China Yongda Automobiles Services Holdings Limited
（中國永達汽車服務控股有限公司）
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 03669)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board of directors (the "**Board**") of China Yongda Automobiles Services Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (together, the "**Group**", "**we**" or "**us**") for the six months ended June 30, 2024, together with comparative figures for the six months ended June 30, 2023.

FINANCIAL HIGHLIGHTS OF THE GROUP

- Revenue for the six months ended June 30, 2024 was RMB31,036 million, a 13.0% decrease from RMB35,684 million for the six months ended June 30, 2023.
- Revenue from new vehicles distribution for the six months ended June 30, 2024 was RMB22,911 million, a 15.3% decrease from RMB27,043 million for the six months ended June 30, 2023.
- The repair and maintenance related revenue for the six months ended June 30, 2024 was RMB4,654 million, a 0.2% increase from RMB4,643 million for the six months ended June 30, 2023.
- Transactional volume of pre-owned vehicles for the six months ended June 30, 2024 was 35,236 units, a 14.2% decrease from 41,084 units for the six months ended June 30, 2023.
- The total amount of selling expenses, administrative expenses and finance costs for the six months ended June 30, 2024 was RMB2,568 million, a 15.6% decrease from RMB3,042 million for the six months ended June 30, 2023.
- Net profit for the six months ended June 30, 2024 was RMB101 million, a 76.1% decrease from RMB425 million for the six months ended June 30, 2023.

- Net profit attributable to the owners of the Company for the six months ended June 30, 2024 was RMB111 million, a 72.6% decrease from RMB407 million for the six months ended June 30, 2023.

- Turnover days of inventories for the six months ended June 30, 2024 was 26.7 days.

- Net cash generated from operating activities for the six months ended June 30, 2024 was RMB699 million.

- The net gearing ratio as of June 30, 2024 was 12.5%, which was basically the same as 12.2% as of December 31, 2023.

MANAGEMENT DISCUSSION & ANALYSIS

MARKET REVIEW

According to the data from the China Passenger Cars Association (the "**CPCA**"), in the first half of 2024, the narrowly defined retail sales of passenger vehicles reached 9.839 million units, representing a year-on-year increase of 3.2%. Among them, the cumulative sales volume of luxury passenger vehicles in the first half of the year reached 2.522 million units, representing a year-on-year increase of 10.8%, with the growth rate of luxury new energy vehicles remaining relatively high, and the growth in the sales volume of traditional luxury car brands being relatively weak. Overall, the domestic passenger vehicle market became increasingly competitive in the first half of 2024, and the sales targets of various brands were set too high in the face of weaker overall demand, with major automakers, including new energy vehicle brands, lowering prices to boost sales and capture market share, resulting in a serious oversupply situation.

The new energy vehicle market continued to grow in the first half of 2024. According to the data from the CPCA, the retail sales of new energy vehicles in the first half of 2024 in China amounted to 4.111 million units, representing a year-on-year increase of 33.1%, with a market penetration rate of nearly 42%, in which BYD continued to lead the market in the first half of 2024. In addition to BYD, Chinese brands such as Geely, Li Auto, and AITO also performed well in the new energy vehicle market, realizing larger year-on-year growth.

According to the statistics of the China Automobile Dealers Association (中國汽車流通協會), in the first half of 2024, the transaction volume of pre-owned vehicles in China reached 9.383 million units, representing a year-on-year increase of 7.0%. The growing domestic vehicle ownership and a series of the PRC government policies on the distribution of pre-owned vehicles in recent years, such as the simplification of transfer procedures and the abolition of restrictions on relocation, further boosted the overall market growth. In addition, the overall profitability of pre-owned vehicles in the first half of 2024 was significantly affected by the price war of new vehicles, which to a certain extent limited the growth rate of the business.

According to the statistics of the Traffic Management Bureau of the Ministry of Public Security of the PRC (中國公安部交通管理局), as at the end of June 2024, the motor vehicle ownership in China reached 440 million, of which 345 million were automobiles, and there were 24.72 million new energy vehicles, accounting for 7.2% of the total number of automobiles, of which 18.134 million were purely electric vehicles, accounting for 73.4% of the total number of new energy vehicles. Domestic motor vehicle ownership has maintained a trend of continuous growth, along with the next phase of the renewal policy, the overall structure of vehicle ownership will continue to be optimized, the automotive aftermarket is still a growing trillion-dollar market.

In March 2024, the State Council of the PRC issued the Action Plan for Promoting Large-scale Equipment Renewal and Consumer Goods Replacement (《推動大規模設備更新和消費品以舊換新行動方案》), proposing to orderly promote the renewal and reconstruction of equipment in key industries and the equipment in traffic and transportation sector, and to actively carry out the replacement of automobiles, household electrical appliances and other consumer goods, so as to form the scale effect of renewal and replacement. Targeting to double the recycling volume of scrap vehicles by 2027 as compared to 2023 and to increase the transaction volume of pre-owned vehicles by 45% as compared to 2023. In July 2024, Shanghai released the Action Plan for Accelerating Vehicle Renewal and Consumption in Shanghai (2024-2027) (《上海市加快汽車更新消費行動方案(2024-2027年)》), which clearly indicates that the unified deployment will be carried out in accordance with the automobile replacement policy implemented by the State, meanwhile, it can be overlapped with the implementation of the new round of subsidies for the replacement of old vehicles with new ones, and the replacement policy for new energy vehicles in Shanghai. The above policies of replacing old vehicles with new ones will continue to promote the overall car market in the medium and long term.

BUSINESS REVIEW

In the first half of 2024, our revenue amounted to RMB31,036 million, representing a decrease of 13.0% as compared to the corresponding period in 2023. In the first half of 2024, our gross profit amounted to RMB2,584 million, representing a decrease of RMB838.0 million or 24.5% as compared with the corresponding period in 2023, among which the gross profit from the sales of new vehicles and related services decreased by RMB726.0 million or 64.8% year-on-year.

In the first half of 2024, the selling expenses, administrative expenses and financing costs totaled RMB2,568 million, representing a year-on-year decrease of RMB474.0 million or 15.6%.

As a result of the decrease in gross profit from new vehicle sales and related services, our net profit and net profit attributable to owners of the Company for the first half of 2024 amounted to RMB101 million and RMB111 million, representing a decrease of RMB323 million and RMB295 million, or a decrease of 76.1% and 72.6%, compared with that for the corresponding period in 2023, respectively.

In the first half of 2024, we continued to implement strict control over the pace of our inventory purchases and sales and the amount of capital expended. As of June 30, 2024, our inventory balance amounted to RMB3,955 million, representing a decrease of 9.4% as compared with that at the end of 2023. We maintained a relatively healthy inventory turnover of 26.7 days. In the first half of 2024, our net cash from operating activities was RMB699 million, and our net gearing ratio as of June 30, 2024 was 12.5%.

Set forth below is a summary of our business development in the first half of 2024:

New Vehicle Sales Business

The sales volume of new vehicles in the first half of 2024 amounted to 83,698 units, representing a year-on-year decrease of 7.4%. In the first half of 2024, revenue from new vehicle sales and related services amounted to RMB23,984 million and gross profit margin from new vehicle sales and related services was 1.64%. Due to factors such as the impact of the price war for new vehicles and the lack of launching of new vehicle models, as well as the fact that new energy brands have ensured the competitiveness of their new products and the growth of their business scale through continuous technological innovations, while at this stage, in the context of the policy of different taxes on oil and electricity, and different rights, the sales volume and gross profit of new vehicles of traditional branded automobile enterprises, such as BMW and Porsche, declined on a year-on-year basis.

In the first half of 2024, we maintained a healthy level of 26.2 days of turnaround time for new vehicles. At this stage, the terminal prices in the automobile market are more volatile, resulting in longer lead times for order fulfillment and delivery of new vehicles, however, we have further strengthened the control of inventory funds for new vehicles and used this as a management tool to effectively and timely intervene in the management of the import, sale and inventory of new vehicles as well as the disposal of overdue inventory, and meanwhile, we actively launched a mechanism for resource planning and deployment among enterprises of the same brand to effectively enhance the satisfaction of the resource needs of customers with orders and maximizing the turnover efficiency of new vehicles.

After-sales Business

Our after-sales service business achieved revenue of RMB4,778 million in the first half of 2024, representing a decrease of 0.3% as compared with the corresponding period in 2023. Among them, the revenue from repair and maintenance related services was RMB4,654 million, representing an increase of 0.2% as compared with the corresponding period in 2023. Excluding the factors of closure and transition of enterprises, the revenue from our repair and maintenance related services of continuing enterprises achieved year-on-year improvement of 3.6% in the first half of 2024. In the first half of 2024, the gross profit margin of our repair and maintenance related services was 40.69%, essentially unchanged from the same period in 2023. In the first half of 2024, the absorption rate of retail services was 78.56%, representing an increase of 11.22 percentage points as compared with the corresponding period in 2023.

In terms of user operations, with the increasing penetration and utilization of user-side adhesive products, combined with the deepening application of digital tools for user operations, we have further strengthened our ability and effectiveness in managing the full lifecycle of our users, thus ensuring that the size of the user base under our management will continue to increase.

In terms of the electrical and mechanical maintenance business, by adjusting the business structure, we have been able to effectively improve the gross profit margin of our electrical and mechanical maintenance business while meeting the demand of users for vehicle maintenance and electrical and mechanical repairs.

In terms of the insurance business, we insisted on improving the quality of our insurance business to cope with the year-on-year decrease in insurance commissions due to the decline in new vehicle sales. In terms of the new insurance business, by increasing the amount of third party insurance coverage and the enrollment rate of the non-auto insurance business, we achieved year-on-year increase in unit premium for new vehicles in the first half of 2024. In terms of the insurance renewal, we strengthened process control to effectively control renewal costs while ensuring scale, and in the first half of 2024, we achieved a year-on-year increase in the number of insurance renewals and gross profit margin.

In terms of accident vehicle business, we insisted on continuously improving the quality of our accident vehicle business operations through full marketing of accident claims, vehicle related insurance products and the application of digital management tools. On this basis, we launched a pilot middle-end operation model for accident claims in Shanghai to further enhance the capacity and efficiency of our claims operations. Meanwhile, we took the initiative to communicate with insurance companies and launched a "maintenance instead of replacement" pilot cooperation to realize a win-win situation between us and the insurance companies, laying the foundation for a long-term strategic partnership. In the first half of 2024, we achieved a year-on-year growth in revenue from our accident vehicle business.

In terms of inventory efficiency control, we adjusted our procurement strategy in a timely manner based on the trend of changes in our business and the ex-warehouse frequency of various types of spare parts and supplies, and strictly controlled use of prepayments the procurement of non-recurring spare parts and supplies, which resulted in a decrease in the amount of spare parts and supplies in stock (including prepayment) as at the end of June 2024 as compared with that as at the end of 2023.

Pre-owned Vehicle Business

In the first half of 2024, we adopted the business strategy of "stable operation, efficient turnover, strict risk control and transformation and development", proactively resolved the corresponding systemic risks brought by the rapid downturn of new vehicle market to the pre-owned vehicle business, and actively responded to the opportunities and challenges of the new energy pre-owned business scenario. We made positive progress in consolidating inventories, business innovation, efficiency optimization and other aspects. In the first half of 2024, our pre-owned vehicles transaction volume was 35,236 units, representing a year-on-year decrease of 14.2%, of which the distribution volume was 17,025 units, representing a year-on-year decrease of 14.5%, and the revenue from distribution amounted to RMB2,064 million, representing a year-on-year decrease of 15.8%; the gross profit from distribution amounted to RMB116 million, representing a year-on-year decrease of 27.5%; the average distribution revenue per unit was RMB121,000, and the gross profit margin from distribution was 5.61%. Despite the adverse market environment with severe fluctuations, we have maintained a steady increase in the new-to-pre-owned ratio and the proportion of retail business, as well as a healthy and efficient inventory turnover, which has ensured business scale and profitability.

We continued to deepen the "2+1" new retail business model of pre-owned vehicles, and achieved the digital and platform-based business layout with online and offline integration. We continued to strengthen digital operation capabilities by actively building a marketing matrix that combines official websites, new media and vertical media to promote online transactions. We established a regionally centralized pre-owned vehicles renovation center to significantly improve renovation and turnover efficiency. We developed the pre-owned vehicles retail business to drive the growth of extended businesses such as finance and insurance, and promoted comprehensive profitability and customer retention scale of pre-owned vehicles. We implemented a refined inventory turnover management system, and controlled business risks through strict turnover and fund management, so as to maintain healthy inventory and efficient operations.

We actively utilized various subsidy policies to carry out replacement business, and boosted new vehicle sales with a stable high replacement rate. Besides, we actively explored and captured incremental opportunities in the inventory market, and innovated business models, including 1) cooperating with many new energy vehicle brands on bulk vehicle sources to help manufacturers carry out subscription, leasing and sale, vehicle disposal and stabilize residual values, as well as to bring stable and high-quality retail vehicle sources to our own channels; 2) accelerating the deployment of new channels for new energy pre-owned vehicles, and cooperating with a number of new energy manufacturers on new channels for pre-owned vehicle replacement and retailing; 3) implementing centralized pricing and disposal models of pre-owned vehicles, and exploring open, market-oriented and platform-based operations; 4) actively promoting the export of pre-owned vehicles to realize a diversified sales strategy.

New Energy Vehicle Business

In the first half of 2024, we further adjusted and focused on independent new energy brands. In the first half of 2024, we further closed certain less efficient city showrooms and focused our development efforts on leading independent new energy brands with core product competitiveness and high brand awareness. We also successfully undertook business during the hot selling period of new products such as AITO M9 and Xiaomi SU7 during the period.

In terms of sales volume, in the first half of 2024, the sales volume of our new energy vehicles of all brands reached 14,467 units, representing a year-on-year decrease of 10.9%. In particular, the sales volume of independent new energy vehicle brand segment reached 6,923 units in the first half of 2024, of which 4,298 units were sold under the dealership model and 2,625 units were sold under the direct sales model. With the launch of high-value models such as AITO M9, the average selling price of new vehicles in the first half of 2024 increased to RMB274,000 from RMB238,000 in the second half of 2023, and the comprehensive gross profit per new unit also increased to RMB13,100. In the first half of 2024, we focused on building sales store efficiency and personnel efficiency, and achieved significant improvement. With the popularity of some models of agency brands, as of the first half of 2024, the retained orders of independent new energy brands increased significantly compared to the end of 2023, laying the foundation for sustained business growth in the second half of 2024.

In terms of after-sales, in the first half of 2024, the after-sales business of independent new energy vehicle brands continued to maintain rapid growth momentum. In the first half of 2024, the repair and maintenance revenue amounted to RMB122.65 million, representing a year-on-year increase of 73.2%, and the average vehicle yield amounted to RMB2,958, representing a year-on-year increase of 19.4%. The number of after-sales customers of independent new energy brands reached 43,567 at the end of June 2024, representing an increase of 121.3% as compared to the end of 2023. At present, the number of after-sales customers of our independent new energy brands is growing at an average rate of 5% per month, and the after-sales business of independent new energy brands is in a rapid growth stage.

Changes of Outlet

In the first half of 2024, we built and opened five outlets, including one Xiaomi, one Xpeng, one Smart and two Zeekr. In addition, we acquired three new licenses for new energy brands. In the first half of 2024, we closed nine stores and further optimized our network distribution.

As at the end of the first half of 2024, we operated a total of 226 outlets, and we have six outlets authorized to open. Based on the analysis of brand structure, luxury brands account for 65.5%, mid-to-high-end brands account for 12.8%, independent new energy brands account for 15.9%, and Yongda Pre-owned Vehicle Malls account for 5.8%.

Set out below are the details and changes of our opened outlets as of June 30, 2024:

	Outlets opened as of December 31, 2023	**Outlets opened as of June 30, 2024**	**Changes of outlet**
4S dealerships of luxury and ultra-luxury brands	133	130	-3
City showrooms of luxury brands	19	18	-1
Sub-total of luxury and ultra-luxury brands outlets	**152**	**148**	**-4**
4S dealerships of mid-to-high-end brands	30	28	-2
City showrooms of mid-to-high-end brands	2	1	-1
Sub-total of mid-to-high-end brands outlets	**32**	**29**	**-3**
4S dealerships of independent new energy brands	31	31	0
Authorized maintenance centers of independent new energy brands	3	5	+2
Sub-total of independent new energy brands outlets	**34**	**36**	**+2**
Outlets of Yongda Pre-owned Vehicle Malls	**13**	**13**	**0**
Total outlets	**231**	**226**	**-5**

Continuous Improvement in Management

The first half of 2024 can be summarized simply by two word "involuntary competition". Price competition, marketing competition and sales volume competition, especially the continuous decline in new vehicle prices, have had a serious impact on both upstream and downstream enterprises in the industry chain. Besides, the economy and consumer demand are still at a low level, and the overall market is severely oversupplied. We expect that it will take a long time for the industry to recover. At present, our operation and management is based on the core principles of efficiency and stability, and the Company has taken the initiative to accelerate adjustments to business and management in response to the market trend.

Accelerated the closure and transformation of unprofitable enterprises to improve asset operating efficiency

In the first half of 2024, we accelerated the structural optimization and adjustment of our existing brand network. In terms of brand agency, we focused on the operation and management improvement of the leading traditional luxury brands and potential independent new energy brands. We accelerated the closure and transformation of smaller and less profitable outlets; in terms of regions, we continued to focus on the optimization of the first-tier and second-tier cities as well as provincial capitals as the core regions for future development. Besides, we actively communicated with brands to accelerate the diversified utilization of existing showrooms and after-sales properties, and further reduce operating costs.

Focused on operating cash flow and core financial indicators to ensure sound operation

In the first half of 2024, we further strengthened cash flow management by collecting all types of receivables and shortening the collection period of receivables while compressing the amount of receivables. In terms of inventory turnover, we strengthened the integration and coordination of resources under the same brand, and ensured that the inventory turnover efficiency was maintained at a higher level. Besides, core financial indicators such as current assets to cover liabilities and net assets to cover long-term assets and other indicators remained at a favorable and healthy level.

Further deepened the work of cost reduction and expense control to ensure the improvement of quality and efficiency of operations

In the first half of 2024, we continued to make management adjustments based on major marketing and administrative expenses such as labor costs, and continued to strengthen the dynamic linkage and control of production-related expenses, which are closely related to our business. Besides, we accelerated the promotion of sharing management models for business, finance and human resources to further improve management efficiency and reduce management costs.

Actively built new media private domain camps to continuously improve marketing efficiency

In the first half of 2024, on the one hand, we continued to maintain the industry leading level on the TikTok platform, while actively developing the operations of WeChat Channel and Xiaohongshu; on the other hand, the Company initiated and promoted the KOS account support policy to further increase the empowerment of various media channels for main business. In the first half of 2024, our total number of sales leads on the new media platforms increased by 53% compared to the same period of last year, extending the rapid growth momentum. The number of followers of the TikTok accounts of our main agent brands enterprises, including new energy brands, ranked first in China.

Accelerated the construction of digital user operation system

In the first half of 2024, we continued to promote user-centric digitalization construction, and is currently promoting the launch of a new digital user operation system. In 2024, we strived to achieve the construction of large and small private user operation systems at both the group and enterprise levels, realize digital closed-loop management of the entire lifecycle of user assets, and fully empower our user operations in the application of AI intelligent tools.

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2024, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

		Six months ended June 30,	
	NOTES	**2024**	2023
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue			
Goods and services	*3A*	**30,820,150**	35,442,779
Rental		**215,684**	241,603
Total revenue	*3B*	**31,035,834**	35,684,382
Cost of sales and services		**(28,451,590)**	(32,261,746)
Gross profit		**2,584,244**	3,422,636
Other income and other gains and losses	*4*	**60,143**	118,862
Distribution and selling expenses		**(1,571,260)**	(1,852,775)
Administrative expenses		**(848,949)**	(1,020,952)
Profit from operations		**224,178**	667,771
Share of profits of joint ventures		**2,239**	524
Share of profits of associates		**47,779**	52,235
Finance costs		**(148,020)**	(168,526)
Profit before tax	*5*	**126,176**	552,004
Income tax expense	*6*	**(24,725)**	(127,180)
Profit for the period		**101,451**	424,824
Profit (loss) for the period attributable to:			
Owners of the Company		**111,450**	406,544
Non-controlling interests		**(9,999)**	18,280
		101,451	424,824
Earning per share -basic	*8*	**RMB0.06**	RMB0.21
Earning per share -diluted	*8*	**RMB0.06**	RMB0.21

Note: The comparative figures in the condensed consolidated statement of revenue and other income and other gains and losses for the period ended June 30, 2023 have been restated in order to conform with the current presentation format.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**101,451**	424,824
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**(1,603)**	184
Total comprehensive income for the period	**99,848**	425,008
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**109,847**	406,728
Non-controlling interests	**(9,999)**	18,280
	99,848	425,008

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2024

	NOTES	**June 30, 2024** *RMB'000* **(Unaudited)**	December 31, 2023 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*9*	**5,655,562**	5,844,615
Right-of-use assets	*9*	**2,815,198**	2,901,480
Goodwill		**1,630,874**	1,630,874
Other intangible assets	*9*	**2,929,149**	2,953,610
Deposits paid for acquisition of property, plant and equipment		**32,632**	34,273
Deposits paid for acquisition of right-of-use assets		**199,286**	108,173
Equity instruments at FVTOCI		**5,141**	6,744
Financial assets at fair value through profit or loss ("**FVTPL**")		**306,523**	334,112
Interests in joint ventures		**45,349**	65,601
Interests in associates		**882,455**	860,474
Deferred tax assets		**409,164**	395,358
Other assets		**115,118**	66,195
Time deposits		**7,500**	600
		15,033,951	15,202,109
Current assets			
Inventories	*10*	**3,954,710**	4,363,154
Trade and other receivables	*11*	**7,424,228**	7,202,559
Amounts due from related parties		**77,029**	91,424
Cash in transit		**102,734**	36,091
Time deposits		**600**	7,500
Restricted bank balances		**2,100,462**	3,589,137
Bank balances and cash		**1,624,843**	2,201,077
		15,284,606	17,490,942

	NOTES	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*12*	**7,734,008**	9,125,044
Amounts due to related parties		**63,691**	70,295
Tax liabilities		**882,237**	962,828
Borrowings		**1,946,976**	2,434,016
Contract liabilities		**1,551,927**	1,724,305
Lease liabilities		**312,502**	242,904
		12,491,341	14,559,392
Net current assets		**2,793,265**	2,931,550
Total assets less current liabilities		**17,827,216**	18,133,659
Non-current liabilities			
Borrowings		**1,471,264**	1,526,584
Lease liabilities		**1,280,158**	1,433,127
Deferred tax liabilities		**768,341**	775,497
		3,519,763	3,735,208
Net assets		**14,307,453**	14,398,451
Capital and reserves			
Share capital		**15,890**	15,963
Treasury shares		**(34,440)**	(12,269)
Reserves		**13,933,161**	13,936,426
Equity attributable to owners of the Company		**13,914,611**	13,940,120
Non-controlling interests		**392,842**	458,331
Total equity		**14,307,453**	14,398,451

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. GENERAL INFORMATION

China Yongda Automobiles Services Holdings Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands on November 7, 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the sale of automobiles and provision of after-sales services, provision of automobile operating lease services, and distribution of automobile insurance products and automobile financial products in the PRC. The Company and its subsidiaries are collectively referred to as the "Group".

The condensed consolidated financial statements are presented in Renminbi (the "**RMB**"), which is the same as the functional currency of the Company.

In addition, the condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("**IFRSs**") and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual periods beginning on January 1, 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to IAS 1	*Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of new vehicles and related services income:		
– Sale of new vehicles of luxury and ultra-luxury brands *(note a)*	**19,100,028**	23,637,843
– Sale of new vehicles of mid-to high-end brands *(note a)*	**2,692,713**	2,798,557
– Sale of new vehicles of independent new energy brands *(note a)*	**1,090,529**	529,349
– Commission income related to sale of new vehicles *(notes b & f)*	**747,761**	674,269
– Others *(notes c & f)*	**325,227**	534,392
	23,956,258	28,174,410
Sale of pre-owned vehicles and related services income:		
– Sale of pre-owned vehicles *(note d)*	**2,063,813**	2,451,947
– Brokerage income related to sale of pre-owned vehicles *(notes d & f)*	**23,605**	27,198
	2,087,418	2,479,145
After-sales services		
– Repair and maintenance related services *(note e)*	**4,652,459**	4,641,029
– Commission income *(notes b & f)*	**124,015**	148,195
	4,776,474	4,789,224
	30,820,150	35,442,779
Geographical markets		
Mainland China	**30,820,150**	35,442,779
Timing of revenue recognition		
A point in time	**26,167,691**	30,240,160
Over time	**4,652,459**	5,202,619
	30,820,150	35,442,779

Notes:

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

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

   Mid-to high-end brands include Buick, Chevrolet, Volkswagen, Ford, Skoda, Toyota, Honda, Roewe, Lynk and others.

   Under the dealership business model, independent new energy brands include BYD, AITO, Great Wall Auto, IM, NETA and others.

b. Commission income related to sale of new vehicles primarily relates to agency income derives from distribution of automobile financial products and brokerage of new vehicles. On the other hand, commission income under after-sales services primarily relates to agency income derives from distribution of automobile insurance products. These revenues are recognized when the agency services have been completed, which is the point of time when the services are accepted by the customers. The normal credit term is 30 to 60 days upon invoiced.

c. Other revenues mainly include sales of decoration products and license plate services related to sale of new vehicles. Revenue on sale of decoration products is recognized when control of the decoration products has been transferred to the customers. For license plate services related to sale of new vehicles, revenue is recognized when the license plate services have been completed, which is the point of time when the vehicle license installation is completed.

d. The Group also carries out pre-owned vehicles sales business. Under the dealership business model, the Group acts as a principal and is responsible for fulfilling the primary obligations of the pre-owned vehicles sales contract and assumes the risks associated with the pre-owned vehicles. The revenue on sale of pre-owned automobile business under the dealership business model is recognized on a gross basis when the controls of the pre-owned vehicles have been transferred. Under the brokerage business model, however, the Group acts as an agent to assist the principal in completing the sales of pre-owned vehicles and do not assume risks related to the pre-owned vehicles. Revenue from brokerage service related to sale of pre-owned vehicles is recognized on a net basis when the services have been completed, which is the point of time when the services are accepted by the customers.

e. For repair and maintenance related services, since the Group's performance enhances the vehicle that within the customer's control, revenue is recognized over time.

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

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

	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Sale of new vehicles and related services income	**Sale of pre-owned vehicles and related services income**	**After-sales services**	Sale of new vehicles and related services income	Sale of pre-owned vehicles and related services income	After-sales services
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Revenue disclosed in segment information						
External customers	**23,956,258**	**2,087,418**	**4,776,474**	28,174,410	2,479,145	4,789,224
Inter-segment	**27,627**	**–**	**1,493**	77,457	–	1,756
Total	**23,983,885**	**2,087,418**	**4,777,967**	28,251,867	2,479,145	4,790,980
Eliminations	**(27,627)**	**–**	**(1,493)**	(77,457)	–	(1,756)
Revenue from contracts with customers	**23,956,258**	**2,087,418**	**4,776,474**	28,174,410	2,479,145	4,789,224

3B. OPERATING SEGMENTS

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

For the six months ended June 30, 2024

	Passenger vehicle sales and services	**Automobile operating lease services**	**Eliminations**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
External revenue	**30,820,150**	**215,684**	**–**	**31,035,834**
Inter-segment revenue	**29,120**	**5,344**	**(34,464)**	**–**
Segment revenue *(note a)*	**30,849,270**	**221,028**	**(34,464)**	**31,035,834**
Segment cost *(note b)*	**(28,298,499)**	**(182,211)**	**29,120**	**(28,451,590)**
Segment gross profit	**2,550,771**	**38,817**	**(5,344)**	**2,584,244**
Other income and other gains and losses				**60,143**
Distribution and selling expenses				**(1,571,260)**
Administrative expenses				**(848,949)**
Finance costs				**(148,020)**
Share of profits of joint ventures				**2,239**
Share of profits of associates				**47,779**
Profit before tax				**126,176**

For the six months ended June 30, 2023

	Passenger vehicle sales and services *RMB'000* (Unaudited)	Automobile operating lease services *RMB'000* (Unaudited)	Eliminations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
External revenue	35,442,779	241,603	–	35,684,382
Inter-segment revenue	79,213	5,519	(84,732)	–
Segment revenue *(note a)*	35,521,992	247,122	(84,732)	35,684,382
Segment cost *(note b)*	(32,166,875)	(174,084)	79,213	(32,261,746)
Segment gross profit	3,355,117	73,038	(5,519)	3,422,636
Other income and other gains and losses				118,862
Distribution and selling expenses				(1,852,775)
Administrative expenses				(1,020,952)
Finance costs				(168,526)
Share of profits of joint ventures				524
Share of profits of associates				52,235
Profit before tax				552,004

Notes:

a. The segment revenue of passenger vehicles sales and services for the six months ended June 30, 2024 was approximately RMB30,849,270,000 (for the six months ended June 30, 2023: RMB35,521,992,000) which included the revenue of sales of new vehicles and related services amounting to approximately RMB23,983,885,000 (for the six months ended June 30, 2023: RMB28,251,867,000), the revenue of sales of pre-owned vehicles and related services amounting to approximately RMB2,087,418,000 (for the six months ended June 30, 2023: RMB2,479,145,000) and the revenue of after-sales services amounting to approximately RMB4,777,967,000 (for the six months ended June 30, 2023: RMB4,790,980,000).

b. The segment cost of passenger vehicles sales and services for the six months ended June 30, 2024 was approximately RMB28,298,499,000 (for the six months ended June 30, 2023: RMB32,166,875,000) which included the cost of sales of new vehicles and related services amounting to approximately RMB23,590,120,000 (for the six months ended June 30, 2023: RMB27,132,265,000), the cost of sales of pre-owned vehicles and related services amounting to approximately RMB1,948,034,000 (for the six months ended June 30, 2023: RMB2,292,255,000) and the cost of after-sales services amounting to approximately RMB2,760,345,000 (for the six months ended June 30, 2023: RMB2,742,355,000).

The accounting policies of the operating segments are the same as those of the Group. Segment result represents the profit before tax earned by each segment without allocation of other income and other gains and losses, distribution and selling expenses, administrative expenses, finance costs, share of profits of joint ventures and share of profits of associates. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment. No analysis of segment assets and liabilities is presented as they are not regularly reviewed by the executive directors of the Company.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income comprises:		
Government grants *(note a)*	**10,077**	13,068
Interest income on bank deposits	**21,982**	18,066
	32,059	31,134
Other gains and losses comprise:		
Gain (loss) on disposal of property, plant and equipment and other intangible assets	**3,655**	(10,729)
Loss on fair value change of financial assets at FVTPL	**(11,278)**	(192)
Gain on compensation income *(note b)*	**28,707**	–
Net foreign exchange gain	**128**	7,536
Net loss on changes in fair value of derivative financial instruments	**–**	(3,878)
(Loss) gain on disposal of subsidiaries	**(7,957)**	95,877
Others	**14,829**	(886)
	28,084	87,728
Total	**60,143**	118,862

Notes:

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

b. Compensation received related to breach of lease contract by a counterparty.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs, including directors' remuneration:		
Salaries, wages and other benefits	**892,911**	1,022,752
Retirement benefits scheme contributions	**81,616**	97,729
Share-based payment expenses	**8,968**	26,991
Total staff costs	**983,495**	1,147,472
Depreciation of property, plant and equipment	**359,705**	407,505
Depreciation of right-of-use assets	**189,921**	186,154
Amortization of other intangible assets	**59,780**	51,675

6. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**48,929**	196,614
(Over) under provision of PRC EIT in prior years	**(3,242)**	5,967
	45,687	202,581
Deferred tax		
Current period credit	**(20,962)**	(75,401)
	24,725	127,180

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

Grouprich International Investment Holdings Limited and Hongda Automobiles Co., Ltd, both subsidiaries of the Company, are incorporated in Hong Kong and had no assessable profits subject to Hong Kong Profits Tax during the six months ended June 30, 2024 and 2023.

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

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from January 1, 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries amounting to RMB7,375,189,000 (2023: RMB8,886,579,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

7. DIVIDENDS

During the current interim period, a final dividend of RMB0.052 per share in respect of the year ended December 31, 2023 (2022: RMB0.292 per share) was declared and paid to the owners of the Company in Hong Kong dollars (the "**HK$**"). The aggregate amount of the 2023 final dividend declared and paid in the interim period amounted to approximately RMB102,493,000 (for the six months ended June 30, 2023: RMB575,981,000).

The board of directors of the Company has determined that a dividend of RMB0.059 per share will be paid in respect of the interim period for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB0.105 per share).

8. EARNINGS PER SHARE

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

	For the six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings figures are calculated as follows:		
Profit for the period attributable to owners of the Company	**111,450**	406,544

	For the six months ended June 30,	
	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,927,921**	1,948,591
Effect of dilutive potential ordinary shares:		
Restricted shares	**–**	475
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,927,921**	1,949,066

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

Property, plant and equipment

During the current interim period, the Group acquired property, plant and equipment of approximately RMB670,064,000 (for the six months ended June 30, 2023: RMB883,162,000).

During the current interim period, the Group disposed of property, plant and equipment with a carrying amount of approximately RMB471,265,000 (for the six months ended June 30, 2023: RMB319,367,000) for cash proceeds of approximately RMB478,639,000 (for the six months ended June 30, 2023: RMB308,638,000), resulting in a gain on disposal of approximately RMB7,374,000 (for the six months ended June 30, 2023: loss of RMB10,729,000).

Right-of-use assets

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Leased properties	**1,666,707**	1,730,449
Leasehold land	**1,148,491**	1,171,031
	2,815,198	2,901,480

During the current interim period, the Group entered into several new lease agreements for the use of operation ranging from 2 years to 20 years (for six months ended June 30, 2023: 2 years to 20 years). On lease commencement, the Group recognized right-of-use assets of approximately RMB179,120,000 (for six months ended June 30, 2023: RMB160,085,000).

Other intangible assets

During the current interim period, the Group acquired other intangible assets at a cash consideration of RMB53,577,000 (for six months ended June 30, 2023: RMB66,132,000).

10. INVENTORIES

	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Motor vehicles	**3,438,597**	3,837,663
Spare parts and accessories	**516,113**	525,491
	3,954,710	4,363,154

11. TRADE AND OTHER RECEIVABLES

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

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

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

	June 30, 2024 *RMB'000* **(Unaudited)**	December 31, 2023 *RMB'000* (Audited)
Trade receivables	**1,029,350**	982,857
Bills receivables	**932**	2,962
	1,030,282	985,819
Prepayments and other receivables comprise:		
Prepayments to suppliers	**2,524,297**	1,761,915
Deposits to suppliers	**248,195**	392,409
Deposits to entities controlled by suppliers for borrowings	**73,655**	87,939
Prepayments and rental deposits on properties	**176,831**	184,642
Rebate receivables from suppliers	**2,353,811**	2,893,480
Finance and insurance commission receivables	**328,572**	352,684
Staff advances	**5,861**	2,817
Value-added tax recoverable	**294,521**	219,676
Advances to non-controlling interests *(note)*	**37,000**	37,000
Advances to independent third parties *(note)*	**–**	100
Consideration receivables from disposal of subsidiaries	**28,049**	27,667
Others	**323,154**	256,411
	6,393,946	6,216,740
	7,424,228	7,202,559

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

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

	June 30, 2024 *RMB'000* **(Unaudited)**	December 31, 2023 *RMB'000* (Audited)
0 to 90 days	**1,030,282**	985,819

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

12. TRADE AND OTHER PAYABLES

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current		
Trade payables	**917,951**	967,416
Bills payables	**6,292,718**	7,380,234
	7,210,669	8,347,650
Other payables		
Other tax payables	**73,135**	114,275
Payable for acquisition of property, plant and equipment	**44,494**	56,131
Salary and welfare payables	**66,012**	221,590
Accrued interest	**2,517**	3,933
Accrued audit fee	**2,200**	5,320
Consideration payables for acquisition of subsidiaries	**–**	789
Advance from non-controlling interests *(note)*	**31,626**	33,669
Advance from third parties *(note)*	**6,611**	7,830
Other accrued expenses	**96,816**	60,438
Deposits received from disposal of subsidiaries	**18,000**	–
Others	**181,928**	273,419
	523,339	777,394
	7,734,008	9,125,044

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

The Group's trade payables mainly relate to purchase of spare parts and accessories. A credit period not exceeding 90 days is generally granted by certain suppliers to the Group for the purchase of spare parts and accessories. Bills payables primarily relate to the Group's use of bank acceptance notes to finance its purchase of passenger vehicles, with a credit period of one to six months.

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

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 90 days	**6,938,825**	7,989,712
91 to 180 days	**271,844**	357,938
	7,210,669	8,347,650

FINANCIAL REVIEW

Revenue

Revenue was RMB31,035.8 million for the six months ended June 30, 2024, representing a 13.0% decrease from RMB35,684.4 million for the six months ended June 30, 2023. The decrease in revenue was mainly due to the year-on-year decrease in new vehicles sales volume and average selling price of luxury and ultra-luxury brands. The table below sets forth a breakdown of our revenue and relevant information of various business segments for the periods indicated:

	First half of 2024			First half of 2023		
	Amount *(RMB'000)*	**Sales Volume** *(Unit)*	**Average Selling Price** *(RMB'000)*	Amount *(RMB'000)*	Sales Volume *(Unit)*	Average Selling Price *(RMB'000)*
Revenue from sales of new vehicles						
Luxury and ultra-luxury brands	**19,106,328**	**55,268**	**346**	23,671,537	62,233	380
Mid- to high-end brands	**2,714,040**	**21,507**	**126**	2,842,320	20,502	139
Independent new energy brands (distribution model)	**1,090,529**	**4,298**	**254**	529,349	3,024	175
Sub-total	**22,910,897**	**81,073**	**283**	27,043,206	85,759	315
Commission income related to new vehicle sales	**747,761**			674,269		
Others	**325,227**			534,392		
Sub-total revenue from sales of new vehicles and related services	**23,983,885**			28,251,867		
Sales of pre-owned vehicles	**2,063,813**	**17,025**	**121**	2,451,947	19,916	123
Brokerage income related to sales of pre-owned vehicles	**23,605**			27,198		
Sub-total revenue from sales of pre-owned vehicles and related services	**2,087,418**			2,479,145		
Repair and maintenance related services	**4,653,952**			4,642,785		
Commission income	**124,015**			148,195		
Sub-total revenue from after-sales services	**4,777,967**			4,790,980		
Automobile operating lease services	**221,028**			247,122		
Less: inter-segment eliminations	**(34,464)**			(84,732)		
Total	**31,035,834**			35,684,382		

Note: The comparative figures in revenue, cost of sales and services, and other income and other gains and losses for the period ended June 30, 2023 have been restated in order to conform with the current presentation format.

The distribution sales volume of new vehicles of the passenger vehicle sales and services segment was 81,073 units for the six months ended June 30, 2024, a 5.5% decrease from 85,759 units for the six months ended June 30, 2023.

Among them, the distribution sales volume of luxury and ultra-luxury brand new vehicles was 55,268 units for the six months ended June 30, 2024, a 11.2% decrease from 62,233 units for the six months ended June 30, 2023.

Revenue from sales of new vehicles of the passenger vehicle sales and services segment was RMB22,910.9 million for the six months ended June 30, 2024, a 15.3% decrease from RMB27,043.2 million for the six months ended June 30, 2023.

Among them, revenue from sales of luxury and ultra-luxury brand new vehicles was RMB19,106.3 million for the six months ended June 30, 2024, a 19.3% decrease from RMB23,671.5 million for the six months ended June 30, 2023.

Commission income related to the sales of new vehicles of the passenger vehicle sales and services segment was RMB747.8 million for the six months ended June 30, 2024, a 10.9% increase from RMB674.3 million for the six months ended June 30, 2023.

The sales volume of direct agency sales of independent new energy brand vehicles was 2,625 units for the six months ended June 30, 2024, a 43.7% decrease from 4,663 units for the six months ended June 30, 2023.

Other revenue related to new vehicles of the passenger vehicle sales and services segment was RMB325.2 million for the six months ended June 30, 2024, a 39.1% decrease from RMB534.4 million for the six months ended June 30, 2023.

Total revenue from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB23,983.9 million for the six months ended June 30, 2024, a 15.1% decrease from RMB28,251.9 million for the six months ended June 30, 2023.

The distribution volume of pre-owned vehicles was 17,025 units for the six months ended June 30, 2024, a 14.5% decrease from 19,916 units for the six months ended June 30, 2023.

Revenue from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB2,063.8 million for the six months ended June 30, 2024, a 15.8% decrease from RMB2,451.9 million for the six months ended June 30, 2023.

Brokerage income from sales of pre-owned vehicles of the passenger vehicle sales and services segment was RMB23.6 million for the six months ended June 30, 2024, a 13.2% decrease from RMB27.2 million for the six months ended June 30, 2023.

Revenue from after-sales services for the passenger vehicle sales and services segment was RMB4,778.0 million for the six months ended June 30, 2024, a 0.3% decrease from RMB4,791.0 million for the six months ended June 30, 2023.

Among them, the revenue from repair and maintenance related services was RMB4,654.0 million for the six months ended June 30, 2024, a 0.2% increase from RMB4,642.8 million for the six months ended June 30, 2023.

Among them, the commission income was RMB124.0 million for the six months ended June 30, 2024, a 16.3% decrease from RMB148.2 million for the six months ended June 30, 2023.

Revenue from the automobile operating lease services segment was RMB221.0 million for the six months ended June 30, 2024, a 10.6% decrease from RMB247.1 million for the six months ended June 30, 2023.

Cost of Sales and Services

Cost of sales and services was RMB28,451.6 million for the six months ended June 30, 2024, a 11.8% decrease from RMB32,261.7 million for the six months ended June 30, 2023.

Cost of sales of new vehicles and cost of related services of the passenger vehicle sales and services segment was RMB23,590.1 million for the six months ended June 30, 2024, a 13.1% decrease from RMB27,132.3 million for the six months ended June 30, 2023.

Cost of sales of pre-owned vehicles and cost of related services was RMB1,948.0 million for the six months ended June 30, 2024, a 15.0% decrease from RMB2,292.3 million for the six months ended June 30, 2023.

Cost of after-sales services for the passenger vehicle sales and services segment was RMB2,760.3 million for the six months ended June 30, 2024, a 0.7% increase from RMB2,742.4 million for the six months ended June 30, 2023.

Cost of services for the automobile operating lease services segment was RMB182.2 million for the six months ended June 30, 2024, a 4.7% increase from RMB174.1 million for the six months ended June 30, 2023.

Gross Profit and Gross Profit Margin

As a result of the foregoing, gross profit was RMB2,584.2 million for the six months ended June 30, 2024, a 24.5% decrease from RMB3,422.6 million for the six months ended June 30, 2023.

Gross profit margin was 8.33% for the six months ended June 30, 2024, a decrease of 1.26 percentage points from the gross profit margin of 9.59% for the six months ended June 30, 2023. The decrease in gross margin was mainly due to the decline in gross profit margin of new vehicles as a result of the decline in new vehicle prices.

Gross profit from sales of new vehicles and related services of the passenger vehicle sales and services segment was RMB393.8 million for the six months ended June 30, 2024, a 64.8% decrease from RMB1,119.6 million for the six months ended June 30, 2023.

Gross profit margin for sales of new vehicles and related services decreased to 1.64% for the six months ended June 30, 2024 from 3.96% for the six months ended June 30, 2023.

Gross profit from sales of pre-owned vehicles and related services of the passenger vehicle sales and services segment was RMB139.4 million for the six months ended June 30, 2024, a 25.4% decrease from RMB186.9 million for the six months ended June 30, 2023.

Gross profit margin for distribution of pre-owned vehicles of the passenger vehicle sales and services segment decreased to 5.61% for the six months ended June 30, 2024 from 6.51% for the six months ended June 30, 2023.

Gross profit from after-sales services for the passenger vehicle sales and services segment was RMB2,017.6 million for the six months ended June 30, 2024, a 1.5% decrease from RMB2,048.6 million for the six months ended June 30, 2023.

Gross profit margin for repair and maintenance was 40.69% for the six months ended June 30, 2024, which was basically the same as 40.93% for the six months ended June 30, 2023.

Gross profit from the automobile operating lease services segment was RMB38.8 million for the six months ended June 30, 2024, a 46.9% decrease from RMB73.0 million for the six months ended June 30, 2023.

Gross profit margin for the automobile operating lease services segment was 17.56% for the six months ended June 30, 2024, a decrease of 12.00 percentage points from 29.56% for the six months ended June 30, 2023.

Other Income, Other Gains and Losses

Other income, other gains and losses were net gains of RMB60.1 million for the six months ended June 30, 2024, a 49.4% decrease from RMB118.9 million for the six months ended June 30, 2023.

Distribution and Selling Expenses and Administrative Expenses

Distribution and selling expenses and administrative expenses were RMB2,420.2 million for the six months ended June 30, 2024, a 15.8% decrease from RMB2,873.7 million for the six months ended June 30, 2023.

The ratio of distribution, selling and administrative expenses over revenue was 7.80% for the six months ended June 30, 2024, a decrease of 0.25 percentage points from 8.05% for the six months ended June 30, 2023.

Operating Profit

As a result of the foregoing, operating profit was RMB224.2 million for the six months ended June 30, 2024, a 66.4% decrease from RMB667.8 million for the six months ended June 30, 2023.

Finance Costs

Finance costs were RMB148.0 million for the six months ended June 30, 2024, a 12.2% decrease from RMB168.5 million for the six months ended June 30, 2023.

The percentage of the finance costs to revenue for the six months ended June 30, 2024 was 0.48%, basically unchanged from the percentage of the finance costs to revenue for the six months ended June 30, 2023.

Profit before Tax

As a result of the foregoing, profit before tax was RMB126.2 million for the six months ended June 30, 2024, a 77.1% decrease from RMB552.0 million for the six months ended June 30, 2023.

Income Tax Expense

Income tax expense was RMB24.7 million for the six months ended June 30, 2024, an 80.6% decrease from RMB127.2 million for the six months ended June 30, 2023.

Profit

As a result of the foregoing, the profit was RMB101.5 million for the six months ended June 30, 2024, a 76.1% decrease from RMB424.8 million for the six months ended June 30, 2023.

Profit Attributable to the Owners of the Company

As a result of the foregoing, the profit attributable to the owners of the Company was RMB111.5 million for the six months ended June 30, 2024, a 72.6% decrease from RMB406.5 million for the six months ended June 30, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

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

For the six months ended June 30, 2024, our net cash generated from operating activities was RMB699.2 million, which included cash generated before working capital changes of RMB807.4 million, cash generated from working capital changes of RMB18.1 million and the payment of income tax of RMB126.3 million. For the six months ended June 30, 2023, our net cash generated from operating activities was RMB1,099.4 million, which included cash generated before working capital changes of RMB1,237.1 million, cash generated from working capital changes of RMB197.8 million and the payment of income tax of RMB335.5 million.

For the six months ended June 30, 2024, our net cash used in investing activities was RMB229.9 million, which mainly included the amounts for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB824.8 million, which was partially offset by the proceeds of RMB494.2 million from the disposal of property, plant and equipment, intangible assets and right-to-use assets, the proceeds of RMB16.6 million from the disposal of financial assets at fair value through profit or loss, the proceeds of RMB35.0 million from the disposal of subsidiaries and dividends of RMB25.8 million received from joint ventures and associates. For the six months ended June 30, 2023, our net cash used in investing activities was RMB130.6 million, which mainly included the amounts for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB857.2 million, which was partially offset by the proceeds of RMB316.3 million from the disposal of property, plant and equipment, the proceeds of RMB222.5 million from the disposal of financial assets at fair value through profit or loss and the proceeds of RMB112.4 million from the disposal of subsidiaries.

For the six months ended June 30, 2024, our net cash used in financing activities was RMB1,045.5 million, which mainly included the net repayment of borrowings of RMB542.4 million, the payment of dividends to shareholders of the Company of RMB102.5 million, the payment of dividends to minority shareholders of subsidiaries of RMB30.4 million, the payment of interest of RMB149.4 million, the repayment of lease liabilities of RMB176.4 million and the payment for repurchase of shares of the Company of RMB41.8 million. For the six months ended June 30, 2023, net cash used in financing activities was RMB1,343.0 million, which mainly included the net repayment of interest-bearing liabilities of RMB273.3 million, the payment of dividend of RMB576.0 million, the payment of interest of RMB190.9 million, the repayment of lease liabilities of RMB193.9 million and the payment for repurchase of shares of the Company of RMB72.8 million.

Inventories

Our inventories mainly include passenger vehicles, spare parts and accessories.

Our inventories balance was RMB3,954.7 million as of June 30, 2024, a 9.4% decrease from RMB4,363.2 million as of December 31, 2023. The following table sets forth our average inventory turnover days for the periods indicated:

	As of June 30,	
	2024	2023
Average inventory turnover days	**26.7**	24.4

Capital Expenditures and Investment

Our capital expenditures primarily included expenditures on purchase of property, plant and equipment, right-of-use assets and intangible assets, which were partially offset by the proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets. As of June 30, 2024, our total capital expenditures were RMB330.6 million. The following table sets forth a breakdown of our capital expenditures for the period indicated:

	As of June 30, 2024 ***(RMB million)***
Expenditures on purchase of property, plant and equipment – test-drive automobiles and vehicles for operating lease purposes	**558.3**
Expenditures on purchase of property, plant and equipment and right-of-use assets – primarily used for establishing and upgrading automobile sales and service outlets	**212.9**
Expenditures on purchase of intangible assets (vehicle licences and softwares)	**53.6**
Proceeds from the disposal of property, plant and equipment, intangible assets and right-of-use assets (mainly test-drive automobiles and vehicles for operating lease purposes)	**(494.2)**
Total	**330.6**

Borrowings

We obtained borrowings (consisting of bank loans and other borrowings from designated automobile finance companies of automobile manufacturers) to fund our working capital and network expansion. As of June 30, 2024, the outstanding amount of our borrowings amounted to RMB3,418.2 million, a decrease of 13.7% from RMB3,960.6 million as of December 31, 2023. The following table sets forth the maturity profile of our borrowings as of June 30, 2024:

	As of June 30, 2024
	(RMB million)
Within one year	**1,947.0**
One to two years	**455.2**
Two to five years	**1,016.0**
Total	**3,418.2**

As of June 30, 2024, our net gearing ratio (being net liabilities divided by total equity) was 12.5% (as of December 31, 2023: 12.2%). Net liabilities represent borrowings minus cash and cash equivalents and time deposits.

As of June 30, 2024, certain of our borrowings were secured by mortgages or pledges over our assets. Our assets subject to these mortgages or pledges as of June 30, 2024 consisted of (i) inventories of RMB568.1 million; (ii) property, plant and equipment of RMB31.1 million; (iii) land use rights of RMB44.6 million; and (iv) equity interests of the subsidiaries of RMB530.8 million.

Contingent Liabilities

As of June 30, 2024, the Group provided guarantees of RMB210 million to Shanghai Yongda Finance Leasing Co., Ltd. in respect of its borrowing principal balance on normal commercial terms and on several basis in proportion to the Group's shareholding in Shanghai Yongda Finance Leasing Co., Ltd., save for which we did not have any material contingent liabilities.

Interest Rate Risk and Foreign Exchange Risk

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

Substantially all of our revenue, costs and expenses are denominated in Renminbi. We also use Renminbi as our reporting currency. As of June 30, 2024, we had no financial borrowings denominated in foreign currencies.

DEVELOPMENT OUTLOOK AND STRATEGIES

In the first half of 2024, many imbalances were hidden in the domestic automobile market amid the overall market rise. Under the background of the continuing involution trend since 2023, the growth of domestic demand was relatively slow, and the overall operation of the industry still faced greater pressure. At the existing market stage, the intensified competition coupled with the impact of the new energy wave resulted in the highlighting of the survival-of-the-fittest, and the supply and demand imbalance has further exacerbated the price decline, and price for quantity remains the practice in the market. Meanwhile, the emergence of new technologies and the continuous development of autonomous driving, intelligent networking, battery and fast-charge technologies also brought new opportunities for the automobile industry. In summary, in the first half of 2024, growth came along with challenges, and the market was also undergoing an unprecedented stage of major revolution and reshuffles.

In the face of increasingly fierce competition in the automobile market, we closely followed the market trends, and adopted more centralized, consolidated and stable operating strategies. We will focus on the vehicle service industry, strive to achieve a stable price recovery in the new vehicle sales business on the basis of guaranteeing the scale, continue to optimize the brand structure, enhance the efficiency of single store, ensure the stability of the after-sales business, and realize quality development. We will also continue to promote the strengthening of pre-owned vehicle business, accurately develop the new energy vehicle industry, accelerate the layout of the battery recycling industry, and focus on various cost reduction and cost control work. While improving our profitability, we will also safeguard our healthy operating cash flows and achieve stable operations in the face of adversity.

Pragmatically focus on the luxury vehicles business

In terms of new vehicles, we will improve turnover efficiency on the basis of maintaining scale, pursue the maximization of the benefits of commercial policy on the premise of operational quality, maintain good communication and exchanges with major brand manufacturers such as Porsche and BMW, report the market condition in a timely manner, improve the sales quality and reduce the operating costs targeting the balance between the supply and demand, dedicating to stabilize the prices and gross profit level of luxury vehicles. In terms of after-sales maintenance business, we will continuously optimize the business structure, strengthen business solicitation, enhance cost control, and improve customer retention rate and retail service absorption rate so as to achieve quality and efficiency improvement of after-sales business, and safeguard our stable development and strengthen risk-resistant capability through long-term steady growth. We will accelerate the shutdown and transfer of some brand outlets, continuously consolidate and optimize the network structure and layout, focus on the continuous improvement of operational quality of core luxury brand outlets, and support brands for stabilizing the market order and benign development of luxury vehicles.

Continue to deeply cultivate and strengthen the "Yongda Pre-owned Vehicles"

With the implementation of favorable policies in the pre-owned vehicle industry, we will also continue to leverage inherent advantages in terms of brand, vehicle sources, outlets, after-sales, funding, management and other aspects of our pre-owned vehicle business. We will continue to promote the construction of the retail capacity of officially certified pre-owned vehicles by the manufacturers and Yongda certified pre-owned vehicles. We will also actively seek for bulk and centralized procurement opportunities of various brands, maintain high-efficient inventory turnover and guarantee the retail quality, so as to build Yongda pre-owned vehicle business into an important driving engine for the vehicle service industry, and make it an important supplement to the gross profit of the sales-side.

Precisely develop the "Yongda New Energy"

We will continue to maintain the first mover advantages, focus on major core brands, further summarize and optimize the layout of the new energy networks, and improve the overall profitability of outlets and brands. We will also respond to the rapid growth of after-sales demand of new energy users, and gradually build the after-sales business into an important revenue component of new energy.

We will also continue to expand business in the "battery recycling industry" by taking battery test, battery maintenance, battery replacement and other businesses as the fulcrum and focusing on the full lifecycle service of new energy vehicle battery, and gradually build the battery business into a new growth highlight for us in the value chain of new energy vehicle industry. Through the above measures, we are committed to building the Company into the "automobile service expert with most electrification capacity".

Focus on promoting various cost reduction and expense control as well as cash flow control measures

We will actively respond to the pressure on the gross profit of new vehicles caused by the continuous price wars in the industry, and implement various cost and expense controls. We will achieve effective reduction in our sales and management expenses through organizational optimization, personnel effectiveness optimization, further stringent implementation of measures to control costs and expenses in respect of venue leasing, marketing and administration, the adoption of input-output evaluation and dynamic control mechanism, and further optimization of performance and performance-related measures.

We are also building a "sharing platform" for users, finance and human resources. Through organizational changes, we will improve the work efficiency of employees, and give full play to the ability to share traffic and create value among main businesses, thereby ultimately achieving efficiency improvement and effective cost reduction.

We will strongly safeguard the Group's cash flow, continue to optimize financing channels and structures and manage funds in a coordinated manner, strengthen fund forecasting and application analysis, accelerate inventory turnover, speed up the recovery of accounts receivables, maintain effective cash reserves, and ensure the Group's healthy and stable operating cash flows with strict management and control strategies.

In the first half of 2024, we maintained a positive and stable net cash inflow. Under the current market environment, from January to July 2024, we repurchased a total of 39,215,000 shares of the Company, the scale of the repurchase has exceeded that of the entire year of 2023, the fund utilised for repurchase was nearly HK$70 million, and we have cancelled all of the shares of the Company repurchased from January to July 2024. In addition to the foregoing repurchases, we will continue to make interim dividend distribution and increase the dividend payout ratio in 2024.

Improve quality and efficiency through digital intelligence

Against the backdrop of the increasingly upsurge of big data and metaverse technology, we will also keep up with the trend by accelerating the pace of digital and intelligent transformation, implementing comprehensive digital retail processes, establishing an accurate marketing system for all users, and exploring the full lifecycle value of customers. Furthermore, we will further explore the application and pilot of new technologies such as AI, ChatGPT, digital person and intelligent robot in the business operation and management scenarios, so as to enhance efficiency while empowering businesses.

Talent reserve and cultivation contribute to stability and progress

With the development of the automobile industry entering the era of "new four modernizations" and in line with our overall industrial transformation and development needs, we will also simultaneously strengthen talent cultivation and reserves in the fields of new energy, pre-owned vehicles, digitization and intelligence, and further optimize assessment and incentive mechanism. Moreover, we will promote the position evaluation and survival-of-the-fittest, and create a comprehensive transboundary management talent and professional technical talent echelon that is more in line with future trends and more enterprising, so as to ensure our long-term sustainable development.

The rapid changes, price wars and intensified competition in the current automobile market are accelerating the evolution of the industrial structure, and the brands of OEMs are also repositioning and adjusting their strategies. Continuous differentiation of dealer networks has accelerated the reshuffle and survival-of-the-fittest, reflecting the commercial law and self-rehabilitation ability of the market, and the brand communication of dealer channel network and the value of post-market services still play an irreplaceable and important role in the automobile dealer industry chain. We will also adhere to a more centralized, consolidated and stable operating strategies, ensure healthy profitability and cash flows to cope with the current trend, ensure our stable and orderly operation amid continuous changes, and seek new opportunities and growth points. In the future, we will also actively participate in and continue to respond to the national "low-carbon" strategy and commit ourselves to fulfilling ESG-related corporate social responsibilities, and build the ability for long-term sustainable growth, so as to realize efficiency improvement against market downturn as well as stable and upward development. We are confident that we can get through the current market trough, win the knockout competition of the automobile market, and return our shareholders and investors with more stable performance.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and has complied with the code provisions in the CG Code during the six months ended June 30, 2024.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the six months ended June 30, 2024.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code.

Purchase, Sale or Redemption of Listed Securities of the Company

For the six months ended June 30, 2024, the Company repurchased a total of 23,715,000 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$44,777,849.75. Particulars of the Shares Repurchased are as follows:

Month/Year	Number of Shares Repurchased	Price Paid per Share Highest *(HK$)*	Lowest *(HK$)*	Aggregate Consideration *(HK$)*
January 2024	3,550,000	2.34	2.10	7,941,245.10
April 2024	5,374,000	2.20	1.90	10,754,003.90
May 2024	2,590,000	2.10	1.94	5,240,476.20
June 2024	12,201,000	2.00	1.57	20,842,124.55
Total	23,715,000			44,777,849.75

A total of 3,550,000 share repurchased from January 16, 2024 to January 22, 2024 and a total of 20,165,000 shares repurchased from April 11, 2024 to June 28, 2024 were cancelled on February 22, 2024 and August 20, 2024, respectively. The repurchase of the Company's shares during six months ended June 30, 2024 was effected by the Directors pursuant to the general mandates granted to the Directors at the annual general meetings dated June 1, 2023 and June 5, 2024, with a view to benefiting the Company and the shareholders of the Company by enhancing the net asset value per share and/or earnings per share. As at the date of this announcement, the Company did not hold any shares repurchased pending cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (or sold treasury shares, if any) during the six months ended June 30, 2024. As at June 30, 2024 and as at the date of this announcement, the Company did not hold any treasury shares.

Audit and Compliance Committee

The audit and compliance committee of the Company (the "**Audit and Compliance Committee**") has three members comprising three independent non-executive Directors, being Ms. ZHU Anna Dezhen (chairlady), Mr. LYU Wei and Mr. MU Binrui, with terms of reference in compliance with the Listing Rules.

The Audit and Compliance Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2024. The Audit and Compliance Committee has reviewed and considered that the interim financial results for the six months ended June 30, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed the condensed consolidated financial statements of the Group for the six months ended June 30, 2024 in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events after the reporting period need to be brought to the attention of the shareholders of the Company.

INTERIM DIVIDEND

The Board resolved to distribute an interim dividend of RMB0.059 per share for the six months ended June 30, 2024 (for the six months ended June 30, 2023: RMB0.105 per share) after considering the Group's business, financial and cash flow condition. The interim dividend will be paid in Hong Kong dollars on or around October 30, 2024 (Wednesday) to the shareholders whose names are listed on the register of members of the Company on September 20, 2024 (Friday) based on the medium exchange rate between Renminbi and Hong Kong dollars as announced by the People's Bank of China on August 30, 2024 (HK$1.00 to RMB0.91222). The dividend payable per share is HK$0.06468. On the basis of the total number of the Company's issued share capital of 1,891,908,013 shares as at the date of this announcement, it is estimated that the aggregate amount of interim dividend would be approximately HK$122 million. The actual total amount of interim dividends to be paid will be subject to the total number of issued shares of the Company as at the record date for determining the entitlement of shareholders to the interim dividend. There is no arrangement that a shareholder has waived or agreed to waive any dividend. The dividend warrants will be posted by ordinary mail to shareholders who are entitled to receive the dividend at their own risk on or around October 30, 2024 (Wednesday). The Board believes that, after the payment of interim dividend, the Company will still have adequate cash to continue as a going concern.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from September 16, 2024 (Monday) to September 20, 2024 (Friday), both days inclusive, in order to determine the entitlement of the shareholders to the interim dividend. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on September 13, 2024 (Friday).

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

The interim report of the Company for the six months ended June 30, 2024 will be despatched (if necessary) to the shareholders of the Company and published on the above websites in due course.

APPRECIATION

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

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

The PRC, August 30, 2024

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

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and development strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of the Group. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Furthermore, this announcement also contains statements based on the Group's management accounts, which have not been audited by the Group's auditor. Shareholders and potential investors of the Company should therefore not place undue reliance on such statements.