellow subsidiary
Oule (Hangzhou) Automobile Technology Co., Ltd. 歐樂(杭州)汽車科技有限公司	A fellow subsidiary
eCapital (China) Leasing Co., Ltd. 易匯資本(中國)融資租賃有限公司	A fellow subsidiary
Beijing Xiaobo Technology Co., Ltd. 北京小波科技有限公司	A fellow subsidiary
Baiche Dianping (Beijing) Information Technology Co., Ltd. 百車點評(北京)信息科技有限公司	A fellow subsidiary
Tianjin Zhoushi International Trade Co., Ltd. 天津周氏國際貿易有限公司	A fellow subsidiary
Chou International Investment Co., Limited 周氏國際投資有限公司	A fellow subsidiary
BetterLife (China) Investment Co., Limited 百得利(中國)投資有限公司	A fellow subsidiary
Tianjin Zhoushi Xingye Leasing Co., Ltd. 天津周氏興業租賃有限公司	A fellow subsidiary
BetterLife Global Auctioneering Co., Ltd. 百得利環球拍賣有限責任公司	A fellow subsidiary
Beijing eCapital Kechuang Technology Group Ltd. (formerly known as eCapital Technology Development Group Ltd.) 北京易匯科創科技集團有限公司(前稱易匯科創集團有限公司)	Controlled by the brother of the controlling shareholder
Sichuan Chuanwu Automobile Import and Export Trade Corporation 四川省川物汽車進出口貿易總公司	A fellow subsidiary of non-controlling interests
Chengdu Chuanwu Investment Co., Ltd. 成都川物投資有限責任公司	Non-controlling interests
Chengdu Riyue Industrial Development Co., Ltd. 成都日月產業發展股份有限公司	Jointly controlled by a fellow subsidiary and non-controlling interests

## Notes to the Unaudited Interim Financial Report

### 23 Material related party transactions (Continued)

#### (a) Transactions with related parties

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties for the six months ended 30 June 2023 and 2022:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Lease payments:</b>		
Oule (Hangzhou) Automobile Technology Co., Ltd.	1,186	1,186
Beijing Zhoushi Xingye Enterprise Management Co., Ltd.	10,664	10,033
Beijing Zhoushi Xingye International Trading Co., Ltd.	627	627
Tianjin Zhoushi International Trade Co., Ltd.	2,284	2,284
Chengdu Riyue Industrial Development Co., Ltd.	631	545
	<b>15,392</b>	<b>14,675</b>
<b>Commission income from:</b>		
eCapital (China) Leasing Co., Ltd.	654	705
<b>Sales of motor vehicles:</b>		
eCapital (China) Leasing Co., Ltd.	49,294	38,405
<b>Vehicle repair and maintenance income from:</b>		
eCapital (China) Leasing Co., Ltd.	5	163

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Purchase of services and goods from:</b>		
Beijing Xiaobo Technology Co., Ltd.	1,773	1,848
Beijing Zhoushi Xingye Enterprise Management Co., Ltd.	7,646	7,331
Tianjin Zhoushi International Trade Co., Ltd.	182	221
Chengdu Riyue Industrial Development Co., Ltd.	12	—
	<b>9,613</b>	<b>9,400</b>
<b>Interest expense on sale and lease-back transactions:</b>		
eCapital (China) Leasing Co., Ltd.	326	579



## Notes to the Unaudited Interim Financial Report

### 23 Material related party transactions (Continued)

#### (b) Rental services

Based on IFRS 16, the minimum amount of rent payable by the Group to related parties under the terms of the arrangement in connection with its use of land use rights and buildings had resulted in recognition of a lease liability with the balance of RMB23,624,000 (as at 31 December 2022: RMB26,926,000) and a right-of-use asset with the balance of RMB27,633,000 as at 30 June 2023 (as at 31 December 2022: RMB40,283,000). In addition, the Group recorded depreciation of right-of-use asset of RMB12,650,000 (for the six months ended 30 June 2022: RMB13,046,000) and interest expense of RMB730,000 (for the six months ended 30 June 2022: RMB2,071,000) in its consolidated statement of profit or loss for the six months ended 30 June 2023.

The total amounts of lease payments and payable incurred by the Group under the lease arrangement with related parties for the six months ended 30 June 2023 were RMB15,021,000 (for the six months ended 30 June 2022: RMB14,760,000).

#### (c) Other transactions with related parties

(i) During the six months ended 30 June 2023, the Group sold its motor vehicles to eCapital (China) Leasing Co., Ltd., which were leased back for use by the Group. The proceeds from the sale and lease-back transactions amounted to approximately RMB16,374,000 for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB8,504,000). Lease payments of the sale and lease-back transactions amounted to approximately RMB8,750,000 for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB8,752,000). The annual interest rates of the sale and lease-back transactions ranged from 5.88% to 14.55%. In addition, rental fees of utilising the license plates owned by eCapital (China) Leasing Co., Ltd. amounting to approximately RMB700,000 for the six months ended 30 June 2023 (for the six months ended 30 June 2022: RMB464,000), were incurred.

As at 30 June 2023, sale and lease-back liabilities with eCapital (China) Leasing Co., Ltd. were RMB17,042,000 (31 December 2022: RMB9,092,000).

(ii) During the six months ended 30 June 2023, the Group sold its motor vehicles to certain customers and then the customers carried out mortgage arrangements with eCapital (China) Leasing Co., Ltd. The proceeds from sales of motor vehicles of RMB15,942,000 (for the six months ended 30 June 2022: RMB12,999,000) were then paid by eCapital (China) Leasing Co., Ltd. on behalf of these customers.

## Notes to the Unaudited Interim Financial Report

### 23 Material related party transactions (Continued)

#### (d) Balances with related parties

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Amounts due from related parties:</b>		
eCapital (China) Leasing Co., Ltd.	7,962	3,882
Beijing Zhoushi Xingye Enterprise Management Co., Ltd.	5,474	5,183
	<b>13,436</b>	9,065
<b>Amounts due to related parties:</b>		
eCapital (China) Leasing Co., Ltd.	17,633	10,205
Beijing Xiaobo Technology Co., Ltd.	—	9
Beijing Zhoushi Xingye Enterprise Management Co., Ltd.	135	—
	<b>17,768</b>	10,214

#### (e) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Short-term employee benefits	2,708	3,125
Contributions to defined contribution retirement plans	109	123
Equity settled share-based transactions (Note 20)	4,249	8,177
	<b>7,066</b>	11,425



百得利控股有限公司  
BetterLife Holding Limited