



汽车街
autostreets.com

Autostreets Development Limited 汽車街發展有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2443



2024 INTERIM REPORT

Contents

2	Corporate Information
4	Financial and Operational Highlights
5	Management Discussion and Analysis
15	Corporate Governance and Other Information
23	Interim Condensed Consolidated Statement of Profit or Loss
24	Interim Condensed Consolidated Statement of Comprehensive Income
25	Interim Condensed Consolidated Statement of Financial Position
27	Interim Condensed Consolidated Statement of Changes in Equity
29	Interim Condensed Consolidated Statement of Cash Flows
31	Notes to Interim Condensed Consolidated Financial Information
43	Definitions



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Aihua
Mr. Yang Hansong (*Chairperson*)
Ms. Gao Kun

Non-executive Directors

Mr. Rob Huting
Ms. Zhu Yi
Ms. Yang Chuyu

Independent Non-executive Directors

Mr. Wang Jianping
Ms. Li Mochou
Mr. Yan Jonathan Jun

AUDIT COMMITTEE

Ms. Li Mochou (*Chairperson*)
Mr. Wang Jianping
Mr. Yan Jonathan Jun

REMUNERATION COMMITTEE

Mr. Wang Jianping (*Chairperson*)
Ms. Li Mochou
Mr. Yan Jonathan Jun

NOMINATION COMMITTEE

Mr. Yang Hansong (*Chairperson*)
Mr. Wang Jianping
Mr. Yan Jonathan Jun

JOINT COMPANY SECRETARIES

Ms. Gao Kun
Ms. Chan Sau Ling

AUTHORIZED REPRESENTATIVES

Ms. Gao Kun
Ms. Chan Sau Ling

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

6/F, Kailong Center
2251 Zhenbei Road
Putuo District
Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
Paul Hastings
22/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

CORPORATE INFORMATION

COMPLIANCE ADVISER

Anglo Chinese Corporate Finance, Limited
Suite 4001, 40th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.

STOCK CODE

2443

COMPANY WEBSITE

www.autostreets.com

LISTING DATE

31 May 2024

FINANCIAL AND OPERATIONAL HIGHLIGHTS

FINANCIAL PERFORMANCE

	For the six months ended 30 June		Year-on-year change %
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)	
Revenue	191,309	226,284	(15.5)
Gross profit	123,701	145,207	(14.8)
Gross profit margin (%)	64.7	64.2	0.5 p.p
Loss for the period	(142,231)	(34,874)	307.8
Adjusted net profit (non-IFRS measure) ⁽¹⁾	26,724	41,051	(34.9)
Operational Performance			
Number of used vehicles transacted and served (units) ⁽²⁾	189,591	186,292	1.8

Notes:

- (1) To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use non-IFRS measure which is not required by or presented in accordance with IFRS. The adjusted net profit (non-IFRS measure) excludes (i) listing expenses, (ii) fair value changes of convertible redeemable preferred shares, and (iii) fair value changes of warrants. We believe that the non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.
- (2) The number of used vehicles transacted and served represents the total number of (i) used vehicles transacted in our used vehicle auction business; (ii) used vehicles serviced in our vehicle value-added services; and (iii) customer trade-in vehicles transacted under the arrangement for sale of used vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

Industry Review

In the first half of 2024, the used vehicle market in China presented both opportunities and challenges. In March 2024, the State Council released the “Action Plan for Promoting Large-Scale Equipment Renewals and Trade-ins of Consumer Goods” (《推動大規模設備更新和消費品以舊換新行動方案》) (the “**Action Plan**”), which stipulates policies of supporting used vehicle operations and promoting car renewal and scrapping. Pursuant to the Action Plan and the “Notice on Several Measures to Invigorate Automobile Circulation and Expand Automobile Consumption” (《關於搞活汽車流通擴大汽車消費若干措施的通知》) released in July 2022, local governments and enterprises are encouraged to, among others, support the car replacement and renewal, streamline used vehicle transaction procedures, promote the construction of third-party used vehicle information platforms, and continuously promote the standardization and brand development of used vehicles.

In the meanwhile, the continuing price war in the new vehicle market brought risks and challenges to the used vehicle industry. Due to the decline in the price of new vehicles, Professional Buyers and end customers of used vehicles are more cautious when buying used vehicles, leading to a decline in the profit and value retention rate of the used vehicles. According to the China Association of Automobile Manufacturers, the domestic sales volume of new car in the first half of 2024 was approximately 11.2 million units, representing an increase of 1.4% compared to the same period in 2023, among which (i) the sales volume of non-EV cars is approximately 6.9 million units, representing a year-on-year decrease of 12.3%; and (ii) the sales volume of EV cars is approximately 4.3 million units, representing a year-on-year increase of 35.1%.

The competition in the new car market is increasingly fierce and the decline in new car prices directly affects the used vehicle market. According to data released by the Automobile Dealers Association, in the first half of 2024, the cumulative transaction volume of used vehicles in the country was approximately 9.4 million units, representing a year-on-year increase of 7.0%, among which (i) the transaction volume of EV used vehicles was approximately 0.5 million units, accounting for 5.4% of the overall used vehicle transaction volume, representing an increase of 63.5% compared with the same period in 2023; and (ii) the transaction volume of non-EV vehicles was approximately 8.9 million units, accounting for 94.6% of the overall used vehicle trading volume, representing a year-on-year increase of 4.9%.

Business Review

As an intermediary that connects used vehicle buyers and sellers, we primarily provide used vehicle auction services through online-offline integrated auction, which allows used vehicle buyers across China to participate in in-lane auctions either offline in person or online via our mobile application in real-time, meanwhile granting them access to the information and valuation of the used vehicles. With our online-offline integrated auction model, coupled with our full suite of value-added services, we offer end-to-end, highly standardized and reliable solutions for used vehicle transactions, helping our sellers (primarily 4S dealership stores) and buyers (primarily Professional Buyers) optimize their used vehicle transaction process and improve efficiency and profitability of their used vehicle operations. On 31 May 2024, the Company was listed on the Main Board of the Stock Exchange with the stock code “2443”.

In the first half of 2024, we generated revenue from used vehicle auction and services, used vehicle value-added services, arrangement for sale of used vehicles, exhibition related services and other services.

MANAGEMENT DISCUSSION AND ANALYSIS

Disclosure of key operating data by business segment

	Six months ended 30 June	
	2024	2023
Used Vehicle Auction Business		
Number of used vehicles transacted	79,439	77,906
Average revenue per vehicle (RMB)	1,678	1,856
Used Vehicle Value-added Services		
Number of used vehicles ⁽¹⁾	100,921	95,631
Average revenue per vehicle (RMB)	302	333
Arrangement for Sale of Used Vehicles		
Number of consumer trade-in vehicles transacted ⁽²⁾	9,231	12,755
Average revenue per vehicle (RMB)	1,985	2,243

Notes:

- (1) Represents the total number of used vehicles which received the following value-added services: pre-acquisition inspection and appraisal, used vehicle acquisition assistance and title transfer services.
- (2) Most of these used vehicles were transacted through our transaction platform via auctions, with the remainder transacted through other channels.

Used vehicles auction business

Used vehicle auction business is our core business and contributes a significant portion of our revenue. We pioneered a two-pronged, online-offline integrated auction model, comprising online-offline integrated auction and online auction (which is an auction model that supplements our online-offline integrated auction, in an effort to increase the vehicle visibility and enhance our transaction success rate). Our online-offline integrated transaction platform connects upstream sellers with downstream buyers of used vehicles and facilitates efficient and transparent used vehicle auction in large volumes. Meanwhile, online auctions supplement our online-offline integrated auctions and the majority of the used vehicles auctioned in our online auctions are those that were passed in during our online-offline integrated auctions.

In the first half of 2024, despite the general weak sales and falling price of new cars in the market, especially the new non-EV cars, we deepened our business cooperation with the existing dealership groups, our main upstream suppliers of used vehicles, and further expanded the channels for used vehicle source. During the Reporting Period, we established cooperation with additional dealership groups and OEMs (total reached 25 OEMs as of 30 June 2024). In addition, we continued to expand cooperation with institutional business partners, and developed strategic cooperation with a total of 13 mobility companies (including Cao Cao Mobility, Chenqi Technology Limited, etc.) and car rental companies as of 30 June 2024. Apart from maintaining and expanding our upstream supply resources, we expanded our downstream business by launching more targeted auctions, such as "special auctions", and upgraded our systems (optimizing used vehicle recommendation algorithms) to effectively improve the auction efficiency and user experience.

MANAGEMENT DISCUSSION AND ANALYSIS

Thanks to the effort of our team, in the first half of 2024, our transaction volume and the number of vehicles put up for auction were 79,439 units and 174,180 units respectively, achieving a slight increase from 77,906 units and 171,583 units in the first half of 2023. During the Reporting Period, our transaction success rate (used vehicle transaction volume as a percentage of the number of used vehicles put up for auctions) was approximately 45.6%, representing an increase from 45.4% in the first half of 2023. The increased transaction volume, number of vehicles put up for auction and transaction success rate were all reflection of the improved quality of operation of the Company. The average revenue per vehicle during the Reporting Period decreased to RMB1,678.0 from RMB1,856.0 in the first half of 2023, mainly due to a decrease in the transaction price of used vehicle auction affected by the falling sales price of new cars.

Used Vehicle Value-added Services

We provide various used vehicle value-added services, either for a fee or for free, to our upstream sellers and downstream buyers. For sellers, we provide pre-acquisition inspection and appraisal, used vehicle acquisition assistance, provision of our ADMS system, and title transfer services for used vehicles not transacted on our transaction platform. For buyers, we provide used vehicle information lookup and re-inspection. We provide used vehicle information lookup and re-inspection services.

For the operation of our used vehicle value-added services during the first half of 2024, the number of used vehicles serviced in our used vehicle value-added services during the Reporting Period experienced an increase to 100,921 units from 95,631 units in the first half of 2023, due to the increased demands of pre-acquisition inspection and appraisal services from the dealership groups. The average revenue per vehicle decreased from RMB333.0 in the first half of 2023 to RMB302.0 during the Reporting Period, primarily because the dealership groups purchased an increased proportion of our pre-acquisition inspection and appraisal services, which we charged relatively lower service fee per vehicle as compared to other used vehicle value-added services.

Arrangement for Sale of Used Vehicles

We arrange for the sale of consumer trade-in vehicles at our collaborating dealership groups' 4S dealership stores to deepen the collaboration with these dealership groups and supplement the used vehicle supply on our transaction platform. Under our arrangement for sale of used vehicle business, we act as an agent for the entrusting party (the used vehicle owner or the dealership group) to dispose of used vehicles that the entrusting party entrusts to us for sale. We selectively conduct this business and primarily work with established and reputable dealership groups, ensuring that we can execute the business opportunities in a commercially viable manner.

In the first half of 2024, the fierce competition and continuous decline in the sales price of new cars has led to a decreased and fluctuated final transaction price of used vehicles. Against this backdrop, our collaborating dealership groups tended to be more conservative in acquiring consumer trade-in vehicles and their demand for our arrangement for sale of used vehicle services decreased. Therefore, the number of consumer trade-in vehicles transacted as well as the average revenue per vehicle during the Reporting Period decreased from 12,755 units and RMB2,243.0 in the first half of 2023 to 9,231 units and RMB1,985.0, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Exhibition Related Services

We provide exhibition related services, primarily including (i) hosting of auto shows and exhibitions primarily for dealership groups and OEMs from time to time and (ii) occasional provision of certain advertisement services. In hosting such events, we are responsible for all material aspects of event organization, including space leasing, layout design and decoration, event promotion, participants invitation and advertisement placement. We generate revenues for our exhibition related services primarily from fees charged for exhibition booths and advertisements to the dealership groups and OEMs that participate in automotive exhibitions we host. During the Reporting Period, we continued to exploit valuable opportunities when hosting auto shows and exhibitions to approach, form strategic collaboration with, and promote our used vehicle auction services to, the participating dealership groups and OEMs.

Revenue from exhibition related services decreased from RMB11.9 million for the six months ended 30 June 2023 to RMB0.7 million for the six months ended 30 June 2024, mainly due to the fact that the Tianjin May 1st Meijiang International Auto Exhibition hosted by us annually was arranged to be hosted by us on a biennial basis and contributed no revenue during the Reporting Period.

Others Business

We continue to address the ad hoc business needs of dealership groups that may arise from time to time, including the provision of title transfer services and GPS installation services for dealership groups' new vehicles. The dealership groups to which we provide new vehicle title transfer services are typically our existing business partners who collaborate with us with respect to its used vehicle auction and/or value-added services.

Outlook

We remain committed to transforming China's used vehicle transaction process and driving China's used vehicle industry toward standardization, efficiency, and transparency. We will continue to (i) expand and optimize our auction site network and upgrade the service facilities to strengthen the management and improve our service quality; (ii) further expand the upstream used vehicles supply sources and downstream merchant channels to grow our seller and buyer base; (iii) further improve and diversify our service offerings and revenue streams to better serve our upstream and downstream customers; (iv) strengthen our collaboration with new energy OEMs and manufacturers to enhance our ability of inspection, appraisal and trading in new energy used vehicles; (v) enhance our digitalization products and services to build a comprehensive platform for used vehicles' data, and inspection and appraisal; (vi) explore potential opportunities of strategic cooperation and acquisitions.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Events after the Reporting Period

Save as disclosed in this interim report, there have been no events subsequent to the Reporting Period and up to the date of this interim report which may have a material impact on the Company and the subsidiaries of the Company.

Financial Analysis

Revenue

For the six months ended 30 June 2024, our revenue was derived from (i) used vehicle auction commission and service fees; (ii) used vehicle value-added services; (iii) arrangement for sale of used vehicles; (iv) exhibition related services; and (v) other vehicle-related services.

For the six months ended 30 June 2024, we recorded a revenue of RMB191.3 million, representing a decrease of 15.5% as compared with RMB226.3 million for the six months ended 30 June 2023, which was primarily due to: (i) a decrease in used vehicle auction commission and service fees due to the decreased auction price of the used vehicles, affected by the decreased and fluctuated price of new vehicles; (ii) a decrease in revenue from arrangement for sale of vehicles given the decrease both in the number of consumer trade-in vehicles transacted and the average revenue per vehicle; and (iii) a decrease in revenue from the exhibition related services due to the decline of marketing needs of the dealership groups and OEMs.

The following table sets forth a breakdown of our revenue by business segment for the periods indicated:

	Six months ended 30 June			
	2024 (Unaudited)		2023 (Audited)	
	RMB'000	%	RMB'000	%
Used vehicle auction commission and service fees	133,309	69.7	144,581	63.9
Used vehicle value-added services	33,179	17.3	34,960	15.4
Arrangement for sale of used vehicles	18,326	9.6	28,622	12.7
Exhibition related services	721	0.4	11,878	5.2
Other services	5,774	3.0	6,243	2.8
Total	191,309	100.0	226,284	100.0

Revenue from the used vehicle auction commission and service fees decreased by 7.8% from RMB144.6 million for the six months ended 30 June 2023 to RMB133.3 million for the six months ended 30 June 2024, primarily attributable to a decrease in the transaction price of used vehicles auction affected by the fierce competition and the price war in the new vehicle market.

Revenue from used vehicle value-added services decreased by 5.1% from RMB35.0 million for the six months ended 30 June 2023 to RMB33.2 million for the six months ended 30 June 2024, primarily because the dealership groups we collaborated with adjusted the structure of service offerings and purchased an increased proportion of our pre-acquisition inspection and appraisal services, which we charged relatively lower service fee per vehicle as compared to other used vehicle value-added services.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from the arrangement for sale of used vehicles decreased by 36.0% from RMB28.6 million for the six months ended 30 June 2023 to RMB18.3 million for the six months ended 30 June 2024, mainly attributable to the decrease in the number of consumer trade-in vehicles transacted and the average revenue per vehicle caused by the decrease in the sales price of new vehicles. In addition, the continuous decline in the sales price of new vehicles led to a decreased and fluctuated final transaction price of used vehicles. Against this backdrop, our collaborating dealership groups tended to be more conservative in acquiring consumer trade-in vehicles and their demand for our arrangement for sale of used vehicle services decreased.

Revenue from exhibition related services decreased by 93.9% from RMB11.9 million for the six months ended 30 June 2023 to RMB0.7 million for the six months ended 30 June 2024, mainly due to the fact that the Tianjin May 1st Meijiang International Auto Exhibition hosted by us annually was arranged to be hosted by us on a biennial basis and contributed no revenue during the Reporting Period.

Revenue from other vehicle-related services decreased by 7.5% from RMB6.2 million for the six months ended 30 June 2023 to RMB5.8 million for the six months ended 30 June 2024, mainly attributable to a decrease in revenue generated from the title transfer services as a result of the decreased demand for such service from the dealership groups that we collaborated with.

Cost of Sales

Our cost of sales consists of labor cost, professional service cost, intermediary cost and other cost. For the six months ended 30 June 2024, our cost of sales was RMB67.6 million, representing a decrease of 16.6% as compared to RMB81.1 million for the six months ended 30 June 2023. This was mainly attributable to the decrease in revenue of approximately 15.5% for the six months ended 30 June 2024 as compared to the same period in 2023.

Gross Profit and Gross Profit Margin

As a result of the foregoing and primarily due to the decreased revenue, our gross profit during the Reporting Period decreased by 14.8% from RMB145.2 million for the six months ended 30 June 2023 to RMB123.7 million, and our gross profit margin maintained relatively stable at 64.7% in the six months ended 30 June 2024 compared to 64.2% in the same period in 2023.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 13.8% to RMB39.6 million in the six months ended 30 June 2024 from RMB46.0 million in the six months ended 30 June 2023, primarily attributable to (i) a decrease of approximately RMB5.8 million in the salaries and benefits and (ii) a decrease of approximately RMB1.1 million in the hospitality expenses, and office and business travel expenses. The aforesaid decreases were in line with the decrease in the number of used vehicles transacted and served in Reporting Period.

Administrative Expenses

Administrative expenses increased by 13.6% to RMB77.2 million in the six months ended 30 June 2024 from RMB68.0 million in the six months ended 30 June 2023, primarily attributable to an increase of approximately RMB14.7 million in listing expenses, partially offset by a decrease of approximately RMB5.4 million in salaries and benefits, rental and relevant expenses, and office and business travel expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Expenses

Our other expenses primarily included the expenses in relation to subleasing certain areas of our auction sites to third parties and compensation paid to buyers for deviation in the condition of used vehicles from our inspection reports. During the Reporting Period, our other expenses increased by 31.2% to RMB1.6 million from RMB1.2 million in the six months ended 30 June 2023, primarily attributable to (i) an increase in the compensation paid to buyers for the deviation in vehicle condition from our inspection report and (ii) liquidated damages paid due to the adjustments of our auction sites and operation sites.

Other Income and Gains, Net

Other income and gains, net decreased by 50.2% to RMB4.5 million in the six months ended 30 June 2024 from RMB8.9 million in the six months ended 30 June 2023, primarily attributable to (i) a decrease of approximately RMB3.8 million in interest income from assistant funds to business partners, and (ii) a decrease of approximately RMB1.0 million in government grants.

Finance Costs

Finance costs increased by 19.3% to RMB3.3 million in the six months ended 30 June 2024 from RMB2.7 million in the six months ended 30 June 2023, primarily attributable to an increase in interest expense in line with our increased bank borrowings.

Share of Profits and Losses of Associates

Our share of profits and losses of associates decreased by 100.0% to nil in the six months ended 30 June 2024 from RMB0.3 million in the six months ended 30 June 2023, primarily attributable to a decrease in profits from our associates.

Fair Value Change of Financial Assets and Liabilities at Fair Value Through Profit or Loss

We recorded gains of nil and RMB0.04 million in fair value change of financial assets at fair value through profit or loss in the six months ended 30 June 2023 and the same period in 2024.

We recorded losses of RMB64.0 million and RMB142.3 million for fair value change of financial liabilities at fair value through profit or loss in the six months ended 30 June 2023 and the same period in 2024, this increase was primarily due to the increase in the Company's valuation and it is expected that no such fair value losses will be incurred in the future as all convertible redeemable preferred shares were automatically, converted into ordinary shares upon the completion of the global offering on 31 May 2024.

Loss before Tax

As a result of the foregoing, our loss before tax increased by 396.0% from RMB27.4 million in the six months ended 30 June 2023 to RMB135.7 million in the same period in 2024.

Income Tax Expenses

Income tax expenses decreased by 13.4% from RMB7.5 million in the six months ended 30 June 2023 to RMB6.5 million in the same period in 2024, primarily due to the decreased gross profit of the Company.

Loss for the Reporting Period

As a result of the foregoing, our loss for the Reporting Period increased by 307.8% to RMB142.2 million from RMB34.9 million in the six months ended 30 June 2023, primarily due to (i) a decrease in gross profit, (ii) an increase loss recorded for fair value change of financial liabilities at fair value through profit or loss; and (iii) the listing expenses occurred.

MANAGEMENT DISCUSSION AND ANALYSIS

Adjusted Profit (Non-IFRS Measure)

The following table reconciles our adjusted net profit (non-IFRS measure) for the periods presented in accordance with IFRS, which is loss for the period:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Loss for the period	(142,231)	(34,874)
<i>Adjust for:</i>		
Listing expenses ⁽¹⁾	26,662	11,942
Fair value changes of convertible redeemable preferred shares ⁽²⁾	142,293	74,909
Fair value changes of warrants ⁽²⁾	–	(10,926)
Adjusted net profit (non-IFRS measure)	26,724	41,051

Notes:

- (1) Listing expenses relate to this Global Offering of the Company.
- (2) The changes in fair value of convertible redeemable preferred shares and warrants were primarily due to changes in fair market value of convertible redeemable preferred shares and warrants issued to our investors.

Capital Management, Funding and Financial Policies

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise Shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the Reporting Periods.

The Group aims to maintain a balance between continuity of funding and flexibility. The Group's policy is to regularly monitor the current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms. Financing activities of the Group include deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Liquidity and Capital Resources

For the six months ended 30 June 2024, we have financed our operating activities through cash generated from operations and bank borrowings. Our cash and cash equivalents primarily consist of cash on hand and bank balances. As of 30 June 2024, our cash and cash equivalents increased by 2.6% to RMB959.7 million from RMB935.4 million as of 31 December 2023. The Group's cash and cash equivalents are mainly denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings

As of 30 June 2024, our outstanding borrowings amounted to RMB79.7 million (all denominated in RMB), representing an increase of 14.7% from RMB69.5 million as of 31 December 2023. All of the borrowings of the Group bear interest at fixed rate.

The Board and the Audit Committee of the Company constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

Gearing Ratio

As of 30 June 2024, our gearing ratio (calculated by dividing the total debt by total assets) was 23.6%. As of 31 December 2023, the gearing ratio was 65.6%. The lower gearing ratio as of 30 June 2024 was mainly caused by the significant decrease of trade payable as well as other payable and accruals.

Significant Investments

We did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 June 2024) during the Reporting Period.

Material acquisitions and/or disposals of subsidiaries

We did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the Reporting Period.

Future plans for material investments and capital assets

As of 30 June 2024, we did not have other plans for material investments and capital assets.

Employees and Remuneration

As of 30 June 2024, we had 755 employees, representing a decrease from 845 employees as of 31 December 2023. We believe we offer our employees competitive compensation packages. The Group's remuneration package is determined with reference to the experience and qualifications of the individual employees and general market conditions. Bonus is linked to the Group's operating result as well as individual performance. The Group provides training to its new employees to familiarise them with the working environment and work culture. The Group also provides on-the-job training to the employees, which aims at developing their skills so as to meet the strategic goals and customer requirements. For the six months ended 30 June 2024, the total employee benefit expense (including directors' remuneration and excluding those included in the cost of used vehicles auction commission and service fees) were RMB56.6 million, as compared to RMB66.1 million for the six months ended 30 June 2023.

Contingent Liabilities

As of 30 June 2024, we did not have significant contingent liabilities.

Pledge of Assets

The Group had no pledge of assets as of 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Risk and Investment Risk

Our major businesses are in the PRC and the majority of our transactions are conducted in RMB. Most of our assets and liabilities are denominated in RMB. We do not believe that we currently have any material foreign currency risk. Therefore, we currently do not engage in any hedging by financial instruments in respect of foreign currency risk. However, our management monitors the foreign currency risk closely and will consider suitable hedging measures in the future if necessary.

During the Reporting Period, we purchased financial products offered by licensed financial institutions that are considered low-risk and offer higher rates of return as compared with time deposits. Our financial assets at fair value through profit or loss were RMB8.3 million as of 30 June 2024, and RMB3.5 million as of 31 December 2023. We have adopted internal policies and guidelines to manage our investment in financial products to monitor and control the investment risks. Led by our chief financial officer and executive director, Ms. Gao Kun, who has extensive financial accounting experience, our financial department will closely monitor the performance of our financial products.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors and chief executive confirm that there has been no change in their information is required to be disclosed pursuant to the Rule 13.51B(1) of the Listing Rules since the Listing Date up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ASSOCIATE CORPORATIONS

As at 30 June 2024, the interests and short position of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associate corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required, under the Model Code, were as follows:

Name	Position	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding ⁽²⁾
Yang Aihua	Executive Director	Interest in a controlled corporation ⁽³⁾	100,000,000	12.01%
Yang Hansong	Executive Director and Chairman	Interest in a controlled corporation ⁽⁴⁾	50,000,000	6.00%
Gao Kun	Executive Director, Chief Financial Officer and Joint Company Secretary	Interest in a controlled corporation ⁽⁵⁾	25,000,000	3.00%
Zhao Hongliang	Chief Executive Officer	Interest in a controlled corporation ⁽⁶⁾	8,000,000	0.96%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 30 June 2024.
- (3) Extensive Prosperous Investments Limited is wholly owned by Orient Rich Investment Development Limited, which is held by Extensive Success Holding Limited. TMF (Cayman) Ltd., as the trustee of Yang's Family Trust, directly holds all the interests in Extensive Success Holding Limited. Mr. Yang Aihua is the settlor and the beneficiaries of the trust are the descendants and remoter issue of Mr. Yang Aihua. As such, Mr. Yang Aihua is deemed to be interested in the 100,000,000 Shares held by Extensive Prosperous Investments Limited.
- (4) World Key Investment Trading Limited is held as to 80% by Mr. Yang Hansong. By virtue of the SFO, Mr. Yang Hansong is deemed to be interested in the Shares in which World Key Investment Trading Limited is interested in.
- (5) Longkun Investment Development Limited is wholly owned by Ms. Gao Kun. By virtue of the SFO, Ms. Gao Kun is deemed to be interested in the Shares in which Longkun Investment Development Limited is interested in.
- (6) Hongrun Investment Development Limited is wholly owned by Mr. Zhao Hongliang. By virtue of the SFO, Mr. Zhao Hongliang is deemed to be interested in the Shares in which Hongrun Investment Development Limited is interested in.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2024, to the best of the Company's knowledge, information and belief, none of the Directors or chief executive of the Company had or was deemed to have interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, under Section 352 of the SFO, to be entered in the register referred to in that section, or which were required under the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as our Directors are aware, the following persons (other than the Directors and chief executive of Company, whose interests have been disclosed in this interim report) had interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register kept by the Company:

Name of Shareholders	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding ⁽²⁾
Extensive Prosperous Investments Limited ⁽³⁾	Beneficial owner	100,000,000	12.01%
Orient Rich Investment Development Limited ⁽³⁾	Interest in controlled corporation	100,000,000	12.01%
Extensive Success Holding Limited ⁽³⁾	Interest in controlled corporation	100,000,000	12.01%
TMF (Cayman) Ltd. ⁽³⁾	Trustee	100,000,000	12.01%
Mr. Yang Aihua ⁽³⁾	Founder of a trust	100,000,000	12.01%
Manheim Investments, Inc. ⁽⁴⁾	Beneficial owner	90,000,000	10.81%
Cox Automotive ⁽⁴⁾	Interest in controlled corporation	90,000,000	10.81%
Cox Enterprises, Inc. ⁽⁴⁾	Interest in controlled corporation	90,000,000	10.81%
James C. Kennedy ⁽⁴⁾	Trustee	90,000,000	10.81%
Alexander C. Taylor ⁽⁴⁾	Trustee	90,000,000	10.81%
John M. Dyer ⁽⁴⁾	Trustee	90,000,000	10.81%
Zhuoheng Holding Limited ⁽⁵⁾	Beneficial owner	70,115,754	8.42%
Han Zhuoheng ⁽⁵⁾	Interest in controlled corporation	70,115,754	8.42%
World Key Investment Trading Limited ⁽⁶⁾	Beneficial owner	50,000,000	6.00%
Yang Hansong ⁽⁶⁾	Interest in controlled corporation	50,000,000	6.00%
China Grand Automotive Services Group Co., Ltd. ⁽⁷⁾	Interest in controlled corporations	62,500,000	7.50%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 30 June 2024.
- (3) Extensive Prosperous Investments Limited is wholly owned by Orient Rich Investment Development Limited, which is held by Extensive Success Holding Limited. TMF (Cayman) Ltd., as the trustee of Yang's Family Trust, directly holds all the interests in Extensive Success Holding Limited. Mr. Yang Aihua is the settlor of the trust and the beneficiaries are the descendants and remoter issue of Mr. Yang Aihua. By virtue of the SFO, each of Orient Rich Investment Development Limited, Extensive Success Holding Limited, TMF (Cayman) Ltd. and Mr. Yang Aihua is deemed to be interested in the Shares in which Extensive Prosperous Investments Limited is interested in.
- (4) Manheim Investments, Inc. is wholly owned by Cox Automotive, which in turn is wholly owned by Cox Enterprises, Inc. All of the voting securities of Cox Enterprises, Inc. are held by the Cox Family Voting Trust (the "**Cox Trust**"). The trustees of the Cox Trust are James C. Kennedy, Alexander C. Taylor and John M. Dyer. There is no settlor of the Cox Trust and no beneficiary directly owns 10% or more of the equity of Cox Enterprises, Inc. By virtue of the SFO, each of Cox Automotive, Cox Enterprises, Inc., James C. Kennedy, Alexander C. Taylor, and John M. Dyer is deemed to be interested in the Shares in which Manheim Investments, Inc. is interested in.
- (5) Zhuoheng Holding Limited is wholly owned by Mr. Han Zhuoheng. By virtue of the SFO, Mr. Han Zhuoheng is deemed to be interested in the Shares in which Zhuoheng Holding Limited is interested in.
- (6) World Key Investment Trading Limited is held as to 80% by Mr. Yang Hansong. By virtue of the SFO, Mr. Yang Hansong is deemed to be interested in the Shares in which World Key Investment Trading Limited is interested in.
- (7) Grand Baoxin Auto Group Limited, an entity held as to 68.56% by China Grand Automotive Services Group Co., Ltd. ("**CGA**"), directly held 21,000,000 Shares as at 30 June 2024. Baoxin Auto Finance I Limited, a wholly-owned subsidiary of CGA, held 41,500,000 Shares as at 30 June 2024. CGA is a company listed on the Shanghai Stock Exchange (stock code: 600297). By virtue of the SFO, CGA is deemed to be interested in the aggregate of Shares held by Baoxin Auto Finance I Limited and Grand Baoxin Auto Group Limited. As of 30 June 2024, Mr. Yang Aihua is indirectly interested in 7.73% of Grand Baoxin Auto Group Limited through a discretionary trust that Ms. Yang Chuyu set up with TMF (Cayman) Ltd. As of 30 June 2024, Mr. Yang Hansong is interested in approximately 1% shareholding interest in Grand Baoxin Auto Group Limited.

Save as disclosed above, as at 30 June 2024, to the best of the Company's knowledge, information and belief, there were no other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register required to be kept.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Associate Corporations" above or otherwise disclosed in this report, at no time during the Reporting Period and up to the date of this report, were there rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, nor were there any such rights exercised by any Directors; nor was the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company and the Directors are committed to maintaining the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. The Company has complied with all the code provisions set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules throughout the period from the Listing Date up to the date of this interim report.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code since the Listing Date and up to the date of this interim report.

AUDIT COMMITTEE

The Company has established the Audit Committee, in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (as amended from time to time), comprising of three members, being Ms. Li Mochou, Mr. Wang Jianping and Mr. Yan Jonathan Jun, with Ms. Li Mochou (being the Company's independent non-executive Director with the appropriate professional qualifications) as chairperson of the Audit Committee, among other things, to consider issues in relation to the external auditors and their appointments, oversee the financial reporting system, risk management and internal control system of the Group, review the financial information of the Group and review policies and practices in relation to corporate governance.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024 and the interim results announcement and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members. The Audit Committee is of the opinion that the unaudited consolidated financial statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

OTHER INFORMATION

Interim Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024.

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

During the period from the Listing Date up to 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange. As of 30 June 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Material litigation

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group since the Listing Date and up to the date of this interim report.

Use of proceeds from Global Offering

The Company's shares were listed on the Stock Exchange on 31 May 2024. The net proceeds raised from the Global Offering, after deduction of the estimated listing expenses payable based on final offer price, were approximately HK\$83.0 million. As of 30 June 2024, the total net proceeds of approximately HK\$83.0 million from the Global Offering remained unutilised. There has been no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the Company expects to fully utilise the net proceed in accordance with such intended purpose by December 2028, as follow.

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2023 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Expansion of the geographic coverage of our auction site network	40.0%	33.2	33.2	–	2028
• Opening 19 new auction sites	28.0%	23.2	23.2	–	2028
• Renovation of existing 7 auction sites	12.0%	10.0	10.0	–	2028
Enhancing our relationship with existing sellers and buyers and attract new sellers and buyers to our platform	10.0%	8.3	8.3	–	2028
• Enhancing our business relationships with existing upstream sellers and downstream buyers	5.0%	4.2	4.2	–	2028
• Expanding our seller base and buyer base	5.0%	4.2	4.2	–	2028

CORPORATE GOVERNANCE AND OTHER INFORMATION

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2023 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Developing and diversifying our service offering and exploring new growth areas	15.0%	12.5	12.5	–	2028
• Expanding and upgrading our ADMS system with additional functions	2.6%	2.2	2.2	–	2028
• Providing additional services to buyers	1.3%	1.1	1.1	–	2028
• Continuously upgrading our mobile app and technology	3.3%	2.7	2.7	–	2028
• Providing services and developing digital tools that assist other market participants in carrying out their used vehicle business	3.4%	2.8	2.8	–	
• Recruiting additional talent and establishing relevant training programs	4.4%	3.7	3.7	–	2028

CORPORATE GOVERNANCE AND OTHER INFORMATION

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 30 June 2023 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Investing in research and development	15.0%	12.5	12.5	–	2028
• Developing a QR code-based, AI-assisted intelligent inventory management system	3.6%	3.0	3.0	–	2028
• Developing and optimizing a used vehicle pricing model	2.5%	2.1	2.1	–	2028
• Enhancing our IT infrastructure	2.1%	1.7	1.7	–	2028
• Upgrading our big data analytics capabilities	3.0%	2.5	2.5	–	2028
• Developing AI-empowered digital tools for detecting and analyzing images used vehicles	2.4%	2.0	2.0	–	2028
• Developing technology and systems that facilitate the transaction process of NEVs	0.7%	0.6	0.6	–	2028
• Increasing the digitalization level of our business operation	0.7%	0.6	0.6	–	2028
Forming potential strategic partnerships and alliances with our business partners and making investments and/or acquiring controlling interest in target companies	10.0%	8.3	8.3	–	2028
Used for our working capital and general corporate purposes	10.0%	8.3	8.3	–	2028
Total	100.0%	83.0	83.0	–	

In the event that the net proceeds are not immediately utilized for the purposes as previously disclosed in the Prospectus, we intend to deposit the net proceeds into an interest-bearing account with a licensed commercial bank or financial institution in the PRC or Hong Kong. We will comply with the PRC laws in relation to foreign exchange registration and remittance of proceeds.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rule 13.20, 13.21 and 13.22 of the Listing Rules.

APPROVAL OF INTERIM REPORT

The publication of the Group's interim report and unaudited interim condensed consolidated results for the six months ended 30 June 2024 have been approved and authorized by the Board on 28 August 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
REVENUE	4	191,309	226,284
Cost of revenue		(67,608)	(81,077)
Gross profit		123,701	145,207
Other income and gains, net		4,457	8,942
Selling and distribution expenses		(39,620)	(45,952)
Administrative expenses		(77,188)	(67,959)
Other expenses		(1,552)	(1,183)
Finance costs		(3,276)	(2,746)
Share of profits and losses of associates		–	307
Fair value changes of:			
Financial assets at fair value through profit or loss		44	–
Financial liabilities at fair value through profit or loss		(142,293)	(63,983)
LOSS BEFORE TAX	5	(135,727)	(27,367)
Income tax expense	6	(6,504)	(7,507)
LOSS FOR THE PERIOD		(142,231)	(34,874)
Attributable to:			
Owners of the parent		(147,607)	(49,887)
Non-controlling interests		5,376	15,013
		(142,231)	(34,874)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	8	(0.19)	(0.13)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
LOSS FOR THE PERIOD	(142,231)	(34,874)
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statement of the Company	(987)	(7,240)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(987)	(7,240)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(143,218)	(42,114)
Attributable to:		
Owners of the parent	(148,594)	(57,127)
Non-controlling interests	5,376	15,013

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		11,352	13,675
Right-of-use assets		63,639	64,371
Other intangible assets		712	804
Long-term time deposits at banks		1,000	1,000
Investments in associates		1,926	1,926
Deferred tax assets		10,945	12,257
Other non-current assets		7,985	7,292
Total non-current assets		97,559	101,325
CURRENT ASSETS			
Trade receivables	9	24,361	16,288
Prepayments, deposits and other receivables		87,956	90,170
Financial assets at fair value through profit or loss		8,344	3,500
Cash and cash equivalents		959,656	935,441
Total current assets		1,080,317	1,045,399

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade payables	10	17,447	30,431
Other payables and accruals		106,522	204,179
Interest-bearing bank borrowings		79,700	69,500
Lease liabilities		20,453	14,782
Tax payable		7,820	7,039
Total current liabilities		231,942	325,931
NET CURRENT ASSETS			
		848,375	719,468
TOTAL ASSETS LESS CURRENT LIABILITIES			
		945,934	820,793
NON-CURRENT LIABILITIES			
Convertible redeemable preferred shares and warrants		–	372,385
Lease liabilities		46,530	53,682
Total non-current liabilities		46,530	426,067
Net assets		899,404	394,726
EQUITY			
Equity attributable to owners of the parent			
Share capital	11	56	51
Other reserves		893,861	394,809
		893,917	394,860
Non-controlling interests		5,487	(134)
Total equity		899,404	394,726

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Attributable to owners of the parent					Non-controlling interests	Total equity
		Share capital	Capital reserve*	Exchange fluctuation reserve*	Accumulated loss*	Total		
		RMB'000 (note 11)	RMB'000	RMB'000	RMB'000	RMB'000		
At 1 January 2024 (audited)		51	626,360	(1,506)	(230,045)	394,860	(134)	394,726
(Loss)/profit for the period		-	-	-	(147,607)	(147,607)	5,376	(142,231)
Other comprehensive income for the period:								
Exchange differences on translation of the financial statement of the Company		-	-	(987)	-	(987)	-	(987)
Total comprehensive (loss)/income for the period		-	-	(987)	(147,607)	(148,594)	5,376	(143,218)
Issue of shares from initial public offering ("IPO")	11	1	139,117	-	-	139,118	-	139,118
Share issue expenses		-	(7,779)	-	-	(7,779)	-	(7,779)
Conversion of convertible redeemable preferred shares to ordinary shares	11	4	516,308	-	-	516,312	-	516,312
Capital contribution from non-controlling shareholders from subsidiaries		-	-	-	-	-	245	245
At 30 June 2024 (unaudited)		56	1,274,006	(2,493)	(377,652)	893,917	5,487	899,404

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the parent								
	Notes	Share capital RMB'000 (note 11)	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Accumulated loss* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2023 (audited)		382,320	(32,219)	(2,798)	(68)	(214,536)	132,699	37,302	170,001
(Loss)/profit for the period		-	-	-	-	(49,887)	(49,887)	15,013	(34,874)
Other comprehensive income for the period:									
Exchange differences on translation of the financial statement of the Company		-	-	(7,240)	-	-	(7,240)	-	(7,240)
Total comprehensive (loss)/income for the period		-	-	(7,240)	-	(49,887)	(57,127)	15,013	(42,114)
Dividends paid to non-controlling shareholders	7	-	-	-	-	-	-	(135,801)	(135,801)
Acquisition of non-controlling interests		-	(961,931)	-	-	-	(961,931)	70,895	(891,036)
Capital contribution from non-controlling shareholders from subsidiaries		-	-	-	-	-	-	645	645
Disposal of a subsidiary		-	-	-	-	-	-	(2,902)	(2,902)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income		-	-	-	68	-	68	-	68
Division on share capital		(382,297)	382,297	-	-	-	-	-	-
Issue of shares		28	1,308,213	-	-	-	1,308,241	-	1,308,241
At 30 June 2023 (audited)		51	696,360	(10,038)	-	(264,423)	421,950	(14,848)	407,102

* These reserve accounts comprise the consolidated reserves of RMB893,861,000, RMB421,899,000 in the condensed consolidated statement of financial position as at 30 June 2024 and 30 June 2023, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(135,727)	(27,367)
Adjustments for:			
Finance costs		3,276	2,746
Fair value change of financial assets and liabilities at fair value through profit or loss		142,249	63,983
Interest income from assistant funds to business partners		(1,856)	(5,617)
Depreciation of property, plant and equipment		2,888	1,899
Depreciation of right-of-use assets		11,955	11,180
Amortisation of other intangible assets		136	119
(Gain)/loss on disposal of items of property, plant and equipment, net		(44)	196
Gain on termination of items of right-of-use assets		–	(29)
Loss on disposal of subsidiaries		–	2,000
Share of profits and losses of associates		–	(307)
Impairment losses on financial assets	9	336	–
		23,213	48,803
Increase in trade receivables		(8,409)	(5,726)
(Increase)/decrease in prepayments, deposits and other receivables		(24,650)	8,303
Decrease in trade payables		(12,984)	(13,216)
(Decrease)/increase in other payables and accruals		(36,381)	601
Cash generated from operations		(59,211)	38,765
Income taxes paid		(4,412)	(7,737)
Net cash flows from operating activities		(63,623)	31,028

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(866)	(1,684)
Purchases of other intangible assets		(45)	(44)
Purchases of items of financial assets at fair value through profit or loss		(6,800)	(1,000)
Proceeds from disposal of financial assets at fair value through profit or loss		2,000	72,210
Proceeds from disposal of associates		–	1,180
Proceeds from disposal of subsidiary		–	(3,196)
Proceeds from disposal of items of property, plant and equipment		345	33
Repayment of assistant funds to business partners		40,462	404,641
Assistant funds to business partners		(26,061)	(223,485)
Interest received		2,397	9,585
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		–	1,020
Net cash flows from investing activities		11,432	259,260
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses		3,268	–
Proceeds from issue of shares		139,118	542,864
Acquisition of non-controlling interests		(1,180)	(400)
Proceeds from interest-bearing bank borrowings		79,700	49,700
Repayment of interest-bearing bank borrowings		(69,500)	(49,700)
Advance from third parties		–	61,515
Repayment of advance from third parties		–	(203,950)
Principal portion of lease payment		(12,704)	(5,056)
Dividends paid to non-controlling shareholders		(60,195)	(182,211)
Interest paid		(3,276)	(2,746)
Capital contributions by non-controlling shareholders		245	645
Net cash flows from financing activities		75,476	210,661
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		935,441	389,298
Effect of foreign exchange rate changes, net		930	3,670
CASH AND CASH EQUIVALENTS AT END OF PERIOD		959,656	893,917

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act (As Revised) of the Cayman Islands on 3 September 2014 as an exempted company with limited liability. The registered office address of the Company is P.O. Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the period, the Group was mainly involved in used vehicle auctions, arrangement of sales of used vehicle, and provision of service of used vehicles.

The shares of the Company have been listed on the Main Board of the Stock Exchange effective on 31 May 2024.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with *IAS 34 Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2.2 CHANGES IN ACCOUNTING POLICIES *(Continued)*

- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during the reporting period, and the Group's total assets as at the end of each of the period were derived from one single operating segment, i.e., provision of transportation and related services.

Geographical information

As the Group generates all of its revenues and all the non-current assets are allocated in the PRC during the period, no geographical segments are presented.

Information about major customers

The Group has a large number of customers and no revenue from a single customer is accounted for more than 10% of the Group's total revenue for the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. REVENUE

An analysis of revenue is as follows:

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
<i>Revenue from contracts with customers:</i>		
Used vehicle auction commission and service fees	133,309	144,581
Revenue from used vehicle value-added services	33,179	34,960
Revenue from arrangement for sale of used vehicles	18,326	28,622
Revenue from exhibition related services	721	11,878
Revenue from other services	5,774	6,243
Total	191,309	226,284
Timing of revenue recognition		
Closing of sale or completion of service at a point in time	166,506	183,175
Services rendered over time	24,803	43,109
Total	191,309	226,284

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Cost of used vehicle auction commission and service fees	56,254	58,231
Cost of exhibition related services	182	10,999
Cost of arrangement for sale of used vehicles	3,335	3,894
Cost of used vehicle value-added services	5,876	5,886
Cost of other services	1,961	2,067
Research and development costs*	5,309	4,737
Depreciation of property, plant and equipment	2,888	1,899
Depreciation of right-of-use assets	11,955	11,180
Amortisation of other intangible assets*	136	119
(Gain)/loss on disposal of items of property, plant and equipment, net	(44)	196
Loss on disposal of subsidiary	–	2,000
Gain on termination of items of right-of-use assets	–	(29)
Lease payments not included in the measurement of lease liabilities	2,554	3,354
Fair value changes of convertible redeemable preferred shares	142,293	74,909
Fair value changes of warrants	–	(10,926)
Fair value changes of financial assets at fair value through profit or loss	(44)	–
Auditors' remuneration	1,000	–
Listing expenses	26,662	11,942
Employee benefit expense (including directors' remuneration)**:		
Wages, salaries and other allowances	46,712	53,576
Pension scheme contributions and social welfare	9,872	12,493
	56,584	66,069
Foreign exchange differences, net	(864)	(553)
Impairment of financial assets:		
Impairment of trade receivables	336	–

* Research and development costs and amortisation of other intangible assets are included in "Administrative expenses" in the consolidated statements of profit or loss.

** The amount of employee benefit expense excludes those included in the cost of used vehicle auction commission and service fees.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. INCOME TAX

The major components of income tax expense for the periods ended 30 June 2024 and 2023 are:

	30 June 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Audited)
Current — Mainland China:		
Charge for the period	5,012	7,679
Under provision in prior years	181	58
Deferred tax	1,311	(230)
Total	6,504	7,507

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The subsidiaries incorporated in the British Virgin Islands (“**BVI**”) are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period.

Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax at a rate of 25%, unless otherwise specified below.

Changchun Baorui International Exhibition Co., Ltd. was accredited as a High and New Technology Enterprise in 2020 and 2023, and therefore Changchun Baorui International Exhibition Co., Ltd. was entitled to a preferential income tax rate of 15% during the period. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Xinjiang Huihan Motor Vehicle Auction Service Co., Ltd. (“**Xinjiang Huihan**”) and Xinjiang Baoqian Motor Vehicle Auction Service Co., Ltd. (“**Xinjiang Baoqian**”) enjoyed the benefit of income tax exemption for five years starting from the financial year with initial operating revenue and a 50% enterprise income tax reduction for the subsequent five years under the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Incentives for Newly-established Enterprises in Poverty Areas of Xinjiang.

According to Caishui (2011) No. 58 “The notice on the tax policies of further implementation of the western region development strategy” (財稅[2011]58號《關於深入實施西部大開發戰略有關稅收政策問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, companies set up in the western region and falling into the encouraged industry catalogue promulgated by the PRC government are entitled to a preferential tax rate of 15%. Guizhou Xintong Used Vehicle Auction Co., Ltd (“**Guizhou Xintong**”) was set up in the western development region and falls into the encouraged industry catalogue, and therefore it is entitled to the foresaid preferential tax rate.

Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. DIVIDENDS

The Board has resolved not to declare interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, the subsidiaries of the Company had not distributed dividends to non-controlling shareholders (six months ended 30 June 2023: RMB135,801,000).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Audited)
Loss		
Loss attributable to ordinary equity holders of the parent (RMB'000)	(147,607)	(49,887)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation ('000)	773,706	371,823
Loss per share		
Basic and diluted (RMB)	(0.19)	(0.13)

During the period, the potential ordinary shares were not included in the calculation of diluted loss per share as the potential ordinary shares had an anti-dilutive effect on the basic loss per share of each of the period. Accordingly, the diluted loss per share during the period, are the same as the basic loss per share.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9. TRADE RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	24,697	16,288
Impairment	(336)	–
Total	24,361	16,288

Trade receivables are non-interest-bearing. An ageing analysis of the Group's trade receivables as at the end of the reporting period and net of loss allowance, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 6 months	24,361	16,006
6 months to 1 year	–	282
Total	24,361	16,288

10. TRADE PAYABLES

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 6 months	17,447	30,190
6 months to 1 year	–	241
Total	17,447	30,431

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 120 days.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

11. SHARE CAPITAL

Pursuant to a special resolution passed in the board meeting held on 23 June 2023, the Company has proceeded with the capital reorganisation (the “**Capital Reorganisation**”) that the par value of the unissued share will be reduced from USD0.1639 to USD0.00001 each.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Issued and fully paid:		
Issuance of ordinary shares	56	51

A summary of movements in the Company's share capital is as follows:

	Notes	Number of shares in issue	Share capital RMB'000
At 1 January 2023 (audited)		367,500,000	382,320
Additions	(a)	394,492,710	28
Capital reorganisation		–	(382,297)
At 31 December 2023 and 1 January 2024 (audited)		761,992,710	51
Issue of shares from IPO	(b)	15,000,000	1
Conversion of convertible redeemable preferred shares to ordinary shares	(c)	55,669,718	4
At 30 June 2024 (unaudited)		832,662,428	56

Notes:

- (a) During the six months ended 30 June 2023, the Company issued 394,492,710 ordinary shares, and 147,876,118 shares of which were issued to acquire non-controlling interests of partly-owned subsidiaries of the Group.
- (b) In connection with the Company's IPO on 31 May 2024, 15,000,000 ordinary shares were issued and allotted at an offer price of HKD10.20 per share for a total gross cash consideration of HKD153,000,000 (equivalent to RMB139,118,000).
- (c) All convertible redeemable preferred shares were automatically converted into ordinary shares on a one for one basis upon the successful IPO of the Company on 31 May 2024. As a result, the financial liabilities for convertible redeemable preferred shares were derecognised and recorded as share capital and share premium.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. RELATED PARTY TRANSACTIONS

(a) Name and relationship:

Name of related party	Relationship with the Group
Huzhou Baorui Auto Sales Service Co., Ltd. 湖州寶睿汽車銷售服務有限公司	An entity controlled by a shareholder with significant influence over the Group
Shanghai Kailong Automobile Sales Co., Ltd. 上海開隆汽車集團有限公司	An entity controlled by a shareholder with significant influence over the Group
Shanghai Longyun Property Management Co., Ltd. 上海隆雲物業管理有限公司	An entity controlled by a shareholder with significant influence over the Group

(b) Related party transactions:

The Group had the following transactions with related parties during the period:

	30 June 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Audited)
Cost of used vehicle value-added services		
Huzhou Baorui Auto Sales Service Co., Ltd.	92	–
Rental expenses:		
Shanghai Kailong Automobile Sales Co., Ltd.	1,714	1,657
Shanghai Longyun Property Management Co., Ltd.	274	249

(c) Outstanding balances with a related party:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-trade:		
Prepayments, deposits and other receivables		
Shanghai Kailong Automobile Sales Co., Ltd.	2,610	870
Shanghai Longyun Property Management Co., Ltd.	419	132
	3,029	1,002
Trade:		
Trade and bills payables		
Huzhou Baorui Auto Sales Service Co., Ltd.	92	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. RELATED PARTY TRANSACTIONS *(Continued)*

(d) Compensation of key management personnel of the Group:

	30 June 2024 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Audited)
Salaries, allowances and benefits in kind	4,546	4,810
Pension scheme contributions	156	165
Total	4,702	4,975

13. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and interest-bearing borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The Group invests in unlisted investments, which represent financial products issued by the bank. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of the convertible redeemable preferred shares and warrants is determined using the valuation techniques, including discounted cash flow method and back-solve method, and is within Level 3 fair value measurement.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2024 (unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	8,344	–	8,344

As at 31 December 2023 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	3,500	–	3,500

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2024.

As at 31 December 2023 (audited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Convertible redeemable preferred shares and warrants	–	–	372,385	372,385

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

14. EVENTS AFTER THE REPORTING PERIOD

There is no significant event taking place subsequent to 30 June 2024.

DEFINITIONS

“ADMS system”	our proprietary used vehicle management system that provides intuitive, easy to use digital tools designed to help dealership groups centrally and systematically manage their used vehicle inventory across their 4S dealership stores, solve the key challenges across different stages of their used vehicle business and enhance the overall transparency, efficiency and profitability of their used vehicle business
“auction”	a process of buying and selling items or services by offering them up for bids, taking bids, and then selling them to the highest bidders
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China and, for the purpose of this document only, except where the context requires otherwise, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company” or “the Company”	Autostreets Development Limited (汽車街發展有限公司), a company incorporated under the law of the Cayman Islands with limited liability on 3 September 2014
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“EV”	Electric vehicle
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board
“Listing Date”	31 May 2024, the date on which the Shares were listed on the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“OEM”	original equipment manufacturer, which in this interim report, refers to automobile manufacturer
“Professional Buyers”	refer to used vehicle sales business participants that purchase more frequently (i.e., purchasing three or more used vehicles every year) than typical consumers
“Prospectus”	the prospectus of the Company dated 23 May 2024
“Reporting Period”	the six months ended 30 June 2024
“RMB”	Renminbi, the lawful currency of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules, unless the context otherwise requires
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“trade-in”	an arrangement in which the owner of a used vehicle uses the used vehicle as a payment or partial payment for purchase of a new vehicle
“used vehicle”	for the purposes of this document only, unless otherwise indicated, “used vehicle” refers to used passenger vehicle (i.e. an automobile designed, constructed and used primarily for the carriage of passengers and typically comprising no more than eight seats in addition to the driver’s seat)
“%”	per cent