



汽车街
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Autostreets Development Limited 汽車街發展有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2443

ANNUAL REPORT 2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Aihua
Mr. Yang Hansong (*Chairperson*)
Ms. Gao Kun
Mr. Zhao Hongliang (*appointed on 28 May 2025*)

Non-executive Directors

Mr. Rob Huting
Ms. Yang Chuyu
Ms. Zhu Yi (*resigned on 28 May 2025*)

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*)
Ms. Li Mochou (*appointed on 28 May 2025*)
Mr. Yan Jonathan Jun
Mr. Wang Jianping (*resigned on 28 May 2025*)

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

Room 1917, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

AUDITOR

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor under the
Accounting and Financial Reporting Council Ordinance
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

26/F, 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 BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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 year ended 31 December		
	2025 RMB'000	2024 RMB'000	Year-on- year change (%)
Revenues	271,075	408,591	(33.7)
Gross profit	169,729	255,128	(33.5)
Gross profit margin (%)	62.6	62.4	0.2 p.p
Profit/(Loss) for the year	21,688	(110,562)	(119.6)
Operational Performance			
Number of used vehicles transacted and served (units) ⁽¹⁾	299,000	~412,000	(27.4)
— Used Vehicle Auction Business	141,000	~180,000	(21.7)
— Used Vehicle Value-added Services ⁽²⁾	141,000	~206,000	(31.6)
— Arrangement for Sale of Used Vehicles ⁽³⁾	17,000	~26,000	(34.6)

Notes:

- (1) 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.
- (2) 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.
- (3) Most of these used vehicles were transacted through our transaction platform via auctions, with the remainder transacted through other channels.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

FOUR YEAR FINANCIAL SUMMARY

Results

	For the year ended 31 December			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Revenue	271,075	408,591	491,968	467,631
Gross Profit	169,729	255,128	312,482	284,821
Profit/(loss) for the year	21,688	(110,562)	9,269	68,980
Adjusted net profit (non-IFRS measure)	21,688	58,393	106,869	70,407

Assets and liabilities

	For the year ended 31 December			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Total assets	1,230,401	1,250,236	1,146,724	1,025,976
Total liabilities	278,899	312,708	751,998	855,975
Total equity	951,502	937,528	394,726	170,001

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY AND BUSINESS REVIEW

Industry Review

In 2025, China's automobile circulation industry advanced steadily amid policy-driven growth and structural transformation, characterised by four key features: overall volume growth, structural optimisation, profit margin pressure and industry landscape reshaping.

(i) The new vehicle market reached a record high, with new energy vehicles becoming the dominant driver

According to data released by the China Association of Automobile Manufacturers (中國汽車工業協會) on 14 January 2026, total automobile sales in China reached 34.4 million units in 2025, representing a year-on-year increase of 9.4%, setting a new historical high and maintaining the world's largest market for the 17th consecutive year. The vehicle trade-in programme (汽車以舊換新政策) played a key supporting role, with total trade-in volume exceeding 11.5 million units. Sales of new energy vehicles reached approximately 16.5 million units, representing a year-on-year increase of 28.2%, accounting for over 50% of new vehicle sales in the domestic market. Domestic passenger vehicle sales reached approximately 24.1 million units, up 6.4% year on year, while sales of Chinese domestic brand passenger vehicles reached approximately 20.9 million units, representing a market share of 69.5%. Meanwhile, the "price war" has not truly subsided, and overall industry profitability continued to face pressure, making the search for new growth drivers an urgent priority.

(ii) The used vehicle market surpassed 20.0 million units for the first time, with circulation efficiency continuing to improve

According to data released by the China Automobile Dealers Association (中國汽車流通協會) ("CADA") on 17 January 2026, the transaction volume of used vehicles in 2025 reached approximately 20.1 million units, representing a year-on-year increase of 2.5%. Transactions of new energy used vehicles reached 1.6 million units, accounting for 7.9% of the total. However, the challenging conditions in the industry remain severe, which are mainly reflected in the following aspects: the automobile market was characterised by competition for existing demand, with new energy vehicles gaining market share while internal combustion engine vehicles experienced slow sales; inventory warning levels have exceeded the boom-bust threshold, and price inversion has led to losses for new vehicle dealers; used vehicle dealers are facing high customer acquisition costs and slower inventory turnover, while being subject to dual pressures from regulatory compliance and platform competition. These conditions fully reflect the current state of low overall profitability in the automotive industry, and all market participants need to be prepared for a prolonged period of competition, continuously strengthen their internal foundations and improve operational efficiency.

(iii) Rapid growth in exports, with accelerated global expansion across the value chain

In 2025, China's total automobile exports exceeded 7.0 million units, representing stronger-than-expected growth. Among these, passenger vehicle exports reached approximately 5.7 million units, up 19.7% year on year, while exports of new energy passenger vehicles surged to approximately 2.4 million units, representing a year-on-year surge of 86.2%. More importantly, the number of overseas sales of Chinese automotive brands exceeded 3.0 million units, representing growth of 23.0% to 25.0%. This not only underpinned the strong growth in China's overall automobile exports, but also marked an upgrade in the development model of Chinese automakers from "simply exporting vehicles" to a high-quality development model characterised by global expansion across the value chain.

MANAGEMENT DISCUSSION AND ANALYSIS

(iv) High growth but low profitability, driving a shift towards value-based competition

In 2025, the proportion of loss-making dealerships nationwide reached 52.6%, while the number of dealerships exiting or closing operations was approximately 4,900. Small and medium-sized dealers accelerated their exit from the market, with approximately 11.0% of such dealers withdrawing during the year. According to data from the Passenger Vehicle Market Information Joint Conference of CADA (中國汽車流通協會乘用車市場信息聯席分會), the revenue of China's automobile industry amounted to approximately RMB11.2 trillion in 2025, representing a year-on-year increase of 7.1%, while total profit reached RMB461.0 billion, representing a slight year-on-year increase of 0.6%. These figures highlight the divergence between high growth and low profitability in the automotive industry, which will drive the industry to shift from "price competition" to "value-based competition".

Business Review

(i) Strengthening physical network to enhance brand credibility and standardised execution

The Company's nationwide network of physical auction sites not only ensures a unified brand image across the country, but also serves as a key vehicle for the standardised execution headquarters-driven practices. It also enhances customer trust and reduces frictions associated with cross-regional transactions. In 2025, the Company established new auction sites in Pudong, Shanghai; Yunan, Chongqing; and Bijie City, and upgraded auction facilities in Nanchang and Yichang. In addition, the Company completed site selection, construction and relocation of auction sites in 18 cities, including Beijing, Shenzhen, Kunming, Linyi, Huizhou, Foshan, Zhengzhou, Yangzhou, Jiaxing, Huai'an, Nanning, Xi'an, Taiyuan, Lanzhou, Qingdao, Shenyang, Changsha and Jinan.

(ii) Stable growth in dealer, OEM and institutional business

We have continued to deepen our long-term and stable cooperation with dealership groups, and have steadily increased the volume of vehicles participating in auctions and enhanced service quality by expanding the coverage of our auction network services. At the same time, as competition in the new vehicle market intensifies, an increasing number of OEMs have placed greater emphasis on, and strengthened their management of, used vehicle operations. Against this backdrop, during the Reporting Period, we further strengthened our cooperation with OEMs and expanded our business development efforts by continuously developing "headquarters-to-headquarters" framework agreements with OEM partners, while maintaining relationships with our existing partners. Our bulk vehicle disposal business in collaboration with OEMs, as well as financial institutions and mobility platforms associated with OEMs, was a key capability enhancement initiative for the platform in 2025, and is expected to achieve further improvement and development in 2026. In addition, in 2025, our institutional auction business gained customer recognition in terms of disposal efficiency, pricing performance and downstream service capabilities. During 2025, we also continued to advance our premium auction business, further expanding the pool of participating merchants and increasing the number of dedicated premium auction sessions throughout the year. This improved procurement efficiency for buyers of high-value vehicles and enhanced both the transaction success rate and premium levels achieved for consignors in the disposal of high-value vehicles.

(iii) Continued enhancement of the Company's digital product matrix

Leveraging massive volumes of inspection, testing and actual transaction data, we have developed a highly standardised used vehicle inspection and evaluation system, as well as a "transaction-driven valuation and pricing system". The combination of "standardised evaluation and pricing" and "digitalised real transaction data" constitutes the core value of the Company's B2B transaction ecosystem and reinforces the Company's technological strengths in product development. As of the end of 2025, the Company had obtained 57 software copyrights and 9 authorised patents. In December 2025, the Company entered into a five-year strategic cooperation agreement with Tencent Holdings Limited (騰訊控股有限公司) ("**Tencent**"), under which the parties will carry out comprehensive and in-depth cooperation across four key areas, namely automotive ecosystem development, cloud services, artificial intelligence ("**AI**"), and marketing and branding.

MANAGEMENT DISCUSSION AND ANALYSIS

(iv) *Rapid progress in achieving a breakthrough in used vehicle exports*

As the first listed automobile auction company in China, in mid-December 2025, the Company was invited to attend the launch ceremony of the “Shanghai Used Vehicle International Trade Comprehensive Service Platform” (上海二手車國際貿易綜合服務平台). Meanwhile, the Company has formally decided to enter the overseas market in 2026 and is actively advancing the implementation of used vehicle exports and international shipment arrangements. The first batch of used vehicles is expected to be shipped overseas in April. From blueprint to execution, and from agreement to shipment, the Company, leveraging its own strengths, policy support and close collaboration with leading overseas platforms, is accelerating the reshaping of the overseas used vehicle market landscape.

(v) *Raising corporate standards and fulfilling industry responsibilities*

In 2025, the Company continued to enhance its corporate standards, fulfil its responsibilities to the industry and undertake its share of obligations in promoting greater industry standardisation. During the year, the Company participated in the drafting of a number of industry group standards and specifications organised by industry associations. As of October 2025, the Motor Vehicle Auction Vehicle Evaluation and Inspection Standards (《機動車拍賣車輛評估檢測標準》) and the Live Auction Procedures (《直播拍賣規程》), both of which were drafted with the participation of the Company’s professional team under the organisation of the China Association of Auctioneers (中國拍賣行業協會), had been officially released at an industry conference.

Disclosure of key operating data by business segment

	Year ended 31 December	
	2025	2024
Used Vehicle Auction Business		
Number of used vehicles transacted	141,000	~180,000
Average revenue per vehicle (RMB)	1,273	1,458
Used Vehicle Value-added Services		
Number of used vehicles ⁽¹⁾	141,000	~206,000
Average revenue per vehicle (RMB)	272	309
Arrangement for Sale of Used Vehicles		
Number of consumer trade-in vehicles transacted ⁽²⁾	17,000	~26,000
Average revenue per vehicle (RMB)	2,137	1,930

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Used Vehicle Auction Business

The used vehicle auction business is our core business and accounts for a significant portion of our revenue. We have pioneered an integrated online-to-offline auction model that combines two complementary formats, namely online-offline integrated auctions and online auctions (with the latter complementing our online-offline integrated auctions by increasing vehicle exposure and improving transaction success rates). Our integrated online-to-offline transaction platform connects upstream sellers and downstream buyers in the used vehicle market and facilitates a large volume of efficient and transparent used vehicle auctions. At the same time, our online auctions complement our online-offline integrated auctions, as the majority of used vehicles offered through our online auctions are vehicles that were previously unsold in our online-offline integrated auctions.

In September 2024, we officially launched our institutional auction business, providing disposal solutions for bulk vehicle sources from operational leasing clients, online vehicle-hailing platforms, and online logistics companies. Leveraging our comprehensive and robust offline auction network, when serving such institutional clients, we were able to offer better supporting services such as vehicle delivery, documentation, and transfer services than our competitors, thereby providing more efficient disposal services to our clients. As of 31 December 2025, in respect of our institutional auction business, the Company has signed agreements with a total of 15 car rental companies and online vehicle-hailing platform companies. We have established close partnerships with these 15 companies in relation to the disposal of their retired fleet vehicles. Furthermore, we conducted targeted development for institutional vehicle buyers, building a diverse buyer base which includes car dealers, small-scale asset platforms and overseas exporters. Meanwhile, we assisted certain entrusting parties in establishing an appraisal system for institutional bulk vehicle inventories, maximizing the disposal value by optimizing the timing and planning of the asset disposal process. As two of the entrusting parties are asset platforms in the commercial vehicle sector, the Company aimed to expand its motor vehicles business beyond passenger vehicles, thereby identifying further growth points for future business development.

During the Reporting Period, we had continued to develop, improve and upgrade the technical systems of our auction platform. In 2025, we carried out targeted development of our institutional auction products, vehicle inspection agency services, and quality assurance card services, and invested manpower and resources to iteratively upgrade our core systems. We enhanced risk control across various systems (including consignment, transactions, payments, logistics orders, and fee settings), to optimize costs while improving service quality and ensuring business standards. These efforts not only strengthened the platform's competitiveness but also drove business growth from both loyal and new clients. As for the auction network expansion, we introduced a self-developed system that can assist business units in quickly identifying suitable auction sites, significantly reducing ineffective search time and improving the efficiency of site deployment.

During the Reporting Period, we established cooperation with additional dealership groups and OEMs institutional platforms (total reached 35 OEMs as of the end of 2025). In addition, we will continue to expand cooperation with institutional business partners, and developed strategic cooperation with a total of 15 mobility companies and vehicle rental companies as of the end of 2025. Apart from maintaining and expanding our upstream supply resources, we expanded our downstream business by launching auctions with more customized services, 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

In 2025, with the strong growth of the domestic new energy vehicle market, the traditional internal combustion engine vehicle market experienced significant disruption. Traditional internal combustion engine vehicle dealers, with whom we maintain close cooperation, experienced substantial declines in sales performance, as well as store closures and network exits.

Against this backdrop, we conducted comprehensive market analysis, assessing the operational models and trade-in approaches of used vehicles across various new energy vehicle brands, and actively developed differentiated cooperation models tailored to different brands to mitigate the impact arising from the disruption of traditional vehicle sourcing channels. For brands that adopt self-operated acquisition and trade-in models, we cooperate with OEMs, dealership groups and individual stores, acting as a third-party used vehicle disposal platform. For brands that adopt outsourced trade-in models, we collaborate with trade-in service providers to expand the supply of vehicles sourced through such providers for auction.

As a result of our efforts, in 2025, the number of vehicles listed for auction and the transaction volume were approximately 310,000 units and 141,000 units, respectively, representing a decrease from approximately 394,000 units and 180,000 units in 2024. During the Reporting Period, our transaction success rate (being the percentage of used vehicle transaction volume to the number of used vehicles listed for auction) was approximately 45.4%, representing a slight decrease from 45.8% in 2024.

The decreases in transaction volume, number of vehicles listed for auction and transaction success rate were attributable to: (i) a reduction in the number of stores operated by traditional internal combustion engine vehicle dealers due to market disruption; (ii) a decline in new vehicle sales of such dealers, which led to a decrease in the volume of used vehicle trade-ins; (iii) increased government scrappage subsidies, which resulted in used vehicles with residual values lower than the subsidy amount exiting the circulation market; and (iv) volatility in new vehicle prices, which transmitted to the used vehicle market, leading to increased loss exposure and loss ratios among used vehicle dealers, thereby weakening their purchasing confidence and procurement scale.

The average revenue per vehicle decreased from RMB1,458.0 in 2024 to RMB1,273 during the Reporting Period, primarily due to a series of marketing initiatives implemented by the Company to promote transactions, which resulted in a decline in revenue per vehicle. In addition, the average transaction price of vehicles decreased as compared to the corresponding period of 2024, which also led to a further decline in revenue per vehicle as commissions are charged on a proportional basis.

Used Vehicle Value-added Services

We provide a range of fee-based or complimentary used vehicle value-added services to upstream sellers and downstream buyers. For sellers, we offer pre-acquisition evaluation and inspection, used vehicle acquisition support, access to our ADMS system, and title transfer and registration services for used vehicles that are not traded on our transaction platform. For buyers, we provide used vehicle information enquiry services and re-inspection services.

In respect of the used vehicle value-added services business in 2025, the number of used vehicles served decreased from approximately 206,000 units in 2024 to approximately 141,000 units during the Reporting Period, primarily due to the downturn in the automobile dealership industry, as a result of which our partner dealership groups reduced various categories of expenditure, leading to a corresponding decline in the volume of used vehicle value-added services we provided to such dealer partners. The average revenue per vehicle also decreased. Due to the industry conditions described above, the Company granted corresponding fee reductions or exemptions for certain vehicle service fees. During the Reporting Period, the average revenue per vehicle was RMB272.0, as compared to RMB309.0 in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Used Vehicle Sourcing and Sales Arrangements

To deepen our cooperation with such dealership groups and to supplement the supply of used vehicles on our transaction platform, we arrange for the sourcing and sale of consumer trade-in vehicles at the 4S stores of our cooperating dealership groups. As part of our used vehicle sourcing and sales arrangements business, we act as an agent for the consignors (being used vehicle owners or dealership groups) in disposing of used vehicles entrusted to us for sale. We selectively engage in this business, primarily cooperating with well-known and reputable dealership groups to ensure that such opportunities can be executed in a commercially viable manner.

In 2025, due to intensified competition in the new vehicle market, selling prices continued to decline. Against this backdrop, the average transaction price of used vehicles during the Reporting Period also recorded a significant decrease. Our cooperating dealership groups became more conservative in acquiring consumer trade-in vehicles, and their demand for our used vehicle sourcing and sales arrangement services decreased accordingly. Under a specific business model of our used vehicle sourcing and sales arrangements, we generate revenue from the difference between the amounts we pay for trade-in used vehicles entrusted to us and the subsequent selling prices of such vehicles. As a result, our revenue in 2025 was adversely affected by the continued decline in used vehicle transaction prices. The number of consumer trade-in vehicle transactions decreased from 26,000 units in 2024 to 17,000 units during the Reporting Period, while the average revenue per vehicle increased from RMB1,930 to RMB2,137. As our service fees for used vehicle sourcing and sales arrangements are charged on a fixed fee per vehicle basis, the average revenue per vehicle under this business did not experience any significant change.

Exhibition Business

We provide exhibition-related services, which primarily include (i) organising automobile exhibitions and related events for dealership groups and OEMs from time to time; and (ii) providing certain advertising services on an ad hoc basis. In organising such events, we are responsible for all key aspects of event execution, including venue leasing, design and decoration, event promotion, exhibitor invitation and advertising placement. Revenue from our exhibition business is primarily derived from booth fees and advertising fees charged to dealership groups and OEMs participating in the automobile exhibitions organised by us. Revenue from the exhibition business decreased from RMB14.1 million for the year ended 31 December 2024 to RMB0 during the Reporting Period, primarily because our major OEM and dealership group partners reduced their marketing expenditures, and the Company did not carry out any automobile exhibition and sales activities during 2025.

Others Business

We continue to meet the ad hoc business needs of dealership groups, including providing title transfer and registration services and GPS installation services for new vehicles of dealership groups. The dealership groups to which we provide title transfer and registration services for new vehicles are generally our existing business partners, with whom we cooperate in used vehicle auction and/or value-added services.

Outlook

The Company remains committed to enhancing the value of used vehicle circulation and motor vehicle auction industries in China, improving and leading the standards and transaction services of the domestic used vehicle market, thereby facilitating the healthy and orderly development of China's motor vehicle auction sector.

MANAGEMENT DISCUSSION AND ANALYSIS

In the future, we will continue to (i) expand and optimize our nationwide auction site network and upgrade service facilities to maintain the leading position of the Company in China's used vehicle auction industry with our nationwide auction site network. By the end of 2025, the Company operated 83 auction sites nationwide, covering 332 cities; (ii) implement and optimize the "online-offline synchronized auction" model. As auction possess the characteristics of "high disposal efficiency, full transparency, fairness and traceability" among all used vehicle sales methods, auction platform plays a critical role in driving the vehicle circulation markets across the globe. Following the pioneering launch of the "live auction" model in early 2020, the Company has become the leading professional auction platform with the most robust auction product system in China; (iii) strengthen collaboration with new energy OEMs and manufacturers to enhance our capability of appraisal, inspection and trading in used new energy vehicles, as well as further expand upstream used vehicle supply sources and downstream Professional Buyer channels to grow our seller and buyer base; (iv) apply AI technology to facilitate business development and continuously refine our digital product portfolio covering all stages of the used vehicle circulation process, supported by intermediate-level algorithms and big data modeling, in order to provide all-in-one digital services for the industry chain and improve operational efficiency across the entire chain. Leveraging the comprehensive and in-depth collaboration between the Company and Tencent in fields including automotive ecosystem, cloud services and AI, the Company will further enhance auction efficiency and user service experiences through AI technology in the future by jointly exploring innovative applications of cloud computing and AI technology in the vehicle circulation sector to promote greater transparency and efficiency in the development of China's used vehicle industry; (v) further expand the scale of C2B auction and institutional business. By providing upfront services to entrusting parties to address pain points in vehicle repossession and improve transaction settlement efficiency, as well as continuously enhancing the disposal capability of the platform through services including personal proxy bidding and pre-auction quotation, the scale of C2B auction and institutional business is expected to be expanded rapidly; (vi) successfully execute the overseas expansion strategic planning. Looking forward, leveraging industry resources and the nationwide network of the Company's own auction sites, we aim to capitalize on its trade advantages and expand into the overseas market, and gradually extend our reach to Southeast Asia, Central Asia, Middle East and Africa, empowering the high-quality global expansion of China's used vehicle industry; and (vii) explore potential opportunities of strategic cooperation and acquisitions.

Material Events after the Reporting Period

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

Financial Analysis

Revenue

During the Reporting Period, 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.

During the Reporting Period, we recorded a revenue of RMB271.1 million, representing a decrease of 33.7% as compared with RMB408.6 million for the year ended 31 December 2024, which was primarily due to the reduced income from used vehicle auction business, used vehicle value-added services and arrangement for sales of used vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Used vehicle auction commission and service fees	179,453	66.2	262,952	64.4
Used vehicle value-added services	42,059	15.5	69,041	16.9
Arrangement for sale of used vehicles	36,325	13.4	49,564	12.1
Exhibition related services	–	–	14,075	3.4
Other services	13,238	4.9	12,959	3.2
Total	271,075	100.0	408,591	100.0

Revenue from the used vehicle auction commission and service fees decreased by 31.7% from RMB263.0 million for the year ended 31 December 2024 to RMB179.5 million for the year 31 December 2025, primarily due to the continued downward pressure on used vehicle transaction prices and transaction volumes amidst the ongoing decline in new vehicle prices as discussed in the section headed “Business Review” above, resulting in a decrease of business volume as well as corresponding commission and service fees of used vehicle auction.

Revenue from used vehicle value-added services decreased by 39.0% from RMB69.0 million for the year ended 31 December 2024 to RMB42.1 million for the Reporting Period, primarily due to spending cuts by our partnering dealership groups in light of the sluggish environment in automotive dealership business, resulted in less demand for used vehicle value-added services provided by us to these automotive dealership partners.

Revenue from the arrangement for sale of used vehicles decreased by 26.8% from RMB49.6 million for the year ended 31 December 2024 to RMB36.3 million for the Reporting Period, mainly attributable to a significant decline in new vehicle sales among our major partnering dealership groups, which led to declines to various extents in their used vehicles sales business and, consequently, reduced demand for our arrangement for sale of used vehicle services.

Revenue from exhibition related services decreased by 100% from RMB14.1 million for the year ended 31 December 2024 to RMB0 for the Reporting Period, mainly due to marketing budget cuts by our major partnering OEMs and dealership groups, resulting in no automotive exhibition sales activities during the off-season in 2025.

Revenue from other vehicle-related services increased by 1.5% from RMB13.0 million for the year ended 31 December 2024 to RMB13.2 million for the Reporting Period, representing no significant change.

Cost of Sales

Our cost of sales consists of labor cost, professional service cost, intermediary cost and other cost. For the Reporting Period, our cost of sales was RMB101.3 million, representing a decrease of 34.0% as compared to RMB153.5 million for the year ended 31 December 2024. This was mainly attributable to the proportional reductions in labour cost, professional service cost and intermediary cost corresponding with the decline in transaction volumes of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

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 33.5% from RMB255.1 million for the year ended 31 December 2024 to RMB169.7 million, and our gross profit margin maintained relatively stable at 62.6% during the Reporting Period compared to 62.4% in the same period in 2024.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 27.5% to RMB58.3 million during the Reporting Period from RMB80.4 million in the year ended 31 December 2024, primarily attributable to lower salary expenses resulting from the decrease in staff of auction site.

Administrative Expenses

Administrative expenses decreased by 34.7% to RMB87.6 million during the Reporting Period from RMB134.1 million in the year ended 31 December 2024, primarily attributable to (i) the absence of listing expenses in 2025 compared to the same period in 2024, and (ii) a decrease in salary and benefit expenses due to a reduction in the number of employees in 2025 compared to the same period in 2024.

Net Impairment Loss on Financial Assets

Net impairment loss on financial assets increased by 383.2% to RMB1.5 million during the Reporting Period from RMB0.3 million in the year ended 31 December 2024, primarily attributable to loss on bad debt of approximately RMB1.5 million.

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 slightly decreased to RMB2.2 million during the Reporting Period from RMB2.5 million in the year ended 31 December 2024, representing no significant change.

Other Income and Gains, Net

Other income and gains, net increased by 25.7% to RMB11.8 million during the Reporting Period from RMB9.3 million in the year ended 31 December 2024, primarily attributable to an increase of approximately RMB710,000 in subsidy support from local governments and an increase in interest income from funds lent to upstream partners.

Finance Costs

Finance costs slightly increased to RMB6.8 million during the Reporting Period from RMB6.3 million in the year ended 31 December 2024, remained largely stable.

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

We recorded gains of nil in fair value change of financial assets at fair value through profit or loss in both the year ended 31 December 2024 and the same period in 2025.

We recorded losses of RMB142.3 million and RMB0 for fair value change of financial liabilities at fair value through profit or loss in the year ended 31 December 2024 and the same period in 2025, such decrease was primarily due to the automatic conversion of all convertible redeemable preferred shares into ordinary shares upon the completion of the global offering on 31 May 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit/(Loss) before Tax

As a result of the foregoing, our profit before tax was RMB25.3 million in the Reporting Period, representing an increase of 125.0% from a loss of RMB101.4 million in 2024.

Income Tax Expenses

Income tax expenses decreased by 60.4% from RMB9.1 million in the year ended 31 December 2024 to RMB3.6 million in the same period in 2025. The higher income tax expense in 2024 was primarily attributable to the reversal of deferred income tax assets recognized for accumulated losses upon expiration.

Profit/(Loss) for the year

As a result of the foregoing, our profit for the Reporting Period was RMB21.7 million, representing an increase of 119.6% from a loss of RMB110.6 million in 2024, primarily due to the combined effect of the aforementioned factors.

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 the Company's shareholders' (the "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

During the Reporting Period, 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 31 December 2025, our cash and cash equivalents decreased by 20.9% to RMB827.5 million from RMB1,046.6 million as of 31 December 2024.

Borrowings

As of 31 December 2025, our outstanding borrowings amounted to RMB126.0 million, representing a decrease of 2.7% from RMB129.5 million as of 31 December 2024. 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 31 December 2025, our gearing ratio (calculated by dividing the total debt by total assets) was 22.7%. As of 31 December 2024, the gearing ratio was 25.0%. The gearing ratio as of 31 December 2025 remained relatively stable compared to the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments

We did not make or hold any significant investments (including any investment in an investee company with a value of 5.0% or more of the Group's total assets as of 31 December 2025) 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.

Pledge of assets

The Group had no pledge of assets as at 31 December 2025.

Future plans for material investments and capital assets

As of the date of this report, we did not have other plans for material investments and capital assets.

Employees and Remuneration

As of 31 December 2025, we had 600 employees, representing a decrease from 686 employees as of 31 December 2024. 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. During the Reporting Period, the total employee benefit expense (including directors' remuneration and excluding those included in the cost of used vehicles auction commission and service fees) were RMB79.6 million, as compared to RMB115.2 million for the year ended 31 December 2024.

Contingent Liabilities

As of 31 December 2025, we did not have significant contingent liabilities.

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 RMB5.0 million as of 31 December 2025 and RMB3.3 million as of 31 December 2024. 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.

DIRECTORS' REPORT

The Board of Directors presents the audited financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL BUSINESS

We are a used vehicle transaction service provider that connects used vehicle buyers and sellers with a wide range of used vehicle related services to facilitate used vehicle transactions. 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. To meet the varied and evolving needs of used vehicle sellers and buyers, we complement our online-offline integrated auction services with a full suite of value-added services (primarily including pre-acquisition inspection and appraisal, used vehicle acquisition assistance, provision of ADMS system and title transfer services offered to used vehicle sellers) and other services (primarily including arrangement for sale of used vehicles, exhibition related services, and other services) throughout the entire used vehicle transaction cycle for our used vehicles sellers and buyers.

BUSINESS REVIEW AND ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

Please refer to the section "Management Discussion and Analysis" in this annual report. The section "Management Discussion and Analysis" constitutes a component of this Directors' report.

THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS OF THE COMPANY

We aspire to become a leader in Environmental, Social and Governance ("ESG") responsibilities by exploring ways to protect the environment and supporting social causes. We are committed to social responsibilities, and consider ESG essential to our continuous business development and success. We have adopted a variety of measures to minimize any environmental impact from our business. We believe our business model itself is underpinned by a strong ESG cause, and our platform serves as a highly efficient used vehicle disposal channel that helps save energy and reduces emission for the industry as a whole.

For details of the Company's environmental protection, social responsibility and governance, etc., please refer to the 2025 Environmental, Social and Governance Report which will be published on the websites of the Company and Stock Exchange on the same date.

LEGAL PROCEEDINGS AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the knowledge of the Board of Directors and the management, during the Reporting Period, the Group has complied with the relevant laws and regulations which have a material impact on the business and operation of the Group in all material aspects. For the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

DIRECTORS' REPORT

MAJOR RISKS AND UNCERTAINTIES

Risks related to Business and Industry

Our business is affected by various industry-wide risks related to China's used vehicle industry, including but not limited to: (i) the growth and evolution of China's automotive industry in general; (ii) people's general preference for passenger vehicles as the means of transportation, which may affect the mileage driven per vehicle and overall vehicle usage, which in turn may affect the frequency of vehicle disposal and transaction price of used vehicles; (iii) fluctuations in the sales and prices of new vehicles, which in turn could affect the sales and prices of used vehicles. For instance, changes of retail prices for new vehicles (including those due to OEM's rebates and incentives) relative to that for used vehicles may affect consumers' relative preferences for new vehicles and used vehicles; (iv) government policies relating to used vehicles in China, such as taxes and other incentives or disincentives related to used vehicle purchases and ownership; retail prices of used vehicles, including the pressure created by the decrease in sales price of new vehicles (including both NEVs and ICEs); (v) the cost of energy, including fuel prices, and the cost of vehicle license plates in various cities with license plate lottery or auction systems; (vi) consumer acceptance of used vehicles; (vii) awareness, credibility and popularity of auction as a way for used vehicle transactions; (viii) vehicle-related environmental concerns and measures taken to address these concerns; (ix) change in the proportion of new energy use in overall energy use, and the increase in the proportion of NEVs in overall passenger car parc in China; (x) the improvement of the highway system and availability of parking facilities; (xi) cost and convenience of the used vehicle transaction process, including title transfer and ease of directly transacting used vehicles with consumers, which in turn may affect upstream buyers' preference for disposing of used vehicle through our transaction platform; (xii) ride sharing, public transportation networks, charging network, and other fundamental changes in transportation pattern; and (xiii) other industry-wide issues, including supply and demand of used vehicles, age distribution of vehicles and supply chain challenges.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

SHARE CAPITAL

Details of the change in the total share capital of the Company for the year ended 31 December 2025 are set out in Note 27 of the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the change in the property, plant and equipment of the Group for the Reporting Period are set out in Note 15 of the financial statements.

At the end of the Reporting Period, saved as disclosed above, the Group does not possess other investment properties or properties held for development and/or sale the percentage of which (as defined under Rule 14.07 of the Listing Rules) is over 5%.

CHARITABLE DONATIONS

The Group did not make any charitable donation for the year ended 31 December 2025.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

Our customers mainly included (i) Professional Buyers, who purchase used vehicle through our transaction platform, and (ii) dealership groups, to whom we provided our used vehicle value-added services and arrangement for sale of used vehicles. For the year ended 31 December 2025, the five largest customers of the Company account for approximately 36.7% of the total sales of the Company, and the sales of the largest customer account for approximately 17.1% of our sales for the year.

Our suppliers primarily included dealership groups, third-party service providers for services such as title transfer, logistics and advertisement, as well as lessors of exhibition sites. For the year ended 31 December 2025, the five largest suppliers of the Company account for approximately 30.4% of the total purchase of the Company, among which the total purchase from the largest supplier accounts for approximately 7.3% of the cost of sales of that year.

For the year ended 31 December 2025, to the knowledge of the Directors, none of the Directors, their associates or Shareholders who are interested in more than 5% of the share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group during the year.

MAJOR RELATIONSHIP WITH STAKEHOLDERS

We acknowledge the importance of maintaining a good relationship with our stakeholders (including shareholders, employees, suppliers, customers and other business partners) is the key to the success of the Group. We will continue to ensure to have an effective communication in place, and to maintain a good relationship with its respective stakeholders. For details of the major relationship of the Company with its stakeholders, please refer to the 2025 Environmental, Social and Governance Report which will be published on the websites of the Company and Stock Exchange on the same date.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Prospectus, the Group has entered into the following partially-exempt continuing connected transactions during the year ended 31 December 2024. For further details, please refer to the section headed "Connected Transactions — Continuing Connected Transactions — Partially Exempt Continuing Connected Transactions" in the Prospectus.

Used vehicle value-added and arrangement for sale services framework agreement

On 20 May 2024, Guizhou Xintong and Guizhou Tongyuan Investment entered into a used vehicle value-added and arrangement for sale services framework agreement (the "**Used Vehicle Services Agreement**") effective upon Listing until 31 December 2026, pursuant to which our Group would provide certain used vehicle related value-added and arrangement for sale of used vehicles services to Guizhou Tongyuan Investment Group.

Guizhou Tongyuan Investment owns 33% equity interests in Guizhou Xintong, a non-wholly owned subsidiary of our Company, and therefore Guizhou Tongyuan Investment and its subsidiaries are connected persons of our Company under Rules 14A.07(1) and 14A.13(1) of the Listing Rules.

DIRECTORS' REPORT

The annual caps in respect of the transactions contemplated under the Used Vehicle Services Agreement are as follows:

	Proposed annual caps for the year ending 31 December		
	2024	2025	2026
	(in thousand of RMB)		
Used vehicle value-added and arrangement for sale services fees payable by Guizhou Tongyuan Investment Group to our Group	86,800	86,800	86,800

For the year ended 31 December 2025, the transaction amount of the above transactions was RMB46,239 (in thousand of RMB), which did not exceed its annual cap.

Supporting services framework agreement

On 20 May 2024, Guizhou Xintong and Guizhou Tongyuan Automobile entered into a supporting services framework agreement (the "**Supporting Services Agreement**"), effective upon Listing until 31 December 2026, pursuant to which Guizhou Tongyuan Automobile Group would provide used vehicles related services ancillary to the daily operation of our Group's in its normal course of business and cooperation with the Group.

Mr. Zang Fengjiang, a director of Guizhou Xintong, a subsidiary of our Company, controls more than 30% voting rights in Guizhou Tongyuan Automobile. Therefore, Guizhou Tongyuan Automobile and its subsidiaries are connected persons of our Company under Rule 14A.07(4) and 14A.12(1) of the Listing Rules.

The annual caps in respect of the transactions contemplated under the Supporting Services Agreement are as follows:

	Proposed annual caps for the year ending 31 December		
	2024	2025	2026
	(in thousand of RMB)		
Supporting Services fees payable by our Group to Guizhou Tongyuan Automobile Group	12,900	12,900	12,900

For the year ended 31 December 2025, the transaction amount of the above transactions was RMB7,666 (in thousand RMB), which did not exceed its annual cap.

DIRECTORS' REPORT

Confirmation by independent non-executive Directors and the auditor

The independent non-executive Directors have reviewed the continuing connected transactions outlined above, and confirmed that such continuing connected transactions had been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Auditor has performed the relevant procedures regarding the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the above mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. Nothing has come to the auditor's attention that causes it to believe that the above-mentioned continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) have exceeded the annual caps of the transactions.

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the year ended 31 December 2025 are set out in Note 32 of the financial statements. During the year ended 31 December 2025, save as disclosed in "Partially Exempt Continuing Connected Transactions" of this annual report, none of such related party transaction constitutes "connected transaction" or "continuing connected transaction" which required to be disclosed in this annual report in accordance with Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to these continuing connected transactions entered into by the Group during the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

DIRECTORS' REPORT

USE OF PROCEEDS FROM THE 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\$19.1 million. As of 31 December 2025, HK\$19.1 million out of the net proceeds have been utilized in the manner consistent with that disclosed in the prospectus dated 31 May 2024 (the "**Prospectus**") under the section headed "Future Plan and Use of Proceeds". Set out below is the status of use of proceeds from the Global Offering as of 31 December 2025. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus and the Company expects to fully utilize the residual amount of the net proceed in accordance with such intended purpose by December 2028.

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 31 December 2025 (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	25.2	8.0	By December 2028
• Opening 19 new auction sites	28.0%	23.2	18.2	5.0	By December 2028
• Renovation of existing 7 auction sites	12.0%	10.0	7.0	3.0	By December 2028
Enhancing our relationship with existing sellers and buyers and attract new sellers and buyers to our platform	10.0%	8.2	6.6	1.6	By December 2028
• Enhancing our business relationships with existing upstream sellers and downstream buyers	5.0%	4.1	3.3	0.8	By December 2028
• Expanding our seller base and buyer base	5.0%	4.1	3.3	0.8	By December 2028
Developing and diversifying our service offering and exploring new growth areas	15.0%	12.5	10.3	2.2	By December 2028
• Expanding and upgrading our ADMS system with additional functions	2.6%	2.2	1.7	0.5	By December 2028

DIRECTORS' REPORT

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 31 December 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
• Providing additional services to buyers	1.3%	1.1	0.9	0.2	By December 2028
• Continuously upgrading our mobile app and technology	3.3%	2.7	2.2	0.5	By December 2028
• Providing services and developing digital tools that assist other market participants in carrying out their used vehicle business	3.4%	2.8	2.3	0.5	By December 2028
• Recruiting additional talent and establishing relevant training programs	4.4%	3.7	3.2	0.5	By December 2028
Investing in research and development	15.0%	12.5	8.2	4.3	By December 2028
• Developing a QR code-based, AI-assisted intelligent inventory management system	3.6%	3.0	1.0	2.0	By December 2028
• Developing and optimizing a used vehicle pricing model	2.5%	2.1	1.6	0.5	By December 2028
• Enhancing our IT infrastructure	2.1%	1.7	1.2	0.5	By December 2028
• Upgrading our big data analytics capabilities	3.0%	2.5	2.0	0.5	By December 2028
• Developing AI-empowered digital tools for detecting and analyzing images used vehicles	2.4%	2.0	1.5	0.5	By December 2028
• Developing technology and systems that facilitate the transaction process of NEVs	0.7%	0.6	0.4	0.2	By December 2028

DIRECTORS' REPORT

	Percentage (%)	Net proceeds from the Global Offering (HK\$ million)	Unutilized amount as of 31 December 2025 (HK\$ million)	Utilization during the Reporting Period (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Increasing the digitalization level of our business operation	0.7%	0.6	0.5	0.1	By December 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	7.3	1.0	By December 2028
Used for our working capital and general corporate purposes	10.0%	8.3	6.3	2.0	
Total	100.0%	83.0	63.9	19.1	

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.

DIRECTORS' REPORT

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period from the Listing Date up to 31 December 2025, 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 31 December 2025, the Company did not hold any treasury shares.

DEBENTURES IN ISSUE

The Group does not issue any debentures during the Reporting Period and as of the date of this annual report.

DIRECTORS

Followings are the Directors during the Reporting Period and as of the date of this annual report:

Executive Directors

Yang Aihua

Yang Hansong (*Chairman*)

Gao Kun

Zhao Hongliang (*appointed on 28 May 2025*)

Non-executive Directors

Rob Huting

Zhu Yi (*resigned on 28 May 2025*)

Yang Chuyu

Independent Non-executive Directors

Wang Jianping

Li Mochou

Yan Jonathan Jun

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board had at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each of the independent non-executive Directors a written annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

DIRECTORS' REPORT

SERVICE CONTRACTS OF DIRECTORS

Each of our executive Directors has entered into a service contract with us under which they agreed to act as executive Directors for an initial term of three years since the Listing Date, which may be terminated in accordance with the terms and conditions of the service agreement or by not less than three months notice in writing served by either the executive Directors or us.

Each of our non-executive Directors and independent non-executive Directors has signed an appointment letter with us for an initial term of three years or until the third annual general meeting of our Company since the Listing Date, subject to the Articles and the Listing Rules (whichever is sooner).

The above appointments are subject to the provisions of retirement of Directors under our articles of association.

During the Reporting Period, none of the Directors entered into a service contract with the Company or its subsidiaries which could not be terminated within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the Reporting Period, none of the Directors or their connected entities had any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the Company, to which the Company or any of its subsidiaries was a party.

RESERVES AVAILABLE FOR DISTRIBUTION

As of the end of the Reporting Period, our Company had no reserves available for distribution to our Shareholders.

PERMITTED INDEMNITY

Subject to the relevant regulations, every Director shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his or her office or which may attach thereto. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, none of the Company or its subsidiaries had entered into any arrangements which enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other legal entities.

DIRECTORS' REPORT

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

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

EQUITY-LINKED AGREEMENT

During the Reporting Period, the Company has not entered into any equity-linked agreement, or if there is such agreement subsisted.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors had engaged in or had any interest in any business which, directly or indirectly, competes or is likely to compete with the businesses of the Group and which is required to be disclosed under Rule 8.10 of the Listing Rules.

ADMINISTRATIVE MANAGEMENT CONTRACTS

The Company did not sign any administrative management contract for all or main businesses of the Company during the Reporting Period.

CORPORATE GOVERNANCE

Report on the key corporate governance practice adopted by the Company is set out in the section "Corporate Governance Report" of this annual report.

AUDITOR

The Shares were listed on 31 May 2024, and there has been no change in auditor since the Listing Date up to 31 December 2025. The consolidated financial statements of the Group have been audited by Ernst & Young, Certified Public Accountants and Registered Public Interest Entity Auditors, who will retire and, being eligible, offer themselves for reappointment at our upcoming annual general meeting.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the Reporting Period.

DIRECTORS' REPORT

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Save for the appointment of Mr. Zhao Hongliang as an executive Director and the resignation of Ms. Zhu Yi as a non-executive Director effective on 28 May 2025, the Directors and chief executive confirm that there has been no change in their information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the disclosure made in the Company's 2024 annual report and 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 31 December 2025, the interests and short position of the Directors and chief executives 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code"), were as follows:

Name of Director	Position	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding
Yang Aihua	Executive Director	Interest in a controlled corporation ⁽²⁾	100,000,000 (L)	12.01%
		Interest in a controlled corporation ⁽²⁾	20,000,000 (S)	2.40%
Yang Hansong	Executive Director and Chairman	Interest in a controlled corporation ⁽³⁾	45,000,000 (L)	5.40%
Gao Kun	Executive Director, Chief Financial Officer and Joint Company Secretary	Interest in a controlled corporation ⁽⁴⁾	5,000,000 (L)	0.60%
Zhao Hongliang	Executive Director and Chief Executive Officer	Interest in a controlled corporation ⁽⁵⁾	6,100,000 (L)	0.73%

Notes:

- (1) (L) refers to long position and (S) refers to short position. The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 31 December 2025.
- (2) 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 in long position and 20,000,000 Shares in short position held by Extensive Prosperous Investments Limited.
- (3) World Key Investment Trading Limited is wholly owned 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.
- (4) 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.
- (5) 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.

DIRECTORS' REPORT

Save as disclosed above, as at 31 December 2025, to the best of the Company's knowledge, information and belief, none of the Directors or chief executives 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 31 December 2025, so far as the Company is aware, the following persons (other than the Directors and chief executives of Company, whose interests have been disclosed in this 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 Director	Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of holding ⁽²⁾
Extensive Prosperous Investments Limited ⁽³⁾	Beneficial owner	100,000,000 (L)	12.01%
		20,000,000 (S)	2.40%
Orient Rich Investment Development Limited ⁽³⁾	Interest in controlled corporation	100,000,000 (L)	12.01%
		20,000,000 (S)	2.40%
Extensive Success Holding Limited ⁽³⁾	Interest in controlled corporation	100,000,000 (L)	12.01%
		20,000,000 (S)	2.40%
TMF (Cayman) Ltd. ⁽³⁾	Trustee	100,000,000 (L)	12.01%
		20,000,000 (S)	2.40%
Mr. Yang Aihua. ⁽³⁾	Founder of a trust	100,000,000 (L)	12.01%
		20,000,000 (S)	2.40%
Manheim Investments, Inc. ⁽⁴⁾	Beneficial owner	90,000,000 (L)	10.81%
Cox Automotive ⁽⁴⁾	Interest in controlled corporation	90,000,000 (L)	10.81%
Cox Enterprises, Inc. ⁽⁴⁾	Interest in controlled corporation	90,000,000 (L)	10.81%
James C. Kennedy ⁽⁴⁾	Trustee	90,000,000 (L)	10.81%
Alexander C. Taylor ⁽⁴⁾	Trustee	90,000,000 (L)	10.81%
John M. Dyer ⁽⁴⁾	Trustee	90,000,000 (L)	10.81%
World Key Investment Trading Limited ⁽⁶⁾	Beneficial owner	45,000,000 (L)	5.40%
Yang Hansong ⁽⁶⁾	Interest in controlled corporation	45,000,000 (L)	5.40%
China Grand Automotive Services Group Co., Ltd. ⁽⁷⁾	Interest in controlled corporations	62,500,000 (L)	7.50%
China Grand Automotive Services Co., Ltd. ⁽⁷⁾	Interest in controlled corporations	62,500,000 (L)	7.50%
Shanghai Huiyong Automotive Distribution Co., Ltd. ⁽⁷⁾	Interest in controlled corporations	62,500,000 (L)	7.50%
China Grand Automotive Services (Hong Kong) Limited ⁽⁷⁾	Interest in controlled corporations	62,500,000 (L)	7.50%

DIRECTORS' REPORT

Notes:

- (1) (L) refers to long position and (S) refers to short position.
- (2) The calculation is based on the total number of 832,662,428 ordinary shares in issue as of 31 December 2025.
- (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 (楊愛華) 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 (楊愛華) 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 (韓卓恒). By virtue of the SFO, Mr. Han Zhuoheng (韓卓恒) is deemed to be interested in the Shares in which Zhuoheng Holding Limited is interested in.
- (6) World Key Investment Trading Limited is wholly owned by Mr. Yang Hansong (楊漢松). By virtue of the SFO, Mr. Yang Hansong (楊漢松) is deemed to be interested in the Shares in which World Key Investment Trading Limited is interested in.
- (7) China Grand Automotive Services Co., Ltd. ("**CGA Services**") is wholly owned by China Grand Automotive Services Group Co., Ltd. ("**CGA Group**"). Shanghai Huiyong Automotive Distribution Co., Ltd. ("**Shanghai Huiyong**") is held as to 55.77% by CGA Group and as to 44.23% by CGA Services. China Grand Automotive Services (Hong Kong) Limited ("**CGA HK**") is wholly owned by Shanghai Huiyong. Baoxin Auto Finance I Limited is wholly owned by CGA HK, directly held 41,500,000 Shares, and Grand Baoxin Auto Group Limited is owned as to 68.56% by CGA HK, directly held 21,000,000 Shares. Accordingly, by virtue of SFO, CGA Group, CGA Services, Shanghai Huiyong and CGA HK are deemed to be interested in the Shares in which Baoxin Auto Finance I Limited and Grand Baoxin Auto Group Limited are interested. As of 31 December 2025, 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 31 December 2025, Mr. Yang Hansong is interested in approximately 1% shareholding interest in Grand Baoxin Auto Group Limited.

Save as disclosed above, as at 31 December 2025, to the best of the Company's knowledge, information and belief, there were no other persons (other than the Directors or chief executives 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.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2025. 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 report.

DIRECTORS' REPORT

AUDIT COMMITTEE

The Company has established an audit committee (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 three independent non-executive Directors, 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 audited annual results of the Group for the Reporting Period in conjunction with the Company's external auditor 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 audited consolidated financial statements comply with the applicable accounting standards and requirements, and that adequate disclosure has been made.

PUBLIC FLOAT

According to the information publicly available and to the knowledge of the Directors of the Company, the Company maintains the sufficient public float as required by the Listing Rules during the Reporting Period.

By order of the Board
Autostreets Development Limited
Mr. Yang Hansong
Chairman and Executive Director

DIRECTORS AND SENIOR MANAGEMENT

BIOGRAPHIES OF DIRECTORS

Executive Directors

Mr. Yang Aihua (楊愛華), aged 64, is the founder and executive Director of our Company. Since founding our Group in 2014, Mr. Yang has brought in extensive industry expertise and leveraged his reputation and relationship from his previous experience in building our business. Mr. Yang has been primarily responsible for the overall formation of corporate development plan and strategy of the Group, in particular, on forging business relationship with other industry leaders and maintaining strategic relationship with Cox Automotive. Mr. Yang was first appointed as our Director on 12 August 2022 and was redesignated as our executive Director on 20 June 2023. Mr. Yang had over 30 years of experience in the automotive industry in China. Since 1999, Mr. Yang founded Baoxin Auto Group Limited (寶信汽車集團有限公司) (currently named as Grand Baoxin Auto Group Limited (廣匯寶信汽車集團有限公司), which has been a company listed on the Stock Exchange (stock code: 1293)) ("**Baoxin Auto**"). Mr. Yang has been the chairman of Baoxin Auto until June 2016. Mr. Yang also served as a chairman at Shanghai Kailong Automobile Trading Co., Ltd.* (上海開隆汽車貿易有限公司) ("**Shanghai Kailong**") from 1999 to 2004 and the chairman of Shanghai Baoxin Automobile Sales & Services Co., Ltd.* (上海寶信汽車銷售服務有限公司) from 2004 to 2007. Mr. Yang was appointed as an executive director of Baoxin Auto in November 2011, and later resigned as executive director and chairman of Baoxin Auto in June 2016 and has not been involved in the management or operations of Baoxin Auto since then. Mr. Yang obtained an EMBA degree from Dalian University of Technology in January 2006. Mr. Yang received a certificate of completion after attending the Global Finance GFD held by the Tsinghua University PBC School of Finance from September 2017 to July 2019. In February 2021, Mr. Yang obtained a PhD degree in advanced studies in applied finance from the Graduate Institute of Finance of the University of Geneva, Switzerland. Mr. Yang Aihua (楊愛華) is the brother of Mr. Yang Hansong (楊漢松) and Mr. Yang Zehua (楊澤華), both of which are indirect Shareholders of the Company.

Mr. Yang Hansong (楊漢松), aged 63, is the Chairman and an executive Director of our Company. Mr. Yang is primarily responsible for the overall formation and execution of development plan and strategy, and overall management of our Group. Mr. Yang was first appointed as our Director on 27 March 2018 and was redesignated as our executive Director on 20 June 2023. Mr. Yang also served as the chief executive officer of the Company from April 2021 to March 2022. Mr. Yang also serves as an executive director and legal representative at Shanghai Xinbao Botong since June 2014. Mr. Yang had over 30 years of experience in the automotive industry in China. Prior to joining our Group, he served as the vice chairman of Shanghai Kailong, a subsidiary of Baoxin Auto from 1999 to 2002. From 2002 to 2004 he was the general manager of Shanghai Pacific Sands Automobile Sales Service Co., Ltd.* (上海太平洋金沙汽車銷售服務有限公司). From 2004 to 2008, Mr. Yang was an executive director of Suzhou Baoxin Automobile Sales Service Co., Ltd.* (蘇州寶信汽車銷售服務有限公司). Mr. Yang was appointed as a director and president of Baoxin Auto in 2008. He was later appointed as the vice chairman and the chief executive officer of Baoxin Auto and ceased to act as the president in September 2013. Mr. Yang resigned as an executive director and vice chairman of Baoxin Auto in June 2016 and has not been involved in the management or operations of Baoxin Auto since then. Mr. Yang has been serving as the vice chairman of the China Automobile Dealers Association. In 2006, he was selected as one of the top ten influential figures of China's first MBA/EMBA Group Awards by CCTV. Mr. Yang has been awarded the title of Global Sales Master (全球銷售大師) by General Motors during 2008 to 2015. Mr. Yang obtained a bachelor's degree in history from Jiangxi Normal University in 1983. Mr. Yang received a master's degree in business administration from Dalian University of Technology in 2006 and a doctoral degree in management from the same university in April 2014 and received his doctoral degree in professional advanced studies in applied finance from the Geneva Finance Research Institute of the University of Geneva in Switzerland in February 2023.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Gao Kun (高鵬), aged 49, is the executive Director, chief financial officer and joint company secretary of our Group. Ms. Gao is primarily responsible for the overall financing and accounting management of our Group. Ms. Gao was first appointed as our Director on 29 July 2017 and was redesignated as our executive Director on 20 June 2023. Ms. Gao served as the Chief Financial Officer of the Company since September 2014. Ms. Gao also holds the following positions in other members of our Group:

Other members of the Group	Positions held with other members of the Group	Date of appointment
Shanghai Xuntongjie Consulting Management Co., Ltd.* (上海勛通捷諮詢管理有限公司)	Executive Director, Manager	December 2021
Wenzhou Changxin Automobile Sales Service Co., Ltd.* (溫州常信汽車銷售服務有限公司)	Supervisor	June 2023
Guizhou Xintong Used Vehicle Auction Co., Ltd.* (貴州信通二手車拍賣有限公司)	Director	December 2019
Suzhou Huaze Used Motor Vehicle Trading Market Co., Ltd.* (蘇州華澤舊機動車交易市場有限公司)	Supervisor	June 2023
Shenyang Changxin Auction Co., Ltd.* (瀋陽常信拍賣有限公司)	Supervisor	June 2023
Hunan Litianfuzhu Automobile Sales Service Co., Ltd.* (湖南力天福駐汽車銷售服務有限公司)	Supervisor	June 2023
Shantou Xinghui Automobile Sales Service Co., Ltd.* (汕頭星徽汽車銷售服務有限公司)	Supervisor	June 2023
Changchun Baorui International Exhibition Co., Ltd.* (長春寶瑞國際會展有限公司)	Executive Director, Manager	June 2023
Xinbao Botong (Tianjin) Used Vehicle Business Co., Ltd.* (信寶博通(天津)二手車經營有限公司)	Director	August 2018
Shanghai Yichang Logistics Co., Ltd.* (上海翌暢物流有限公司)	Executive Director, Manager	July 2017
Beijing Kaokesi Auto Technical Co., Ltd.* (北京考科斯汽車科技有限公司)	Supervisor	May 2017
Quanzhou Huachuang Auction Co. Ltd.* (泉州華創拍賣有限公司)	Director	September 2022
Changchun Haozheng Culture Media Co., Ltd.* (長春浩正文化傳媒有限公司)	Executive Director, Manager	June 2023
Tianjin Haoterni Exhibition Co., Ltd.* (天澤浩特瑞展覽有限公司)	Executive Director, Manager	June 2023

Ms. Gao joined our Group in 2014. Prior to joining our Group, she served as the senior audit manager of Ernst & Young Hua Ming LLP at its Shanghai branch from August 1998 to February 2012. Ms. Gao obtained her bachelor's degree in business administration from Shanghai University of Finance and Economics in July 1998. She then received a master's degree in Finance from Durham University in September 2007. Ms. Gao has been a certified public accountant of the Chinese Institute of Certified Public Accountants since March 2002.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhao Hongliang (趙宏良), aged 59, is the executive Director and chief executive officer of our Group. Mr. Zhao is primarily responsible for the supervision of execution of strategic development and overall management of our Company. Mr. Zhao has served as the president of the Company from October 2020 to March 2022 and was appointed as the chief executive officer of the Company in March 2022 and was appointed as the executive Director of the Company on 28 May 2025. Mr. Zhao also holds the following positions in other members of our Group:

Other members of the Group	Positions held with other members of the Group	Date of appointment
Xinjiang Huihan Automobile Auction Service Co., Ltd.* (新疆匯瀚機動車拍賣服務有限公司)	Executive Director, Manager	September 2023
Wenzhou Changxin Automobile Sales Service Co., Ltd.* (溫州常信汽車銷售服務有限公司)	Executive Director, Manager	June 2023
Wuhan Botong Auction Co., Ltd.* (武漢市博通拍賣有限公司)	Supervisor	August 2021
Guangzhou Jiangjunjiang Business Service Co., Ltd.* (廣州江軍江商務服務有限公司)	Executive Director, Manager	June 2023
Shantou Xinghui Automobile Sales Service Co., Ltd.* (汕頭星徽汽車銷售服務有限公司)	Director	June 2023

Mr. Zhao had over 25 years of experience in the automotive industry. Mr. Zhao served as the deputy general manager of Shanghai Kailong Automobile Trading Co., Ltd.* (上海開隆汽車貿易有限公司) (“**Shanghai Kailong**”) from 1999 to 2001, and was appointed as the general manager of Shanghai Kailong from 2002 to 2006. Mr. Zhao then served as the vice president of Baoxin Auto Group Limited (currently known as Grand Baoxin Auto Group Limited), a company listed on the Stock Exchange (stock code: 1293) (“**Baoxin Auto**”) from 2008 to 2016 and the executive director of Baoxin Auto from 2011 to 2016. He worked as the executive vice president at China Rundong Auto Group Limited* (中國潤東汽車集團有限公司) from April 2019 to August 2021. Mr. Zhao obtained a master’s degree in business administration in March 2005 by completing the program jointly offered by the University of Management and Technology and Fudan University.

Non-Executive Directors

Mr. Rob Huting, aged 58, was appointed as our Director on 27 March 2018 and was redesignated as a non-executive Director on 20 June 2023. Mr. Huting is responsible for overall strategic liaison of cooperation between Cox Automotive and our Group. Mr. Huting has served as the corporate development, vice president at Cox Automotive since August 2000. Mr. Huting has served as a director in Shanghai Youyue Information Technology Co., Ltd.* (上海優約信息技術有限公司), a non-wholly owned subsidiary of Jingzhengu Holdings Limited since April 2015, and he served as a director at Bitauto Holdings Ltd. (a company previously listed on the NYSE (stock code: BITA) from January 2018 to November 2020. Mr. Huting obtained a bachelor’s degree in business administration from the Nijenrode Business University in May 1988 and received a master’s degree in international business from the University of South Carolina in May 1990.

Ms. Yang Chuyu, aged 36, was appointed as our Director on 3 September 2014 and was redesignated as a non-executive Director on 20 June 2023. Ms. Yang is responsible for providing professional opinion and judgment to the Board. Ms. Yang Chuyu is the daughter of Mr. Yang Aihua (楊愛華), one of the executive Directors of our Company. Ms. Yang was appointed as a Director of our Company in 2014. Prior to joining our Group, Ms. Yang worked in investment management department of Baoxin Auto from 2012 to 2016. Ms. Yang obtained a bachelor’s degree in economics and finance from the University of Toronto in June 2011 and received a master’s degree in risk management from the University of Nottingham in December 2013.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Mr. Wang Jianping (王建平), aged 61, was appointed as our independent non-executive Director on 20 June 2023, with effect on 23 May 2024. Mr. Wang is responsible for providing independent advice to the Board. Mr. Wang has over 30 years of experience in finance management. He served as an assistant director at the accounting division of Hunan Branch at PBOC. Mr. Wang subsequently joined China Minsheng Banking Corp., Ltd. where he held a number of management positions, including the director of the accounting department of the head office, general manager of the planning and finance department, general manager of the financial management department, president and the secretary of the branch party committee of the Shanghai branch, and member of the party committee at the head office until 2014. Mr. Wang then served as the chairman at Minsheng E-commerce Co., Ltd* (民生電子商務有限責任公司) from March 2014 to December 2014, and he also served as the vice president and chief financial officer at China Minsheng Investment Co., Ltd* (中國民生投資股份有限公司) from April 2014 to June 2018. Mr. Wang has also served as an independent non-executive director of Pan Asia Data Holdings Inc., a company listed on the Stock Exchange (stock code: 1561), from December 2018 to December 2021, Aier Eye Hospital Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300015), from June 2015 to November 2019, Chongqing Lummy Pharmaceutical Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300006), from February 2016 to June 2020, and Shandong Yulong Gold Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601028), since October 2019. Mr. Wang obtained a bachelor's and a master's degree in finance from Hunan University (formerly known as Hunan University of Finance) in July 1982 and July 1999 respectively. He then received a master's degree in business administration from Wuhan University in June 2006.

Ms. Li Mochou (李莫愁), aged 44, was appointed as our independent non-executive Director on 20 June 2023, with effect on 23 May 2024. Ms. Li is responsible for providing independent advice to the Board. Ms. Li currently serves as an associate professor in accounting, and a graduate adviser at the faculty of business administration at Donghua University since September 2017. Ms. Li served as the Deputy Director of the Accounting Department at Donghua University School of Business Administration from June 2017 to June 2020. Ms. Li specializes in financial analysis, valuation, and auditing theory and practice, with extensive experience in teaching these subjects at Donghua University. Ms. Li has significantly contributed to research in these areas by publishing academic journals. As recognition of her outstanding achievement, Ms. Li has received awards such as the Excellent Award in the Second Shanghai Youth Teacher Teaching Competition. Ms. Li has also served as an independent non-executive director and a member of the audit committee of Shanghai Sanyou Medical Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688085) since July 2022, and a director of MeetFuture China Co., Ltd.* (彌費科技(上海)股份有限公司) since November 2022. Ms. Li obtained a bachelor's degree in public administration and a master's degree in public finance from Shanghai University of Finance and Economics in July 2004 and January 2007 respectively. She further received a PhD in accounting from Fudan University in June 2013. Ms. Li has been a certified public accountant of the Chinese Institute of Certified Public Accountants since March 2011. Ms. Li is also our independent non-executive Director with appropriate professional accounting or related financial management expertise for the purpose of Rule 3.10(2) of the Listing Rules through her qualifications and experiences listed above.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yan Jonathan Jun (嚴駿), aged 63, was appointed as our independent non-executive Director on 20 June 2023, with effect on 23 May 2024. Mr. Yan is responsible for providing independent advice to the Board. Mr. Yan served as the general manager of Ecole Fashion Consulting (Beijing) Ltd.* (意國時尚管理諮詢(北京)有限公司) from 2006 to 2013. Mr. Yan subsequently served as the director of the Global Finance Development Education Center of PBC School of Finance, Tsinghua University from 2013 to 2020. He has been the president of China Global Philanthropy Institute since September 2020. Mr. Yan has served as an independent director of Haisco Pharmaceutical Group Co. Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002653) from January 2017 to August 2023. He has also served as an independent director of Guangdong Baolihua New Energy Stock Co. Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000690) since May 2019, and an independent director of HICHAIN Logistics Co. Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300873) since May 2022. Mr. Yan also serves as an independent non-executive director of Huabao International Holdings Limited, a company listed on the Stock Exchange (stock code: 336) since May 2019 and an independent non-executive director of Shandong Hi-speed Holdings Group Limited, a company listed on the Stock Exchange (stock code: 412), since May 2020. Mr. Yan also served as an independent non-executive director of Luda Technology Group Limited, a company listed on the New York Stock Exchange (stock code: LUD) since February 2025. Mr. Yan obtained a master's degree in management from University of Technology, Sydney in May 1998.

BIOGRAPHIES OF SENIOR MANAGEMENT

Please refer to the section "Biographies of Directors" above for the biographical details of Ms. Gao Kun.

Please refer to the section "Biographies of Directors" above for the biographical details of Mr. Zhao Hongliang.

Mr. Liu Ming (劉鳴), aged 59, is the president of our Company. Mr. Liu is primarily responsible for the business management and operation, in particular, making decisions on all major operation affairs of the Group. Mr. Liu served as the executive vice president of our Company from January 2021 to March 2022, and the president of our Company since March 2022. Mr. Liu also holds the following positions in other members of our Group:

Other members of the Group	Positions held with other members of the Group	Date of appointment
Shenyang Changxin Auction Co., Ltd.* (瀋陽常信拍賣有限公司)	Executive Director, Manager	June 2023
Hunan Litianfuzhu Automobile Sales Service Co., Ltd.* (湖南力天福駐汽車銷售服務有限公司)	Executive Director, Manager	June 2023
Shantou Xinghui Automobile Sales Service Co., Ltd.* (汕頭星徽汽車銷售服務有限公司)	Chairman, Manager	June 2023
Shanghai Changxin Auction Co., Ltd.* (上海常信拍賣有限公司)	Supervisor	February 2023
Xinjiang Huihan Automobile Auction Service Co., Ltd.* (新疆匯瀚機動車拍賣服務有限公司)	Supervisor	September 2023
Shanghai Shuxun Electric Commercial Co., Ltd.* (上海樹勳電子商務有限公司)	Supervisor	January 2025

Mr. Liu has extensive experience in regional management in the automotive industry and is familiar with dealership operations and OEM management in the automobile dealers' industry. Prior to joining our Group, Mr. Liu held various positions including sales manager, regional director and sales director in the sales department of Faw-Volkswagen Co., Ltd. (一汽 — 大眾汽車有限公司) from 2007 to 2020. Mr. Liu obtained a bachelor's degree from Changchun Normal University in the PRC in July 1990.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhang Yanni (張燕妮), aged 47, is the vice president of our Company. Ms. Zhang is primarily responsible for the management of human resources, administrative and legal affairs of our Company. Ms. Zhang joined our Company in November 2017 as the vice president. Ms. Zhang has nearly 20 years of experience in managing human resources affairs, with more than 15 years of human resources management experience in the automotive industry. Prior to joining our Group, Ms. Zhang served as a director of the management department of E-Space (Shanghai) Exhibition LTD from September 2016 to October 2017. Ms. Zhang obtained a bachelor's degree in Economics from Nanchang University in July 2003, and master's degree in business administration from the Business School Netherlands in the Netherlands in September 2015.

DISCLOSURE OF CHANGES IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT IN ACCORDANCE WITH RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in this annual report, there is no change in information regarding the Directors and senior management that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as of the date of this annual report.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICE

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 Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (the “**Corporate Governance Code**”) for the year ended 31 December 2025.

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.

BOARD COMMITTEES

Responsibility

The Board is responsible for the overall leadership of the Group and oversees the Group’s strategic decisions and monitors the business and performance. The Board has delegated authority and responsibility for the daily management and operation of the Group to the senior management of the Group. For the purpose of overseeing specific areas of the Company’s affairs, the Board has established three Board Committees, namely the Audit Committee, the Remuneration Committee (the “**Remuneration Committee**”) and the Nomination Committee (the “**Nomination Committee**”) (collectively, the “**Board Committees**”). The Board has delegated to these Board Committees the responsibilities set out in their respective terms of reference.

All Directors shall ensure that, based on the principle of acting in good faith, they will comply with applicable laws and regulations and at all times perform their duties in a manner consistent with the interests of the Company and the Shareholders.

The Company has arranged appropriate liability insurance in respect of legal proceedings against the Directors and will review the scope of this insurance on an annual basis.

Composition of the Board

As at the date of this annual report, the Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, details of which are set out below. Please refer to the section headed “Corporate Information” in this report for the details of changes in the composition of the Board during the Year.

Executive Directors

Yang Aihua

Yang Hansong (*Chairman*)

Gao Kun

Zhao Hongliang (*appointed on 28 May 2025*)

Non-executive Directors

Rob Huting

Yang Chuyu

CORPORATE GOVERNANCE REPORT

Independent Non-executive Directors

Wang Jianping

Li Mochou

Yan Jonathan Jun

* Mr. Zhao Hongliang has been appointed as an Executive Director on 28 May 2025. Mr. Zhao Hongliang obtained legal advice referred to in Rule 3.09D of the Listing Rules on 28 May 2025. Mr. Zhao Hongliang confirmed that he understood his obligations as a director of a listed issuer.

Biographical details of the Directors are set out in the section headed “Directors and Senior Management” of this annual report.

During the period from the Listing Date to 31 December 2025, the Board has complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules in relation to the appointment of at least three independent non-executive directors (at least one of whom should possess appropriate professional qualifications or accounting or related financial management expertise).

During the period from the Listing Date to 31 December 2025, the Company has also complied with Rule 3.10A of the Listing Rules in relation to the appointment of independent non-executive Directors equivalent to one-third of the Board.

Save as disclosed in the biographies of the Directors and senior management as set out in the section headed “Directors and Senior Management” in this annual report, none of the Directors or senior managers has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director, chief executive or other senior managers.

All Directors, including the independent non-executive Directors, bring to the Board a diverse range of valuable business experience, knowledge and expertise to enable it to operate efficiently and effectively. The independent non-executive Directors have been invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

In relation to code provision C.1.5 of the CG Code, which provides that the CG Code relates to the requirement for a director to disclose to the issuer the number and nature of his or her positions in public companies or organizations and other material commitments, as well as the identity of the public companies or organizations and the length of time invested in them, the Director has agreed to disclose his or her commitments, and any subsequent changes, to the Company in a timely manner.

Mechanism to ensure independent views and opinions

In order to put in place a mechanism to ensure that the Board has access to independent views and opinions, the Board has appointed three independent non-executive Directors in accordance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, which stipulate that there must be at least three independent non-executive directors on the Board and that independent non-executive directors must be appointed at a ratio of at least one-third of the Board. In addition, the Board Committees have endeavored to appoint independent non-executive Directors to ensure that the Board is provided with independent opinions. The Board is of the view that the following mechanisms adopted by the Company are effective in ensuring that independent views and inputs are available to the Board:

- The Board comprises at least 50% of non-executive Directors.
- Directors are free to express their views at the Board meetings, material decisions will only be made after thoughtful discussion. Directors can upon reasonable request seek independent professional advice at the Company’s expenses to discharge their duties. When necessary, each of the Board Committees could seek independent professional opinions at the Company’s expense in order to perform their respective responsibilities.

CORPORATE GOVERNANCE REPORT

- The Board will review the implementation and effectiveness of the aforementioned mechanisms on an annual basis.
- Apart from being the Directors of the Company, our independent non-executive Directors do not hold any other position in the Company, and do not have any relationship with the Company or the substantial shareholders of the Company that can affect them from making independent and objective judgements, and they do not have any business or financial interest in the Company or its subsidiaries. Thus, during the Reporting Period, the participation of the independent non-executive Directors can effectively ensure there is a strong and abundant independence in the Board.
- In assessing suitability of the Director candidates, the Board will consider their profiles, including their character, experience, qualifications and time commitment; the Board will also consider the Board's overall composition and skill matrix as well as the Company's diversity policy.
- The Board will review each Director's time commitment to the Company's business annually.
- The Board will assess non-executive Directors' independence upon appointment and annually.

The Company has received from each of the independent non-executive Directors a written annual confirmation of his or her independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of the Board independence evaluation mechanisms and considers them to be effective and appropriate.

Board and Workforce Diversity Policy

We have adopted a diversity policy (the "**Board and Workforce Diversity Policy**") which sets out the objective and approach to achieve diversity to strengthen the performance of the Board. Pursuant to the Board and Workforce Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board and determining the optimum composition of the Board, including but not limited to skills, experience, cultural and educational background, geographical, industry and professional experience, ethnicity, gender, age, knowledge and length of service. At present, the Board considers that the above current gender diversity is satisfactory and targets to maintain at least the current level of female representation.

Our Directors have a balanced mix of knowledge and skills, including in overall management and strategic development, finance and accounting, policy research and corporate governance, as well as industry experience in automotive industry. They obtained degrees in various areas such as accounting, economics and history. The ages of our Directors range from 36 to 64 years old.

We have taken steps to promote gender diversity of our Board and currently our Board comprises three female Directors and six male Directors. Going forward, we will continue to ensure gender diversity of our Board through measures to be implemented by our Nomination Committee in accordance with the Board Diversity Policy.

We are committed to adopting a similar approach to promote diversity within our workforce (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Our Nomination Committee is responsible for ensuring the diversity of our Board members and reviewing the Board and Workforce Diversity Policy from time to time to ensure its effectiveness.

CORPORATE GOVERNANCE REPORT

As at 31 December 2025, the proportion of female and male employees (including senior management) of the Group was approximately 26.0% and 74.0% , respectively. Thus, the Company considers that its team is generally gender diverse. The Group continues to encourage gender diversity in the office and endeavors to increase the proportion of female employees at different levels, including in recruitment. In order to achieve labor diversity, the Group has implemented appropriate recruitment and selection procedures to consider diverse job applicants. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities with the aim of building a team with diverse skills and experience.

During the Reporting Period, the Board, through the Nomination Committee, has reviewed the implementation and effectiveness of the Board and Workforce Diversity Policy and confirmed that the Board has the right mix of skills and experience to implement the Company's strategy.

Entry and Continuing Professional Development

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

All newly appointed Directors are provided with the necessary induction and information to ensure that they have an appropriate level of understanding of the Company's operations and business as well as their obligations to the Company under the relevant statutes, laws, rules and regulations. The Company also arranges seminars for the Directors on a regular basis to update them on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the performance, status and prospects of the Company to enable the Board as a whole and each of the Directors to fulfil their responsibilities.

The Company encourages all Directors to undertake continuous professional development to develop and update their knowledge and skills. The joint company secretaries of the Company update and provide written training materials on the roles, functions and responsibilities of Directors from time to time.

Based on the information provided by the Directors, a summary of the training received by the Directors during the year ended 31 December 2025 is set out below:

Name of Director	Nature of Continuing Professional Development Sessions
Executive Directors	
Yang Aihua	A, B, C and D
Yang Hansong (<i>Chairman</i>)	A, B, C and D
Gao Kun	A, B, C and D
Zhao Hongliang (<i>appointed on 28 May 2025</i>)	A, B, C and D
Non-executive Directors	
Rob Huting	A, B, C and D
Zhu Yi (<i>resigned on 28 May 2025</i>)	A, B, C and D
Yang Chuyu	A, B, C and D
Independent Non-executive Directors	
Wang Jianping	A, B, C and D
Li Mochou	A, B, C and D
Yan Jonathan Jun	A, B, C and D

CORPORATE GOVERNANCE REPORT

Notes:

- A: Attend at seminars and/or conferences and/or forums and/or briefings
- B: Deliver speeches at seminars and/or conferences and/or forums
- C: Attend training provided by solicitors, training related to the business of the company
- D: Reading materials on a wide range of topics, including corporate governance, directors' duties, the Listing Rules and other relevant legislation

Appointments and Re-Election of Directors

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into a service contract with the Company, and is subject to retirement by rotation and re-election at an annual general meeting at least once every three years in accordance with the articles of association of the Company.

The articles of association of the Company provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his or her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Details of the Directors re-elected at the forthcoming annual general meeting of the Company held on 30 June 2025 (the "AGM") are set out in the circular to the Shareholders to be dispatched before the AGM.

Board Meetings

During the Reporting Period, the Company convened 4 Board meeting, 2 Audit Committee meeting, 1 general meeting, 1 Remuneration Committee meeting and 1 Nomination Committee meeting, respectively. The Company shall convene at least four Board meetings annually, approximately once every quarter, in full compliance with code provision C.5.1 of the CG Code. All Directors shall be given not less than 14 days' notice of a regular Board meeting so that all Directors shall have an opportunity to attend the regular meeting and discuss the business on the agenda.

For other Board and Board committee meetings, reasonable notice will be given. The agenda and relevant Board papers will be included in the notice of meeting and distributed at least three days before the date of the Board or Board committee meeting to ensure that the Directors have sufficient time to review the papers and are fully prepared to attend the meeting. If a Director or committee member is unable to attend the meeting, he/she will be informed of the matters to be discussed and will be given an opportunity to inform the chairman of his or her views prior to the meeting. The joint company secretaries shall keep minutes of meetings and provide copies of such minutes to all Directors for their information and records.

Minutes of Board meetings and committee meetings will record in detail the matters considered and decisions reached by the Board and Board committees, including any question raised by Directors. Draft minutes of each Board meeting and Board committee meeting are/will be sent to each Director for their consideration within a reasonable time after the meeting is held. Minutes of Board meetings are open for inspection by all Directors.

CORPORATE GOVERNANCE REPORT

Attendance Record of Directors and Committee Members

Code Provision C.5.1 of the Corporate Governance Code stipulates that the Board should meet regularly and convene at least four Board meetings annually, approximately once every quarter.

A summary of the records of attendance of each Director at Board meetings, Board committee meetings and general meetings during the period from the Listing Date to 31 December 2025 is set out below:

Name of Director	Number of Meeting Attended/Qualified to Attend				
	The Board	The Audit Committee	The Remuneration Committee	The Nomination Committee	General Meeting
Executive Directors					
Yang Aihua	4	0	0	0	1
Yang Hansong (Chairman)	4	0	0	1	1
Gao Kun	4	0	0	0	1
Zhao Hongliang ⁽¹⁾	3	0	0	0	1
Non-executive Directors					
Rob Huting	3	0	0	0	1
Zhu Yi ⁽²⁾	1	0	0	0	0
Yang Chuyu	4	0	0	0	1
Independent Non-executive Directors					
Wang Jianping ⁽³⁾	4	2	1	1	1
Li Mochou ⁽⁴⁾	4	2	1	0	1
Yan Jonathan Jun	4	2	1	1	1

In addition to regular Board meetings, the Chairman of the Board also held one meeting with the Independent Non-executive Directors in the absence of other Executive Directors during the Reporting Period.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules 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 up to 31 December 2025.

Notes:

- (1) Appointed as an executive Director on 28 May 2025.
- (2) Ceased to be a Director since 28 May 2025.
- (3) Ceased to be a member of the Nomination Committee since 28 May 2025.
- (4) Appointed as a member of the Nomination Committee on 28 May 2025.

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with provision D.3.1 of the CG Code, which include:

- (a) Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) Review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) Develop, review and monitor the code of conduct and compliance manual (if any) for the Company's employees and Directors; and
- (e) Review the Company's compliance with the CG Code and the disclosures in the Company's corporate governance report.

The Board has performed the abovementioned corporate governance functions during the Reporting Period.

BOARD COMMITTEES

The Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of Ms. Li Mochou, Mr. Wang Jianping and Mr. Yan Jonathan Jun. The chairperson of the Audit Committee is Ms. Li Mochou. None of them is a partner or former partner in the preceding two years of the existing auditors of the Company, or has or had in the preceding two years any financial interest in the existing auditors.

The main duties of the Audit Committee are to, including but not limited to, review and supervise the financial reporting process and risk management and internal control systems of the Group, review the Group's financial information, consider the appointment, independence and remuneration of the auditors and any matters related to the removal and resignation of the auditors, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board. The Audit Committee also serves as a channel of communication between the Board and the external auditor. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the year ended 31 December 2025, the Audit Committee mainly performed the following duties:

- (a) reviewed the Group's audited annual results for the year ended 31 December 2025 and the unaudited interim results for the six months ended 30 June 2025, met with the external auditors to discuss such interim results and annual results without the presence of the Company's management, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;
- (b) reviewed the accounting principles and practices adopted by the Group, the terms of engagement, independence and remuneration of the external auditor and recommended the appointment of the external auditor; and
- (c) assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management.

During the Reporting Period, the attendance record of the members of the Audit Committee is set forth in the paragraph headed "Attendance Record of Directors and Committee Members" in this section.

CORPORATE GOVERNANCE REPORT

The Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of Mr. Yang Hansong, Mr. Yan Jonathan Jun, Mr. Wang Jianping (*ceased on 28 May 2025*) and Ms. Li Mochou (*appointed on 28 May 2025*). The chairperson of the Nomination Committee is Mr. Yang Hansong. Please refer to the section headed "Corporate Information" in this report for the details of changes in member during the Year.

The primary duties of the Nomination Committee include but not limited to: (i) reviewing the Board composition; (ii) developing the criteria for identifying candidates for nomination and appointment of Directors; (iii) assessing the independence of independent non-executive Directors; (iv) making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors; (v) evaluating candidates or incumbents based on the criteria of integrity, experience, skills, and time and effort devoted to the performance of their duties; and (vi) developing a policy concerning diversity of Board members, and disclosing the policy or a summary of the policy in the corporate governance report and reviewing at least annually the structure, size, composition (including the skills, knowledge and experience) and diversity of the Board and where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The Nomination Committee's major work during the Reporting Period includes:

- (a) reviewing and monitoring the implementation of the board and workforce diversity policy;
- (b) reviewing and assessing the structure, size, composition and diversity of the Board;
- (c) reviewing the re-election of Directors and its schedule;
- (d) reviewing the proposed re-election of Directors, and providing suggestions to the Board; and
- (e) reviewing and assessing the independence of the independent non-executive Directors.

During the Reporting Period, the attendance record of the members of the Nomination Committee is set forth in the paragraph headed "Attendance Record of Directors and Committee Members" in this section.

The Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of Mr. Wang Jianping, Ms. Li Mochou and Mr. Yan Jonathan Jun. The chairperson of the Remuneration Committee is Mr. Wang Jianping.

The primary duties of the Remuneration Committee include but not limited to: (a) making recommendations to the Board on the remuneration packages and the Company's policy and structure for remuneration for all Directors and senior management; (b) reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time; (c) establishing formal and transparent procedures for developing remuneration policy and structure to ensure that no Director or any of his or her associates will participate in deciding his or her own remuneration; and (d) advising shareholders of the Company on how to vote in respect of any service contracts of Directors that require shareholders' approval in accordance with the Listing Rules. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee's major work during the Reporting Period includes: (a) review compensation and benefits framework and structure; and (b) review of director and management compensation scheme.

During the Reporting Period, the attendance record of the members of the Remuneration Committee is set forth in the paragraph headed "Attendance Record of Directors and Committee Members" in this section.

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 10 and 11 to the consolidated financial statements.

The remuneration of Directors and senior management is determined based on each Director and senior management's responsibilities, qualification, position and seniority. None of the Directors has waived any remuneration for the Reporting Period. The remuneration bands of the Directors and senior management of the Company for the year ended 31 December 2025 are set out below:

Remuneration Bands (HK\$)	Number of Persons
HKD1,000,001 to HKD1,500,000	4
HKD1,500,001 to HKD2,000,000	–
HKD2,000,001 to HKD2,500,000	–
TOTAL	4

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company, Ernst & Young, about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

DIVIDEND POLICY

We have adopted our dividend policy and any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, contractual restrictions of our Company and subsidiaries, and any other relevant factors when considering the declaration and payment of dividends.

Additionally, we are a Cayman Islands holding company and we rely principally on dividends and other distributions on equity from our PRC subsidiaries for our cash requirements, including for services of any debt we may incur. Our PRC subsidiaries' ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of each of their registered capitals. Dividend distribution to our Shareholders is recognized as a liability in the period in which the dividends are approved by our Shareholders or Directors, where appropriate.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company recognizes that risk management is critical to the success of the business operation. Accordingly, we have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, information system, internal control, and human resources, and have conducted regular (at least once a year) risk assessments to ensure the effective operation of our risk assessment management and internal control systems. During the Reporting Period, the Board conducted an annual review on the effectiveness on the risk management and internal control system of the Company and considered the system effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company does not have an internal audit function to carry out independent reviews of the adequacy and effectiveness of its risk management and internal control systems. The risk management and internal controls are self-assessed by the management and reviewed by the Board on an on-going basis. *The Company would appoint independent consultancy firm to conduct a thorough review of risk management and internal control systems of the Company and its subsidiaries on regular intervals basis when necessary.

The Audit Committee, and ultimately the Board, supervise the implementation of risk management policies. Our audit committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors.

CORPORATE GOVERNANCE REPORT

WHISTLEBLOWING POLICY

The Group endeavors to maintain a high standard of business ethics, and encourage its employees and partners to participate in the system of monitoring the ethical operation of the Company, and to report any non-compliance incidents such as corruption and duty-related crimes. Corresponding whistleblowing channels are established, so that employees and partners can report any suspected cases in an anonymous way.

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

The Company has established an Anti-corruption and Anti-bribery Policy and all Directors and employees of the Group are bound by such policy and shall refrain from committing any forms of corruption, bribery, extortion, fraud and money-laundering. The Group also organizes the employees to carry out compliance and integrity training every year to enhance the integrity awareness across the organization. The compliance and integrity trainings are given to Directors, senior management and staff of the Company.

During the Reporting Period, the Group does not have any non-compliance incident regarding corruption, extortion, fraud and money-laundering, and there is no concluded legal cases regarding corrupt practices brought against the Group or its employees.

AUDITOR'S REMUNERATION

The approximate remuneration of the auditors for audit services provided to the Group for the year ended 31 December 2025 is set out below. The auditors did not provide any non-audit services to the Company.

Service Type	Amount (RMB'000)
Audit service	2,200
Total	2,200

JOINT COMPANY SECRETARIES

Ms. Gao Kun ("**Ms. Gao**"), the executive Director and Chief Financial Officer of the Company, is the joint company secretary of the Company and is responsible for making recommendations to the Board on corporate governance matters and ensuring compliance with the Board's policies and procedures, applicable laws, rules and regulations.

In order to maintain good corporate governance and to ensure compliance with the Listing Rules and the applicable laws of Hong Kong, the Company has also appointed Ms. Chan Sau Ling ("**Ms. Chan**"), a director of corporate services of Tricor Services Limited, as another joint company secretary of the Company to assist Ms. Gao in discharging her duties as the company secretary of the Company. Ms. Chan's main contact person in the Company is Ms. Gao.

For the year ended 31 December 2025, Ms. Gao and Ms. Chan have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company recognizes the importance of effective communication with its shareholders in order to strengthen investor relations and to enable investors to understand the Group's business, performance and strategy. The Company also believes in the importance of timely and non-selective disclosure of information about the Company to enable shareholders and investors to make informed investment decisions.

The annual general meeting of the Company provides an opportunity for direct communication between shareholders and directors. The Chairman of the Company and the chairmen of the Board committees of the Company will attend the annual general meeting to answer shareholders' questions. The auditors will also attend the annual general meeting and answer questions on the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and auditor independence.

In order to facilitate communication between the Company, its shareholders and the investment community, the Company from time to time organizes performance briefings, meetings and non-deal roadshows with shareholders, potential investors and analysts. Directors and employees of the Company who have contacts or dialogues with investors, analysts, the media or other interested third parties are subject to the disclosure obligations and requirements under the Listing Rules and applicable laws and regulations.

SHAREHOLDER COMMUNICATION POLICY

In order to facilitate effective communication, the Company has adopted a Shareholder Communication Policy which aims to establish mutual relationship and communication between the Company and its shareholders and has a website (www.autostreets.com) where the Company publishes up-to-date information on its business operations and development, financial data, corporate governance practices and other information for public consumption.

The Company considers that maintaining an effective communication with shareholders is critical for enhancing the investor relationship and the investor understanding on the business performance and strategy of the Group. The Company endeavors to maintain a continuous communication with shareholders, especially through the means of annual general meeting and other general meetings. Directors (or their representatives, if applicable) will meet the shareholders and answer the enquires at the annual general meeting. The auditor will also attend the annual general meeting to answer the questions raised regarding audit, the preparation and contents of the auditor's report, the accounting policy and the independence of auditor. The Company encourages its shareholders to participate the annual general meeting and other general meetings, and shareholders can exchange their opinion with the Board and exercise their voting rights at the meeting.

During the year ended 31 December 2025, the Company has reviewed the implementation and effectiveness of the Shareholder Communication Policy. The Company is of the opinion that the Company's Shareholder Communication Policy promotes adequate shareholder communication and considers the policy to be effective and adequate.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

In order to protect the interests and rights of the Shareholders, separate resolutions will be proposed at general meetings on various matters, including the election of individual Directors.

All resolutions proposed at the general meetings will be voted on by way of a poll in accordance with the Listing Rules and the poll results will be published on the websites of the Company and the Stock Exchange in a timely manner after each of the general meetings.

CONVENING AND PROPOSALS FOR AN EXTRAORDINARY GENERAL MEETING

Pursuant to the Articles of Association, the Shareholders may put forward proposals for consideration at a general meeting of the Company and any one or more Members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued Shares which as at that date carry the right to vote at general meetings of the Company shall at all times have the right, by requisition, to require an extraordinary general meeting of the Company. Such requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

If the Board fails to proceed to convene such meeting within 21 days of the deposit of the requisition, the requisitionist(s) himself (themselves) may convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 days period.

The procedures for proposing a person for election as a Director are available on the Company's website.

ENQUIRY TO THE BOARD

Shareholders may send their enquiries and concerns to the at the following:

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

Fax: 021-33291764

E-mail: ir@autostreets.com

CHANGES TO CONSTITUTIONAL DOCUMENTS

There was no change in the Company's amended and restated memorandum and articles of association during the year ended 31 December 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. INTRODUCTION

1. Top Message

Dear colleagues, business partners, and friends from all sectors of society:

Over the past year, the global automotive industry has continued to undergo profound transformation. The surging waves of electrification, intelligentization, and greening are accelerating the reshaping of market dynamics, while consumer demands grow increasingly diverse. At the same time, topics such as climate change, resource conservation, social responsibility, and governance have evolved beyond mere societal consensus to become critical benchmarks for assessing whether a company possesses long-term vitality and value creation capabilities. In this context, I am honored to present our latest Environmental, Social, and Governance (ESG) Report on behalf of the Autostreets' Board of Directors, demonstrating our insights, practices, and commitments on the path to sustainable development.

From the first hammer strike at the 2014 Shanghai auction to our current nationwide service network facilitating hundreds of thousands of efficient and transparent transactions, we have unwaveringly pursued our founding mission to reshape China's used vehicle transaction process. Every step of our growth is rooted in a deep understanding of and unwavering commitment to China's automotive distribution industry. We have always believed that true industry leaders must shoulder broad social and environmental responsibilities while creating commercial value. This report not only provides a systematic overview of our environmental, social, and governance (ESG) practices over the past year, but also represents our solemn commitment to our vision of becoming Asia's most sustainable used vehicle trading platform for the future.

We fully recognize that the platform nature of Autostreets endows us with a unique and pivotal role in driving the industry's green transformation. We are not direct emission reducers in manufacturing, but through efficient connectivity, we have become key enablers of the circular economy. We take environmental impacts into account before conducting our business. As a used vehicle transaction service provider, we do not engage in any physical manufacturing activities, and therefore, we do not emit a significant amount of greenhouse gases, wastes, or pollutants from our business operations. In 2025, our platform facilitated the efficient circulation of about 141,000 used vehicles. Every successful transaction represents an instance of efficient resource reuse and a potential substitution for carbon emissions generated during new vehicle production. Through our integrated online-offline auction model, we have significantly shortened vehicle turnover cycles and reduced intermediary steps, thereby lowering the industry's overall energy consumption and emissions from the distribution side. We have also internalized green philosophies into our own operations. In 2025, we achieved significant results with electricity consumption decreasing by 13.70% year-on-year and water consumption decreasing by 11.62% year-on-year. Behind this lies our vigorous promotion of digital and paperless office practices, widespread adoption of energy-efficient equipment, and enhanced awareness of water and electricity conservation among all employees.

We believe that the sustainable development of the industry depends on individual growth. In 2025, we provided employees with a total of 3,344.5 hours of training, covering topics ranging from new employee orientation and assessor certification to cutting-edge AI technology applications. We collaborate closely with industry associations, participated in the release of the *Electric Vehicle Auction Inspection and Appraisal Specifications*, and continue to cultivate standardized professionals for the industry. Our service network now spans over 8,600 partner automobile sales service shops and 60,000 downstream customers nationwide. By providing complementary services such as financing and logistics, we promote balanced market development.

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Being a listed company entails stricter requirements and broader responsibilities. We regard excellent corporate governance as the cornerstone for steady and sustainable progress. The Board of Directors effectively fulfills its oversight responsibilities for ESG initiatives. Among the nine directors, 33.33% are female, representing diverse professional backgrounds. We strictly comply with listing rules, convening nine shareholder meetings and various board meetings in 2025 to ensure scientific and efficient decision-making. We have embedded risk management and compliance awareness into our very DNA. Through a three-line defense system, we strengthen internal controls and audit oversight; rigorously manage 8,692 suppliers by incorporating anti-corruption, environmental protection, and social responsibility requirements into cooperation agreements; we prioritize data security and privacy protection, aiming for zero data breaches by 2025 while continuously refining emergency response plans.

We are also honored to see that these efforts have garnered both internal and external recognition: Wind ESG rating has risen to Grade A, and we have been awarded the highest AAA rating for auction enterprises, the “Shanghai Auction Industry Innovation Award”, and other honors. This is not only an affirmation of our past achievements but also a driving force for our future endeavors.

The road is long and challenging, but with each step forward, we draw nearer to our destination. ESG practices are a never-ending climb. Looking ahead, we will continue to deepen the application of digital and intelligent technologies to enhance efficiency across the entire value chain. We will persistently expand our capabilities in new energy used vehicle services to lead the way in green circulation. We will continuously refine our ESG governance framework, embedding sustainability more deeply into our corporate strategy and daily operations.

Chairman of Autostreets: Yang Hansong

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2. Basics of the Report

This report is the 2025 ESG report released by Autostreets Development Limited (stock code: 2443.HK), aiming to respond to stakeholder expectations and comprehensively demonstrate the Company's philosophy, actions, and achievements in environmental, social, and governance. This report has been reviewed and approved by the Board of Directors to ensure that there are no untrue records, misleading statements, or material omissions in its contents.

(1) Reporting Principles

This report is prepared in accordance with the principles of "Materiality," "Quantification," and "Consistency" as set out in the Appendix C2 of the Main Board Listing Rules, *Environmental, Social and Governance Reporting Guide* ("**ESG Guide of HKEX**"), and the Guidelines issued by the Hong Kong Exchanges and Clearing Limited (hereinafter referred to as "**HKEX**"). It is primarily determined based on the assessment of material topics and stakeholder feedback.

"Materiality" principle: The Company comprehensively identifies key stakeholder groups, conducts an in-depth analysis of substantive ESG topics that are material or relevant to the Company and stakeholders, and makes full disclosure in this report accordingly.

"Quantification" principle: Key performance indicators disclosed in this report are scientifically measured to ensure data accuracy and verifiability, enabling readers to clearly understand the Company's environmental, social, and governance performance.

"Consistency" Principle: Unless otherwise specified, the statistical methods used for information disclosure in this report are consistent with those employed in previous years.

(2) Period Covered

This report covers the period from January 1st, 2025, to December 31st, 2025. Some of the statements and data are not within the above period and will be explained when involved.

(3) Organizations Covered

The reporting entity is Autostreets Development Limited and its subsidiaries. The financial data used is from the Company's annual report, and other data is from official documents and statistical reports of the Company (previous years' data should be based on the disclosure in this report).

(4) Definitions

For the convenience of presentation and readability, "Autostreets Development Limited" is also referred to in the report as "Autostreets", "the Company", or "we".

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(5) Referenced Standards

The preparation of this report is about GRI Sustainable Development Reporting Standards (GRI Standards) issued by Global Sustainability Standards Board (GSSB), *International Financial Reporting Sustainability Disclosure Standard No. 1 — General Requirements for Disclosure of Sustainability-related financial Information* (IFRS S1) and *International Financial Reporting Sustainability Disclosure Standard No. 2 — Climate-related Disclosure* issued by International Sustainability Standards Board (ISSB), *Environmental, Social and Governance Reporting Guide* issued by the Hong Kong Exchanges and Clearing Limited, and a series of relevant standards issued by the Task Force on Climate-related Financial Disclosures (TCFD), and it also discloses Autostreets' contributions to the United Nations Sustainable Development Goals (SDGs).

(6) Publication

This report is available in Simplified Chinese, Traditional Chinese, and English for readers' reference. In case of any discrepancies among the versions, the simplified, the Simplified Chinese version shall prevail. You can download and read the PDF electronic version of the report on the Company's official website (<https://www.autostreets.com/>) and the Hong Kong Stock Exchange website (<http://www.hkex.com.hk/>) to obtain more information about our Environmental, Social, and Governance (ESG) practices.

(7) Contact for Inquiries

Address: 6/F, No. 2251 Zhenbei Road, Putuo District, Shanghai, PRC

Tel: 021-33291771

Postcode: 200333

Email: info@autostreets.com

Reporting and Complaint Handling Email: hr@autostreets.com

3. Corporate Profile

(1) Company Overview

Autostreets Development Limited, listed on the Main Board of The Stock Exchange of Hong Kong Limited in May 2024 (stock code: 2443.HK), is a leading automotive transaction service platform in China established in June 2014 with headquarters in Shanghai. The Company was jointly established and funded by Manheim and SINO RICH INVESTMENT under Cox Automotive of the United States, and the core top 100 dealership groups led by the China Automobile Dealers Association. Since its establishment, Autostreets has shouldered the responsibility of promoting the development of the used vehicle industry. As a transaction service platform focused on enhancing used vehicle business value, Autostreets is committed to transforming China's used vehicle transaction processes. Through its online-offline integrated auction model and comprehensive value-added services, the Company has developed an end-to-end standardized used vehicle transaction solution for buyers and sellers, leading China's used vehicle industry toward standardization, efficiency, and transparency. Autostreets' services cover used vehicle auctions, used vehicle value-added services, used vehicle acquisition and sales arrangements, exhibition business, and other automotive-related services.

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To date, Autostreets' service network spans across all provinces in mainland China except Tibet, establishing a multi-level, cross-regional comprehensive service network system for national used vehicle auctions. This network not only has extensive reach but, through its robust service capabilities and professional expertise, has successfully established deep partnerships with many dealership groups. It continuously injects strong momentum into the value enhancement of Autostreets' used vehicle businesses and makes Autostreets an industry benchmark.



Figure 1: Autostreets' National Used Vehicle Auction Service Coverage Map

(2) History of Development

2014 The Company was founded, and we held the first vehicle auction in Shanghai and launched our mobile application.

2016 We began our domestic expansion and established auction centers and auction hubs in 9 provinces and 3 municipalities, which enabled us to hold online-offline integrated auctions for used vehicles in these regions.

2017 We launched the ADMS system, which provides tools for dealership groups to facilitate the management of the used vehicles business.

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2019 We completed Series A financing and raised a total of USD15,000,000 from Image Frame Investment (HK) Limited Inc. (Image Frame or Tencent) (a wholly-owned subsidiary of Tencent Holdings Limited) and Dazzling Calcite Limited (Dazzling or JD) (a wholly-owned subsidiary of JD.com, Inc.)

2020 We have conducted business with over 50% of the top 100 dealership groups (in terms of revenue in 2020), and provided services related to the disposal and management of used vehicles.

2021 We have established a total of 73 offline auction sites by the end of 2021, providing online and offline used vehicle transaction services in 28 provinces and municipalities in China, and the transaction volume of our platform reached 260,000 units.

2022 We completed Series B Financing and raised a total of USD15,000,000 from CR Matrix Limited (CR Matrix).

2023 As of December 31st, 2023, we have established strategic partnerships with eight new energy vehicle OEMs.

2024 Listed on the Main Board of The Stock Exchange of Hong Kong Limited.

In 2025, Autostreets and Tencent forged a new strategic partnership to jointly build a new digital ecosystem for the used vehicle industry.

(3) ESG-Related Recognition

- 1 Top 30 Shanghai Enterprises in the Auction Industry by Transaction Value 2024
- 2 Outstanding Enterprise in Auto Auction 2024
- 3 2025 AAA Auction Enterprise
- 4 Autostreets' Wind ESG Rating Climbed to Grade A in 2025
- 5 2025 Shanghai Auction Industry Innovation Award



Figure 2: Top 30 Shanghai Enterprises in the Auction Industry by Transaction Value 2024

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Figure 3:
Outstanding
Enterprise in Auto
Auction 2024



Figure 4:
AAA-level Rating
for Auction
Enterprises in 2025



Figure 5:
Autostreets' Wind
ESG Rating Climbed
to Grade A in 2025



Figure 6: 2025 Shanghai
Auction Industry Innovation
Award

(4) Corporate Culture

Positioning: A one-stop transaction service platform dedicated to enhancing the value of used vehicle businesses

Vision: To become the most influential auction transaction platform in China

Core Values: Unity, Diligence, Care, Passion, Innovation

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4. ESG Key Performance Data

In 2025, the Company made significant achievements in a number of areas, including economic, environmental, social, and governance, demonstrating its excellence and strong commitment to sustainable development.

Economic performance: In 2025, the Company achieved operating revenue of RMB271 million, with about 141,000 used vehicles transacted and about 310,000 vehicles listed for auction, representing a year-on-year reduction rate of 21.4% and 22.0%, respectively. The transaction success rate (the percentage of used vehicle transactions to the number of used vehicles listed for auction) was approximately 45.4%. Over 9,000 new energy vehicles were sold, with their transaction volume accounting for 12.5% of the transaction volume from traditional business.

Environmental performance: In 2025, the Company's total water consumption was about 8,000 tons, representing a year-on-year decrease of 11.62%, equivalent to planting 574 trees; total electricity consumption was about 890,000 kilowatt-hours, representing a year-on-year reduction of 13.70%; the Company invested about RMB60,000 in environmental R&D.

Social Performance: The Company actively fulfills its responsibilities to employees, customers, and communities, committed to building trusted partnerships and driving inclusive growth. As of the end of 2025, its network covers 331 cities, partners with over 8,600 4S stores, and serves more than 60,000 downstream customers. Female employees account for 26.00% of the Company's workforce, and the total employee training duration reached 3,344.50 hours. The Company places great importance on consumer rights protection, customer relationships, and product/service quality. In 2025, the customer complaint resolution rate was 100.00%, and customer satisfaction was 99.90%.

Governance performance: Female employees account for 26.00% of Autostreets' workforce, and there are 3 female directors, accounting for 33.33% of the Board of Directors, demonstrating the Company's efforts in gender diversity.

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5. Analysis of Material Topics

As a comprehensive used vehicle transaction platform, Autostreets' development is shaped by factors from multiple dimensions. We conducted substantive analysis on material topics, including industry competition, consumer demand, technological innovation, policy trends, and others. Integrating feedback from internal and external stakeholders, we developed a material topics matrix that encompasses dual perspectives: "importance to stakeholders" and "importance to Autostreets". This matrix clarifies the management and disclosure direction for material topics, enabling us to systematically advance sustainable development efforts and contribute to economic progress, social inclusion, and environmental protection.

Material Topics of Autostreets in 2025

Environment	Society	Governance
Circular Economy	Employee Training and Development	Product Information Disclosure
Environmentally Friendly	Employee Health and Safety	Business Ethics
Energy Conservation and Emission Reduction	Employee Labor Management	Risk Management
GHG Emissions	Employee Assistance Program	Information Security and Privacy Protection
	Supply Chain Management Supply Chain Transparency Industry Cooperation	Operational Compliance

Matrix for Material Topics of Autostreets in 2025



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6. Engagement with Stakeholders

We deeply recognize that establishing effective communication with stakeholders is the cornerstone for enterprises to achieve sustainable development. To this end, we have systematically established diverse and open channels for dialogue and interactive mechanisms, focusing on enhancing information transparency and the effectiveness of feedback. By clearly identifying key stakeholders, including government and regulatory bodies, shareholders and investors, employees, communities, customers, and value chain partners, we engage in targeted communication addressing their core concerns. We actively listen, respond to, and integrate their expectations, continuously refining corporate practices to advance shared value and collaborative development.

Stakeholder Composition of Autostreets

Stakeholders	Expectations and Appeals	Responses
Government and Regulatory Organizations	Responding to National Strategies Compliance with Laws and Regulations and Operational Compliance Driving Local Economy Anti-corruption	Support for National Strategies Legal Operations Driving Local Employment and Development Public Disclosure of Information Debriefing and Communication of Daily Operations
Shareholders and Investors	Shareholder Returns Disclosure of Information Risk Management and Control Corporate Governance Business Performance	Annual General Meeting Annual Reports and Periodic Information Releases Official Website Investor Relations Column Investor Hotline and Mailbox
Employees	Employee Rights and Interests Protection Employee Training and Development Democratic Communication Remuneration and Benefits Employee Life Care Employee Diversity	Employee Representative Conference Employee Training Employee Hotline Staff Activities Support for Employees in Difficulty

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Stakeholders	Expectations and Appeals	Responses
Customer	Information Security and Privacy Protection Integrity and Quality Service Product Quality and Safety After-sales Service	Customer Privacy Protection Customer Feedback Collection Customer Satisfaction Survey Customer Complaint Hotline Customer Online and Offline Activities
Value Chain Partners	Transparent and Honest Cooperation Fair Trade Mutual Development Supply Chain Sustainability Business Ethics	Supplier Review Signing of Cooperation Agreements Benchmarking Review and Evaluation
Public Welfare and Charity Organizations	Supporting Social Public Welfare Fulfilling Social Responsibilities	Organization of Public Welfare Activities
Industry Association & Organizations	Promoting the Development of the Industry Technology and Experience Sharing Healthy and Harmonious Industry Development Environment	Industry Seminars Project Cooperation Exchanges and Learning
Media and Public	Service and Product Quality Corporate Social Responsibilities Financial Performance Openness and Transparency of Information	Official Website and WeChat Media Interviews and Cooperation Disclosure of Information News Promotion

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7. Response to the United Nations SDGs

The Company adopts sustainable development as its core philosophy, deeply integrating its Environmental, Social, and Governance (ESG) framework into the United Nations 2030 Sustainable Development Goals (SDGs) framework. By continuously refining its ESG management systems and implementation mechanisms, it consistently enhances governance effectiveness and social responsibility fulfillment capabilities. The Company systematically advances the implementation of its sustainable development strategy, committed to contributing corporate strength to the global sustainable development agenda and resolutely moving toward a more resilient and responsible future.

Fields	Sustainable Development Goals	Our Actions
Environmental Performance (E)	    	Improvement of the Environment Management System Energy Management Use Clean Technologies Promoting Green Office Paperless Transactions Implementation of Carbon Reduction Plans
Social Performance (S)	         	Industry Cooperation and Development Sustainable Supply Chains Quality Management Customer Satisfaction Management Consumer Privacy Protection Anti-Corruption Education Employment Opportunity Equality Employee Diversity Enhancing Employee Communication Focusing on Employee Health and Safety Protecting Employee Benefits Perfect Training System Upholding Intellectual Property Rights Enhancing Stakeholder Engagement
Governance Performance (G)	   	Reuse of Existing Resources Operating in Compliance with the Law Optimizing the Management and Governance Structure Information Security and Privacy Protection

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II. PACESETTER IN GREEN TRAVEL AND LOW-CARBON DEVELOPMENT DRIVEN BY THE CIRCULAR ECONOMY

1. Ecological Protection for “Dual Carbon” Goal Accomplishment

(1) GHG Management Initiatives and Results

1) GHG Emission Reduction Targets

To continuously improve atmospheric environmental quality, the government departments have increasingly strict regulations on the environmental compliance of used vehicles. The Company actively responds to national policies, strictly implements emission testing standards for used vehicles, and establishes a complete environmental testing information file for each traded vehicle, ensuring their environmental compliance and avoiding pollution transfer risks from the circulation of vehicles with excessive emissions at the source. Meanwhile, it comprehensively integrates the concept of sustainable development into its entire operational process and effectively improves the overall environmental governance of the industry through standard and systematic green services. In 2025, the Company invested RMB63,392.62 in environmental protection.

The Company is committed to achieving effective control over total greenhouse gas emissions and ensuring that the total emissions, including Scope 1, Scope 2, and Scope 3 emissions, do not exceed the 2025 baseline levels. At the same time, we will continue to strengthen systematic management of key pollutants such as volatile organic compounds (VOCs), nitrogen oxides (NOx), and fine particulate matter (PM2.5), ensuring their emission intensities consistently meet and go beyond the latest national standards. Through a range of initiatives, such as advancing the improvement of energy efficiency and optimizing end-of-pipe treatment systems, we will achieve coordinated control and dynamic equilibrium between total emissions and emission intensity in the course of the sustained development of our business.

In terms of energy conservation and carbon reduction, the Company is systematically promoting refined energy management, strictly enforcing environmental standards in core operations like vehicle testing, and continuously exploring the application of innovative technologies to improve resource utilization efficiency. We are committed to implementing the above initiatives to reduce total greenhouse gas emissions, including Scope 1, Scope 2, and Scope 3 emissions, by a large margin during our operations, and minimize our impact on the climate and environment, thereby leading the green and low-carbon transformation of the testing industry and promoting deep integration and collaborative development of corporate sustainable development and ecological and environmental protection.

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2) GHG-Related Data

Autostreets GHG Emissions

Indicator	2025 data	2024 data	Unit
GHG Emissions (Scope 1)	13.15 ¹	12.21	tCO ₂ e
GHG Emissions (Scope 2)	476.17 ²	551.74	tCO ₂ e
GHG Emissions (Scope 3)	719.98 ³	/	tCO ₂ e
Total GHG emissions	1,209.30	563.95	tCO ₂ e

3) GHG Management Systems

In order to effectively deepen greenhouse gas reduction initiatives, strengthen the whole-process carbon emission management, and push forward corporate transformation toward green and low-carbon model against the macro backdrop of active global efforts to advance climate governance and green transformation, Autostreets strictly abides by the *Environmental Protection Law of the People's Republic of China*, *Air Pollution Prevention and Control Law of the People's Republic of China*, *Administrative Measures for Carbon Emission Trading (Trial)* and other national laws and regulations, and proactively integrates carbon management into corporate strategy and daily operations to systematically promote emission reduction practices.

4) GHG Emission Reduction Measures

In advancing low-carbon office practices, we actively guide all employees to embrace the concept of a green office. On one hand, we take initiatives such as double-sided printing and reducing paper usage to minimize resource consumption for office purposes at the source. On the other hand, we comprehensively promote energy-efficient office equipment and electrical appliances, such as energy-saving air conditioners and computers, to continuously reduce energy consumption in office areas and thereby decrease corresponding greenhouse gas emissions. Additionally, we vigorously promote green commuting practices, encourage employees to prioritize low-carbon transportation options for business travel, and implement low-carbon emission requirements across the board, including office trivialities, in a bid to realize deep integration of green and low-carbon principles into all aspects of daily work.

(2) Water Resources Management

1) Water Resources Management Objectives

Autostreets attaches great importance to water resources protection and continues to improve water utilization efficiency and effectively reduce water consumption in production and operation through multiple measures such as optimizing water-using facilities, strengthening whole-process monitoring of water use, and conducting specialized training on water conservation for employees. The Company uses municipal water supply for production in a unified manner, which is stable and reliable, and the water quality is up to the relevant standard. There are no water safety risks at present or in the foreseeable future. It also steadfastly adheres to its primary responsibility for water conservation, and continuously advances the implementation of water-saving measures to make its due contribution in earnest to water protection and sustainable utilization.

¹ National Greenhouse Gas Emission Factor Database <https://data.ncsc.org.cn> GB/T2589 -2020 General Rules for Calculating Comprehensive Energy Consumption GB17930 -2016 Petrol for Vehicle Use.

Scope 1 carbon emissions = Owned vehicle fuel consumption * Emission factor * Average status calorific value * Petrol density/10⁹

² National Greenhouse Gas Emission Factor Database <https://data.ncsc.org.cn>

Scope 2 carbon emissions = Electricity purchased * Emission factor * 10⁴(-3)

³ Scope 3 carbon emissions primarily account for Category 3 fuel and energy-related activities, Category 4 upstream transportation and distribution, Category 6 business travel, and Category 7 employee commuting, which are calculated using the formula: Scope 3 carbon emissions = Activity data * Emission factor. China Products Carbon Footprint Factors Database: lca.cityghg.com

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2) Water Resources Management-Related Data

Autostreets Water Consumption

Indicator	2025 data	2024 data	Unit
Municipal water consumption	7,953.94	8,999.72 ⁴	Tons
Municipal water consumption per unit of floor area	67.73	65.51	(Tons/1,000 square metres)
Quantity of drinking water	31.63	35.07	Tons
Quantity of drinking water per person	0.05	0.05	Tons/person

3) Water Resources Management Systems

To actively respond to the national green development strategy and thoroughly implement the concept of sustainable water utilization, Autostreets strictly complies with relevant laws and regulations, such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, and the *Circular Economy Promotion Law of the People's Republic of China*, and systematically establishes a corporate water conservation management system. We always place water resources management on top of sustainable development and make solid progress in advancing the establishment of a water-saving operational model through concrete measures such as optimizing water utilization processes and improving water utilization efficiency. Furthermore, the Company energetically engages in propaganda and education on water conservation and encourages employees to consciously practice water-saving behaviors in both work and daily life, in an effort to promote the intensive utilization of water resources and contribute to the development of a resource-efficient and environmentally friendly society.

4) Water Resources Conservation Measures

Autostreets attaches high importance to the efficient usage of water resources. We are dedicated to guiding employees in reducing freshwater consumption and waste with respect to total water consumption and utilization efficiency through systematic water conservation management. Specific initiatives include putting up water conservation signboards in eye-catching positions of office equipment areas to continuously reinforce employees' responsibility for water conservation, and optimizing water-using facilities at the source by equipping all office areas with sensor taps and water-saving toilets, and other devices. All this effectively reduces daily water consumption intensity, integrates water conservation practices into every aspect of daily operations, and achieves intensive, efficient utilization of water resources.



Figure 7:
Water Conservation Signboards

⁴ Water consumption statistics originate from the office, the auction house and the warehouse.

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(3) Energy Management

1) Energy Objectives

We strictly abide by laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, further implement the requirements of the theme of "Energy Saving, Decarbonization and Green Development", comply with the green development trend, and integrate the concept of environmental protection into business development and operation, thereby continuously advancing the refined energy management of the Company.

2) Energy Management-Related Data

Autostreets Energy Consumption

Indicator	2025 data	2024 data	Unit
Purchased electricity consumption	887,376.35	1,028,223.26	Kilowatt hours
Indirect energy consumption per unit of income	3,273.55	2,516.51	Kilowatt hours/ RMB million
Petrol consumption for owned vehicles	5,945.69	5,520.90	Liter
Direct energy consumption per unit of income	196.81	119.78	Kilowatt hours/ RMB million

3) Energy Management Measures

The Company has fully implemented digital operations by utilizing the OA system in daily work and promoting video conferences and remote collaboration to significantly reduce paper consumption and travel-related energy consumption, thereby achieving the green transformation of office processes. With regard to operations, we have established an online transaction platform to reduce carbon emissions from the transportation of those planning to do a site visit to car stores. Additionally, we collaborate with property companies to strengthen waste separation and management and optimize recycling facilities to practice the recycling principles through systematic measures. We are confident that every paperless operation and every instance of digital collaboration is conducive to reducing deforestation and decreasing carbon emissions. Through these concrete actions, we have boosted the sustainable development of both corporate operations and the ecological environment.

2. Goal-Driven Climate Action

(1) "Carbon Peaking and Carbon Neutrality" Goals

In active response to the strategic deployment in China's *Fourteenth Five-Year Plan for the Development of the Circular Economy* regarding the promotion of the "Internet + Second-hand product" model and the efficient recycling of resources, the Company embraces the important opportunity for the used vehicle market to realize standardized development and grow in scale. It proactively grasps the direction of this policy, takes efforts to ensure environmental compliance of used vehicles with the focus on enhancing the standardization and circulation efficiency of used vehicle transactions and effectively extending vehicle service life, and also promotes the recycling of resources such as steel and non-ferrous metals, thereby making an important contribution to the circular economy in the transportation sector.

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(2) *Climate Risk Management and TCFD Framework Response*

The Task Force on Climate-Related Financial Disclosure (TCFD), established by the Financial Stability Board (FSB), issued a globally influential framework of information disclosure recommendations in 2017. This framework aims to provide a voluntary disclosure standard for businesses, investors, and policymakers to systematically identify, assess, and manage financial risks arising from climate change and capture strategic opportunities during the transition toward the low-carbon economy. By promoting high-quality, comparable climate information transparency, the TCFD framework is becoming a key bridge connecting climate action with financial decision-making, which guides capital flows toward more sustainable and resilient economic models.



Figure 8: Four elements of TCFD climate-related disclosure of information

We strictly adhere to the *Guidelines for Disclosure of Climate-Related Financial Information* and try our best to improve the Company's risk responsibility and capitalize on market opportunities related to climate change. We regularly identify and assess climate-related risks and opportunities confronted by the Company, conduct in-depth analysis of their actual and potential impacts on overall strategic planning, risk governance systems, business structure, and long-term financial performance, and on this basis, continuously enhance the sustainability and climate resilience of corporate operations.

Autostreets TCFD Framework Response

TCFD Recommendations	Autostreets Response
Governance: disclose the organization's governance around climate-related risks and opportunities.	
Describe the Board's oversight of climate-related risks and opportunities.	Under the supervision and guidance of the Board of Directors, the Company thoroughly integrates ESG development concepts into its long-term development strategies and its day-to-day operations and decision-making.
Describe management's role in response to climate-related risks and opportunities.	The Company's senior management has identified climate-related risks and opportunities and established a regular assessment and response mechanism.

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TCFD Recommendations

Autostreets Response

Strategy: disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The Company has identified risks and opportunities related to environmental factors, including climate change:

Physical risks:

Extreme weather caused by climate change (e.g., heavy rainfall, hurricanes, etc.) may affect the Company's continuing operations and assets;

Extreme weather conditions may cause logistical delays, leading to transaction disputes;

Thunderstorms may cause regional signal disruptions, which may affect the stability of the online auction system.

Transition risks:

Policy changes may result in additional operating costs for the Company;

Risks and challenges caused by technology iteration in the course of the low-carbon transition

Opportunities:

With China's Carbon Peaking and Carbon Neutrality goals and related incentives for used vehicles, the Company embraces opportunities to expand into new markets;

The energy utilization efficiency is improved. The usage of renewable energy sources can help to reduce operational costs.

Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

In response to the national "Carbon Peaking and Carbon Neutrality" strategy, the Company will take initiatives specific to the climate risks and opportunities it has identified, such as accelerating the construction of a green supply chain system, systematically enhancing the climate resilience of the industrial chain through innovative means including the application of the digital carbon management platform, and continuing to promote the transition toward low-carbon operations.

Describe the adaptation and resilience of the organization's strategy in different climate-related scenarios, including a temperature rise of 2°C or lower scenario.

The Company plans to introduce a specialized assessment tool for climate risks and opportunities to analyze the impacts of different scenarios on its strategic planning, business layout, and financial performance, and to use the analytical results as an important basis for key decision-making.

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TCFD Recommendations

Autostreets Response

Risk management: disclose how the organization identifies, assesses, and manages climate-related risks.

Describe the organization's processes for identifying, assessing, and managing climate-related risks.

We comply with the recommendation framework of *Guidelines on Climate Change Related Financial Disclosure (TCFD)*, identify and assess climate-related risks and opportunities on a periodic basis, and analyze their impact on the Company's strategy, risk management, business layout, and financial performance.

Describe the organization's processes for managing climate-related risks.

The Company plans to establish a regular ESG risk management mechanism, aiming to promptly identify and effectively control relevant risks through periodic monitoring and assessment.

Describe how the organization integrates the processes for identifying, assessing, and managing climate-related risks into its risk management framework.

In the top-level design of the risk management system, the Company plans to integrate ESG risks into its overall risk management framework. Under the supervision of the Board of Directors, the Company holds regular risk management meetings to review the current status and policies of risk management, and thoroughly integrates ESG factors into the whole process of investment analysis and decision-making, so that responsible investment policies will be established.

Metrics and targets: disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Company uses the following metrics in assessing climate-related risks and opportunities:

Scope 1 GHG emissions: 13.15 tCO₂e
GHG emissions per capita: 0.02 tCO₂e/person

Scope 2 GHG emissions: 476.17 tCO₂e
GHG emissions per capita: 0.79 tCO₂e/person

Scope 3 GHG emissions: 719.98 tCO₂e
GHG emissions per capita: 1.20 tCO₂e/person

The Company will further disaggregate relevant environmental metrics to achieve more effective climate change and ESG governance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

TCFD Recommendations	Autostreets Response
Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions and related risks.	The Company regularly discloses Scope 1, Scope 2, and Scope 3 GHG emissions, GHG emissions per capita, and climate-related risks in its ESG reports.
Describe the targets used by the organization to manage climate-related risks and opportunities and the performance against those targets.	The Company has disclosed its plan for climate-related issues confronted in 2025, aimed at identifying and seizing climate opportunities. Looking to the future, Autostreets will continue advancing the disclosure of climate-related goals and plans and fulfilling its commitment to sustainable development through more transparent actions.

3. Circular Vehicle Ecosystem for Green, Low-Carbon, and Circular Development

The circular economy centers on efficient resource utilization and recycling, transforming the traditional linear development model of “resource acquisition-product manufacturing-waste disposal” into a circular production and consumption pattern. This transformation not only creates greater economic value and more employment opportunities and enhances the overall resilience of social development, but also helps reduce greenhouse gas emissions at the source and reduces waste generation and environmental pollution, which effectively addresses global ecological challenges such as climate change and biodiversity loss, and ultimately achieves common progress in economic development and ecological protection.

The Company places high importance on biodiversity conservation and strictly adheres to domestic ecological protection laws and regulations. In the future, it will take into account the operational characteristics of the automotive transaction service industry, and on this basis, systematically assess the potential impacts of its business activities on the ecological environment and biodiversity, continuously strengthen the cultivation of employees’ awareness of ecological protection, and integrate biodiversity conservation requirements into all aspects of daily operations and management, in a bid to minimize the potential impacts of its business activities on surrounding ecosystems and biodiversity, steadily advance the common progress in biodiversity conservation and corporate development, and fulfill the Company’s social responsibility in ecological protection.

In the automotive industry, establishing a circular vehicle ecosystem is an important approach to implementing the circular economy concept and advancing low-carbon development. Specialized automotive transaction platforms serve as a crucial carrier for realizing the circular vehicle ecosystem and empowering low-carbon and circular development. Leveraging this transaction platform’s functional layout and resource advantages, the Company can actively promote low-carbon and circular development of the automotive industry through multiple dimensions, specifically:

1. Guide consumers to prioritize existing used vehicles in the market over purchasing new ones, thereby reducing resource consumption and carbon emissions associated with new vehicle production. According to data from the International Energy Agency (IEA), the transportation sector accounts for approximately 23% of global greenhouse gas emissions. The processing and manufacturing of raw materials such as steel and aluminum products represent hotspots with significant carbon emissions in the automotive supply chain. In 2025, our platform facilitated the successful transactions of about 141,000 used vehicles. Compared to consumers’ purchase of new vehicles, these transactions significantly reduced the proportion of global greenhouse gas emissions attributable to the transportation sector.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Based on specialized operations and digital tools of the platform, optimize the used vehicle transaction service system, enhance overall transaction efficiency of used vehicles, and thereby accelerate the circulation of automotive resources. Through continuous upgrades of technology systems of our auction platform, we have strengthened risk control capabilities across critical stages from entrusted auction, transaction matchmaking, online payment, to logistics order placement, and have improved our service quality while optimizing cost structures. We have pioneered building an integrated online-offline auction model supporting synchronous auction and online auction, thereby increasing vehicle exposure and improving our transaction success rate. This integrated transaction platform enables us to efficiently connect upstream suppliers with downstream buyers in the used vehicle market, facilitating numerous transparent and prompt auctions. Furthermore, through strict control over vehicle testing standards and the implementation of efficient transaction models, we have enhanced the circulation safety and recyclability of vehicles on our platform, which strongly promotes the sustainable development of the circular economy specific to used vehicles.
3. Through standardized vehicle testing, appraisal, and circulation services, we effectively extend the actual service life of vehicles and directly reduce the quantity of end-of-life vehicles. When end-of-life vehicles are disposed of, improper management may cause environmental pollution from leakage of refrigerant and disposal of hazardous waste such as discarded storage batteries and electronic components. Therefore, it is of significant environmental significance to promote the recycling of used vehicles compared to direct disposal.

The government has enacted and implemented relevant laws and regulations, such as the *Circular Economy Promotion Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, which guide and regulate the processes of end-of-life vehicle disposal so that the vehicle scrapping process is more efficient and environmentally friendly. With this policy, if used vehicles achieve recycling and extended service life through this platform, they will receive support of a more comprehensive regulatory framework and mature technology conditions when entering into the final scrapping stage in the future, which realizes vehicle disposal in a more environmentally friendly, standardized, and resource-efficient manner and thereby truly advance efficient resource utilization and ecological circular development throughout the entire automotive lifecycle.

III. ADHERENCE TO PEOPLE-CENTERED MANAGEMENT AND RESPONSIBLE OPERATION FOR SUSTAINABLE GROWTH

1. Employment

Autostreets strictly complies with relevant national laws and regulations in employment and management, consistently upholds the core principles of lawfulness, fairness, and equity, and is committed to creating a high-quality working environment and a broad career development platform for all employees. In strict compliance with relevant laws and regulations, such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Employment Promotion Law of the People's Republic of China*, Autostreets protects the legitimate rights and interests of employees in all aspects and from multiple dimensions. In addition, Autostreets has established a comprehensive and sound remuneration structure with diverse benefits to fully stimulate employees' potential and empower them to realize personal value in tandem with the achievement of corporate development.

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(1) *Employee Recruitment*

Autostreets always puts human resources management at the strategic core of corporate development and takes it as a vital foundation for stable development and long-term growth. The Company has established a scientific and comprehensive institutional framework and implemented a standardized and efficient recruitment process to strengthen talent support and build a solid talent foundation for its sustainable development. Pursuant to multi-dimensional standard systems for quality management and occupational health, Autostreets has established a comprehensive human resources management framework. The core systems include key regulations such as the *Employee Management System*, *Remuneration Management System*, and *Performance Management System*, and on this basis, the *Recruitment Management System* and *Employee Promotion and Transfer System* are kept refining, which clarify the recruitment process, job requirements, evaluation criteria for hiring, onboarding procedures, and other key aspects to ensure the standardization, rigor, and transparency of the recruitment work. During the recruitment implementation phase, the Company widely publishes recruitment information through multiple channels and in various forms, encompassing recruitment websites, social media platforms, university-industry collaborations, and employee referrals, to attract high-quality talents and gather industry elites and thereby inject innovative vitality and talent momentum into the Company's sustainable development.

(2) *Employee Diversity*

Autostreets consistently adheres to the core principles of inclusion and diversity, actively building an energetic talent team with diversity. At present, the Company has a total of 600 employees, and the composition is multidimensionally diversified. From the perspective of gender distribution, there are 444 male employees (74.00%) and 156 female employees (26.00%). Employees of different genders perform their own duties and achieve complementarity for common development, thereby jointly advancing corporate development. With regard to employment form, there are 593 full-time employees (98.83%), serving as the core pillar of corporate development, and their stable services ensure the continuous advancement of our business. Part-time employees totaled 7 (1.16%), and their flexible collaboration model provides effective support for the Company's response to business fluctuations. In terms of age structure, 69 employees are aged under 30 (11.50%). This dynamic and innovative young workforce injects continuous creative energy into the Company. 500 employees are aged between 30 and 50 (83.33%), forming the backbone of corporate development. Their solid professional expertise and extensive practical experience solidify the foundation for stable business operations. 31 employees are aged over 50 (5.00%), providing crucial guidance for corporate development through their profound industry accumulation and invaluable practical wisdom. In terms of educational background, there are 384 employees with an education below the bachelor's degree (64.00%), 197 with the bachelor's degree (32.83%), 19 with the master's degree, doctoral degree or above (3.17%). This diverse educational structure meets the specialized demands of various positions, forming a well-structured talent pipeline. Geographically, the talent network of Autostreets spans all provinces in mainland China except Tibet, with employees coming from diverse regions: 290 from East China (48.33%), 80 from Central China (13.33%), 82 from Southwest China (13.67%), 70 from North China (11.67%), 25 from Northeast China (4.17%), 35 from Northwest China (5.83%), 17 from South China (2.83%), and 1 from the U.S. (0.17%). Employees from different regions bring unique cultural backgrounds and ways of thinking, which blend together to form an inclusive corporate culture and lay a solid foundation for the Company's country-wide business layout and expansion.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Chart 1: Gender Distribution of Employees in 2025 (Unit: %)

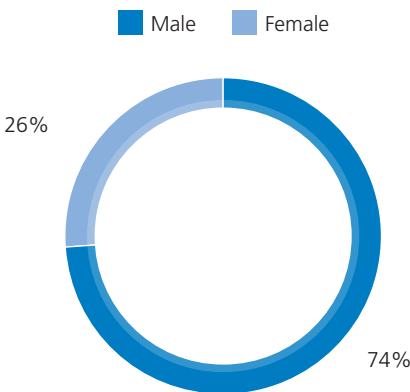


Chart 2: Age Group Distribution of Employees in 2025 (Unit: %)

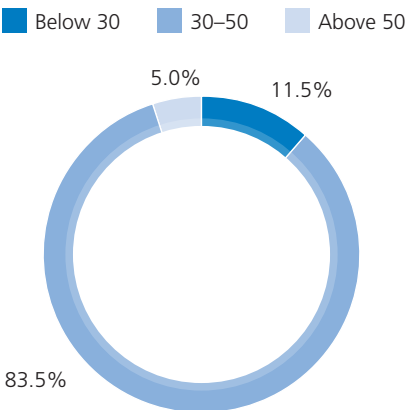


Chart 3: Employee Education Distribution in 2025 (Unit: %)

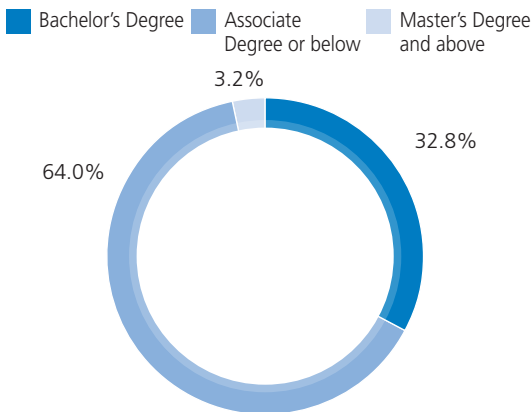


Chart 4: Employee Origin Distribution in 2025 (Unit: %)

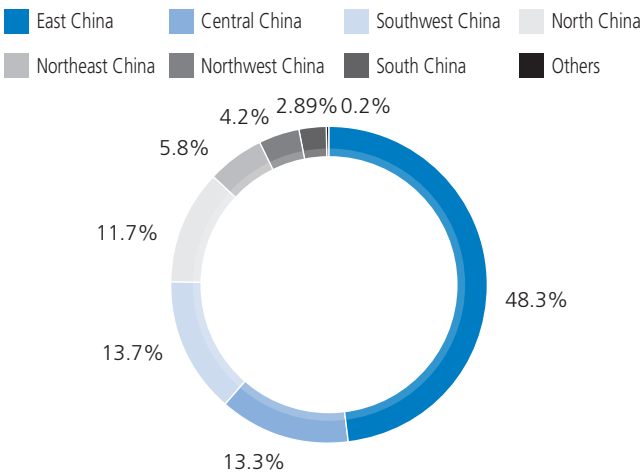


Chart 5: Type Distribution of Employees in 2025 (Unit: %)

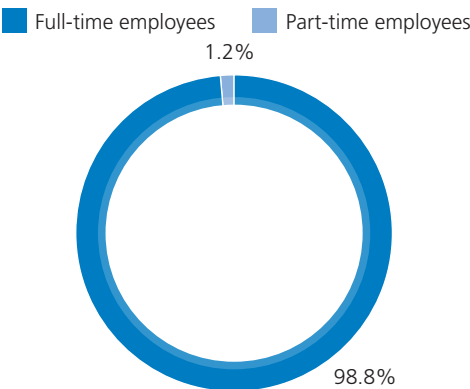


Figure 9: Employee Composition

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, 189 employees left Autostreets, including 147 male employees (77.78%) and 42 female employees (22.22%). 32 employees aged under 30 left the Company (16.93%), 148 employees aged between 30 and 50 left the Company (78.31%), and 9 employees aged over 50 left the Company (4.76%). Divided by region, employees leaving the Company in each region were: 76 in East China (40.21%), 43 in Central China (22.75%), 26 in Southwest China (13.76%), 20 in North China (10.58%), 8 in Northeast China (4.23%), 12 in Northwest China (6.35%), and 4 in South China (2.21%).

(3) **Employee Promotion**

Autostreets always prioritizes employee career development and is committed to establishing clear, fair, and transparent promotion channels that provide equal opportunities for continuous growth and advancement of all employees. In particular, the Company has put in place the *Autostreets Employee Promotion and Transfer System* and other normative documents, which clarify the operating procedures and implementation rules for employee promotion and transfer to establish a clear career development path for employees and help them realize their personal values and career goals through the corporate platform. To meet the role adaptation and competency enhancement needs of newly promoted managers, Autostreets tailors exclusive training programs for them at different levels. The training curricula cover core dimensions such as management philosophy development, team-building methodologies, and effective communication skills. Through systematic training and practical guidance, these programs help the new managers rapidly enhance their comprehensive management capabilities, secure a smooth transition into their roles, and efficiently fulfill their management responsibilities.

(4) **Employee Remuneration and Benefits**

Autostreets unswervingly integrates employee well-being into the core of corporate development and strives to create a healthy, harmonious, and people-centered working environment. In terms of working hour management, the Company strictly operates a standard working hour system and implements the workweek that follows 5 days a week and 8 hours a day, to ensure that employees have sufficient rest time and help realize a work-life balance. As a safeguard of their right to vacation, employees enjoy statutory holidays such as two-day weekend, statutory holidays, marriage leave, bereavement leave, maternity leave, paternity leave, etc., and the Company also implements the annual leave system in strict compliance with the national *Regulations on Paid Annual Leave for Employees* and the *Measures for the Implementation of Paid Annual Leave for Enterprise Employees*, to ensure the satisfaction of employees' needs for rest and recuperation, alleviate work-related stress, and continuously enhance their quality of life.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1) *Annual Gala in 2025, Themed “John Hands to Achieve Excellence.”*

On January 13th, 2025, Autostreets successfully held the annual gala themed “John Hands to Achieve Excellence”. All employees gathered to bid farewell to the old year and usher in the new. This event, immersed in performance recognition, festive joy, and future expectation, not only concluded the past year’s achievements but also built up confidence and strength for the journey in the new year with a spirit of unity and progress. The venue was surrounded by warm kindness and a relaxing and joyful atmosphere. Amidst the aroma of delicacies, laughter and cheer filled the air as all employees chatted freely and shared stories to strengthen bonds through the feast. An award ceremony was especially arranged for outstanding employees in the annual gala. Award recipients took the stage one by one, receiving honorary certificates and trophies to thunderous applause. Each award represented recognition and motivation for employees’ dedicated efforts. The exciting lucky draws drew the event to its climax. As surprising prizes were unveiled one after another, the venue burst into waves of cheers, allowing every attendee to deeply feel the warmth of the team and the joy of the festive event.



Figure 10: Annual Gala in 2025, Themed “John Hands to Achieve Excellence”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2) *Badminton Weekly Practice Event Themed “Badminton Brings Us Together.”*

In April 2025, Autostreets planned and organized a month-long activity themed “Badminton Weekly Practice + Friendly Matches”, creating a sports platform for employees to release energy and engage in friendly competition. Held at a professional badminton venue with well-equipped facilities and an ideal sports environment, the activity enabled employees to shift focus from work and immerse themselves in the joy of professional-level sports events. Throughout the activity, employees demonstrated high enthusiasm, refined their skills through regular weekly training, and gave full play to their capabilities in friendly matches. This activity not only effectively helped employees relieve stress and improve physical health, but also significantly strengthened team cohesion through practice together and mutual encouragement. It also deepened mutual understanding and friendship among colleagues and further fostered a healthy and harmonious corporate culture.



Figure 11: Badminton Weekly Practice Event Themed “Badminton Brings Us Together”

3) *Christmas “Rolling Fun” Lucky Draw*

During Christmas, Autostreets launched the “Rolling Fun” lucky draw, offering employees a variety of prizes, including food gift boxes and lifestyle items. This lighthearted lucky draw ensured the participation of all employees. The event featured a lively atmosphere where employees received holiday benefits through interactive activities. This initiative not only showed the Company’s Christmas care but also strengthened team cohesion through the welfare-focused event, serving as a vivid example of the Company’s practice in implementing its employee care system.



Figure 12: Christmas “Rolling Fun” Lucky Draw Event

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Employee Health and Safety

Autostreets has always placed employee health and safety at the core of its operations, regarding it as the cornerstone of the Company's sustainable development. We strictly comply with the *Labour Law of the People's Republic of China* and domestic and international occupational health and safety management standards, including GB/T45001-2020 and ISO45001, and have established and continuously improved a robust and systematic occupational health and safety management system.

Through concrete measures such as scientifically planning vehicle traffic routes, eliminating mixed pedestrian-vehicle zones, and installing weather-protected assessment tents, we have effectively safeguarded on-site operational safety. From 2023 to 2025, the Company has achieved three consecutive years with zero work-related fatalities and zero lost workdays due to occupational injuries — a testament to its steadfast commitment and continuous progress in occupational health and safety. We continuously enhance our management mechanisms, regularly conduct safety training, and consistently improve the working environment to foster safer, healthier, and more comfortable working conditions for employees. Meanwhile, the Company strictly adheres to national policies by fully paying basic medical insurance contributions for all employees, ensuring 100% medical insurance coverage, and comprehensively strengthening the health protection safety net for employees.

3. Employee Development and Training

Employee development and training are integral components of Autostreets' strategic framework. The Company regards employees' professional growth and capability enhancement as a core driver for achieving sustainable development.

In 2025, the Company invested a total of RMB89,640.46 in training, building a high-quality and diverse learning resource system to support all employees in continuously enhancing their professional competencies and overall capabilities. At the institutional level, the Company has formulated and implemented specialized policies, including the *Autostreets Employee Training Management System* and the *Autostreets — Safety Training and Education Strategies*, establishing a solid institutional foundation for the standardized implementation of training programs. In terms of resource allocation, the Company carefully considers the differentiated needs of employees across various roles and categories. Training content is systematically categorized into general, professional, management, competency, risk control, and onboarding tracks. Tailored training curricula are then designed based on the role-specific characteristics and business development needs of employees at all levels, effectively promoting a high degree of alignment between employee capabilities and job requirements, and fully unlocking talent potential.

In 2025, the Company delivered a total of 13 training sessions throughout the year, including thematic programs such as onboarding training, appraiser certification training, and AI-focused training. The total length of training was 3,344.5 hours, and the total number of trainees was 1,527, with a per capita length of 2.19 hours; 1,279 men were trained, with a training participation rate of 83.76%, and a per capita length of 2.08 hours; and 248 women were trained, with a training participation rate of 16.24%, and a per capita length of 2.78 hours. According to employee classes, 8 senior management trainees accounted for a training participation rate of 0.52% and a per capita length of 4.13 hours, mainly focusing on strategic leadership and front-line trends in the industry; 266 middle management trainees accounted for a training participation rate of 17.42% and a per capita length of 3.55 hours, further strengthening management skills and teamwork; 1,253 grass-roots employees accounted for a training participation rate of 82.06% and a per capita length of 1.89 hours, focusing on enhancing professional skills and job competency. The Company has established a comprehensive training system that spans all organizational levels and covers every position, ensuring that all employees have access to learning resources and development support tailored to their job grades and responsibilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(1) *Onboarding Training*

Autostreets places great emphasis on the integration and growth of new employees. Through a systematic onboarding training program, the Company has established a standardized framework for nurturing new hires, enabling them to quickly familiarize themselves with the corporate culture, master business processes and role-specific standards, and thereby better integrate into their teams and meet job requirements. Delivered in an online format, the training covers foundational modules such as the Company's development history, core business logic, and daily work protocols. It balances theoretical instruction with practical guidance, enabling new employees to rapidly build a sense of belonging and job readiness. This onboarding initiative runs throughout the year. In 2025, the Company delivered four sessions of onboarding training, continuously infusing the organization with fresh talent while laying a solid foundation for new employees' professional growth.

(2) *Specialized Appraiser Training*

Autostreets systematically delivers specialized training programs to enhance employee competencies — demonstrating its commitment to professional excellence and, in turn, delivering a more reliable used vehicle transaction experience for customers. In 2025, Autostreets systematically delivered multiple sessions of specialized appraiser training for in-service appraisers and relevant management personnel across the country. The training — covering core topics such as the performance evaluation framework for auction appraisers and standardized vehicle appraisal procedures, along with updated hands-on courses on EQS system operations and certification processing — helped the appraiser team strengthen professional competencies, standardize workflows, and enhance efficiency in using digital tools, thereby holistically improving service quality and operational effectiveness in the used vehicle appraisal process.

(3) *AI-Focused Training*

Autostreets demonstrates its forward-looking mindset through the "Embrace AI" specialized training program, empowering employees with in-depth AI capabilities to deliver a superior service experience for customers. In 2025, Autostreets launched an internal AI-focused training program for core staff across departments, delivering systematic instruction on practical topics such as industry-specific prompt engineering, industrialized creation of marketing assets, and intelligent agent development — accelerating the Company's transition from experience-driven to data- and AI-driven operations. Through training, employees have gained proficiency in applying AI technologies to tasks such as short-video production, marketing design, and the development of intelligent service tools. This not only significantly enhances internal operational efficiency but also translates AI capabilities into tangible customer service value. By enabling more precise vehicle marketing, faster response to client needs, and smarter transaction support, Autostreets ensures customers experience greater convenience and transparency throughout the entire used vehicle transaction journey — delivering a superior service experience powered by technology.

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4. Labor Standards

Autostreets has always placed the fulfillment of corporate social responsibility and adherence to compliant operations at the core of its development, consistently guiding all stages of human resources management with the principles of fair and lawful employment practices. The Company upholds an open and inclusive talent philosophy and explicitly prohibits any form of discrimination — including, but not limited to, nationality, race, gender, and religious belief — in its *Personnel Recruitment Management Rules*, thereby fostering a fair, diverse, and inclusive workplace environment. The Company maintains a zero-tolerance policy toward serious violations such as forced labor and child labor. In practice, the Human Resources department verifies the employee's identity documents prior to onboarding to confirm their actual age and proactively communicates with them to ensure that their decision to join the Company is voluntary, informed, and made of their own free will. Meanwhile, the Company guides employees in signing labor contracts and other onboarding documents to ensure that all employment practices strictly comply with national laws and regulations. During the reporting period, the Company did not engage in any incidents of child labor or forced labor. This underscores Autostreets' firm commitment to lawful employment practices and corporate social responsibility, demonstrating both a principled stance and concrete actions that effectively safeguard employee rights and ensure compliance in business operations.

Autostreets has established a comprehensive human rights risk prevention and response mechanism, and will implement a systematic response protocol whenever incidents of illegal employment practices — such as child labor or forced labor — are identified. First, the Company will immediately halt the relevant activity, remove the individuals involved from their original work environment, and provide safe, protective isolation to effectively safeguard their personal safety and fundamental rights. Subsequently, the Company will proactively report the incident to the local labor inspection or relevant law enforcement authorities as required by law, fully submit all pertinent materials — including information on the individuals involved, recruitment records, and attendance documentation — and actively cooperate with any subsequent investigation. For any affected child laborers or victims of forced labor, the Company will arrange professional health assessments, proactively contact their legal guardians and family members, facilitate their safe return home, and — in the case of child laborers who have not completed compulsory education — assist them in returning to school or provide support for their continued education. Meanwhile, the Company will initiate an internal investigation to thoroughly review any gaps in its recruitment and management processes, enhance legal and regulatory training for HR and relevant personnel, improve internal whistleblowing channels, and strictly protect the confidentiality and safety of whistleblowers. In addition, the Company will duly accept administrative penalties imposed by relevant authorities and bear any fines that may arise; should any harm result from the violation, the Company will proactively cover medical expenses and fulfill its corresponding compensation obligations. Through these multi-tiered response measures, Autostreets is committed to ensuring full compliance across all business operations and safeguarding the legitimate rights and interests of every worker.

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5. Supply Chain Management

Autostreets places great emphasis on the pivotal role of supply chain management in the used vehicle circulation sector. Guided by sustainable development principles and grounded in compliant operations, the Company integrates green practices throughout the entire supply chain lifecycle. It is committed to building an efficient, transparent, and environmentally responsible supply chain management system, actively advancing green procurement, and collaborating with upstream and downstream partners to jointly drive the industry toward a sustainable future. To operationalize the above strategy, the Company has established internal policies such as the *Supplier Admission Measures*, creating a comprehensive end-to-end management system that covers supplier admission, due diligence, performance evaluation, and exit mechanisms. This framework establishes a closed-loop process — from procurement need assessment and supplier selection to contract execution monitoring — ensuring both partnership quality and compliance with regulatory and operational standards. Leveraging this standardized management system, the Company has built a multi-tiered supplier network comprising used vehicle trading companies, 4S dealership groups, and institutional clients, totaling over 8,600 suppliers, with regional distribution as follows: East China 39.93%, North China 13.47%, Southwest China 13.44%, Central China 11.87%, South China 9.92%, Northwest China 6.25%, and Northeast China 5.12%⁵. Moreover, in contracts with upstream and downstream partners, the Company not only includes standard requirements regarding employee safety and property protection, service quality, and data handling, but also incorporates dedicated clauses on anti-bribery, anti-corruption, and anti-money laundering, requiring suppliers to formally acknowledge and sign off on these provisions. Through rigorous controls at every stage, the Company ensures that suppliers comply with applicable laws and regulations across environmental, social, and governance (ESG) dimensions, effectively mitigating potential supply chain risks and reinforcing the foundation for sustainable and resilient business growth.

(1) Collaborative Industry Development

Autostreets has always been committed to advancing the collective growth of the industry, actively partnering with stakeholders across the ecosystem and participating in key industry events to energize the used vehicle sector. By moving in step with the industry, the Company strives for mutual reinforcement and shared prosperity — working together toward a broader and more sustainable future.

From October 22nd to 23rd, 2025, Autostreets was invited to attend the Third China Motor Vehicle Auction Industry Conference, hosted by the China Association of Auctioneers. Themed “Industry Advancement, Technology Shaping the Future,” the conference brought together nearly 400 industry experts. At the conference, Autostreets’ core team engaged in in-depth exchanges. The Company was honored with multiple awards in recognition of its outstanding performance, including being named one of the “Top 3 Companies by Both Auction Transaction Volume and Value in China’s Motor Vehicle Auction Industry for 2024” and receiving the title of “2024 Outstanding Enterprise in Motor Vehicle Auctions — Influential Brand”. Several of its regional subsidiaries were also recognized, fully demonstrating Autostreets’ leadership in the industry. Meanwhile, Autostreets also participated in the launch of the industry’s first *Technical Specification for Inspection and Valuation of Electric Vehicles in Auctions*, and signed investment and cooperation agreements at the conference for the Used Vehicle Export Auction Service Platform, further expanding its footprint in international online trading. Moreover, a representative of the Company delivered a keynote speech titled “Upholding Integrity, Embracing Innovation” at the main forum, presenting the insight that “standardized services should be built within a fragmented market, and certainty of value created amid volatile cycles.” This perspective offered valuable strategic direction for the future development of the industry.

⁵ The number and distribution of suppliers is commercially sensitive and therefore only percentages are disclosed.

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On November 14th, 2025, Mr. Wang Bo, President of the China Association of Auctioneers, visited Autostreets' Shanghai headquarters for an official inspection and to provide guidance. Autostreets' senior management team was present to host the visit. The two sides engaged in in-depth discussions on key topics, including industry trends, reforms in used vehicle auctions, and used vehicle exports. Autostreets warmly welcomed the association leadership's visit and expressed sincere gratitude for the China Association of Auctioneers' longstanding support and guidance. Mr. Wang Bo articulated three key expectations for Autostreets to advance the industry's development: first, to sustain its leadership and exemplary role in business model innovation and industry standard-setting; second, to seize the strategic opportunities of the "15th Five-Year Plan" period to achieve leapfrog growth; and third, to accelerate international expansion to drive the industry's transformation and upgrading. He further underscored the critical importance of the motor vehicle auction sector and called on Autostreets to embrace its responsibility as a key driver of industry progress. During the visit, Mr. Wang Bo also toured Autostreets' live auction studio and provided on-site guidance, with this high-level engagement laying a solid foundation for closer collaboration between both parties going forward.

On December 15th, 2025, Autostreets and Tencent Smart Mobility signed a strategic cooperation agreement in Shenzhen, China, to establish comprehensive and in-depth collaboration in areas including automotive ecosystems, cloud services, and artificial intelligence (AI), jointly advancing the digital transformation and intelligent upgrading of the used vehicle industry. At the signing ceremony, core management teams from both sides attended in full force, fully demonstrating the high strategic significance and long-term vision of this partnership. As China's first listed motor vehicle auction platform, Autostreets has always been committed to building a standardized industry framework. A representative from Autostreets stated that it will leverage Tencent's leading capabilities in cloud computing, artificial intelligence, and ecosystem connectivity to further enhance its intelligent vehicle condition assessment capabilities, develop advanced valuation models, and improve auction efficiency and user experience, thereby continuously driving the used vehicle industry toward greater transparency and efficiency. A representative from Tencent acknowledged the Company's deep industry expertise and strong market influence in the used vehicle auction sector, expressing anticipation for jointly exploring innovative applications of cloud computing and AI technologies in automotive circulation to support the Company's digital transformation and its capacity to empower the broader industry. This collaboration marks a critical step forward for the Company in advancing its "Technology-Driven Industrial Innovation" strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Through a series of industry events and strategic partnerships, the Company continues to deepen industry dialogue, reinforce its leadership position, and expand its growth opportunities. Going forward, the Company will continue to leverage technology as its engine and compliance as its foundation, uphold an open and collaborative approach, and work hand in hand with partners across the automotive value chain to intensify efforts in standardization, digital transformation, and international expansion — thereby contributing greater momentum to the efficient circulation of used vehicles and the high-quality development of the automotive industry.



Figure 13: The Third China Motor Vehicle Auction Industry Conference in session



Figure 14: Mr. Wang Bo inspecting and providing guidance at Autostreets



Figure 15: Signing ceremony of the strategic cooperation agreement between Autostreets and Tencent Smart Mobility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(2) Whole Life Cycle Management of Supply Chain

In today's challenging business environment, effective supplier management is a critical enabler of corporate sustainable development. To this end, we have established a comprehensive institutional framework covering the entire supplier lifecycle, including core policies such as the *Admission for Licensed Suppliers*, ensuring that every stage — from supplier onboarding to contract fulfillment — is governed by clear rules and supported by comprehensive documentation. At the supplier admission stage, a stringent screening process is in place, mandating the proposal of multiple qualified legal-entity suppliers (excluding individual businesses), accompanied by comprehensive corporate documentation for each. The application process undergoes multi-level reviews, and the evaluation panel strictly enforces entry criteria to ensure that shortlisted suppliers possess high-caliber service capabilities. In the contract review stage, a multi-layered control mechanism is implemented: in addition to approvals from the relevant business departments and management, the Legal and Internal Audit departments are concurrently engaged to provide written assessments of potential risks. The Audit Department also implements end-to-end oversight across all key stages — including tendering, contract signing, and contract performance — to provide proactive risk warnings, exercise real-time control, and conduct post-implementation evaluations. During the cooperation period, the rights and responsibilities of both parties are clearly defined through standardized OA workflows and the signing of agreements. The agreements impose strict requirements on vehicle inspection standards to ensure that only vehicles in excellent condition are listed for auction, thereby indirectly improving the environmental performance of used vehicles. Meanwhile, we continuously monitor operational data to dynamically oversee supplier performance. With this robust management system in place, the Company has not only ensured the stable operation of its vehicle registration and transfer facilitation services and strengthened its market competitiveness, but also established a replicable best practice in supplier management for the industry to follow.

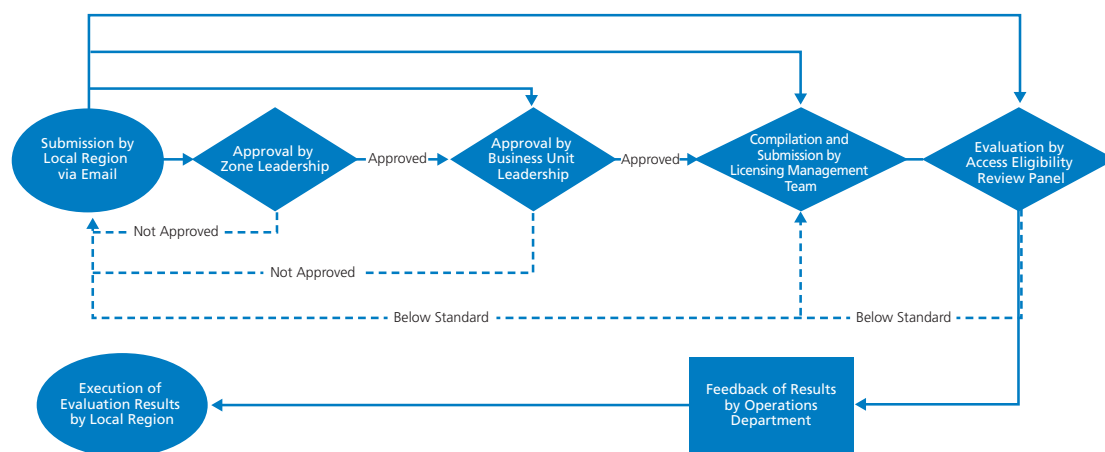


Figure 16: Admission Flowchart for Qualified Suppliers

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

(3) *Supply Chain Integrity Management*

In the ongoing advancement of the automotive industry, fostering healthy and stable partnerships among enterprises serves as a key driver of development. Integrity is not only the cornerstone of mutual trust among business partners but also a core element in fostering a healthy and sustainable supply chain ecosystem. To this end, the Company has established a systematic set of management principles for external procurement and partnerships, setting clear standards on integrity, social responsibility, and environmental compliance to guide and govern supplier conduct, jointly fostering a transparent and well-regulated business environment. At the same time, we have actively established a supplier oversight and feedback mechanism, clearly and publicly outlining the scope, channels, and specific requirements for reporting anti-corruption concerns, thereby providing partners with accessible avenues for complaints and supervision to jointly uphold a fair and transparent cooperation environment.

6. **Product Liability**

(1) *Customer Trust*

Autostreets has always regarded customer trust as the cornerstone of its growth, consistently delivering reliable services and exceptional experiences to every user. In 2025, the Company served customers on 60,000 occasions. Amid sustained business growth, it has consistently prioritized customer satisfaction, establishing a systematic customer feedback and response mechanism. Throughout the year, the Company received a total of 1,362 customer complaints, the majority of which pertained to vehicle condition. Through an efficient customer service mechanism and a dedicated resolution team, the Company achieved a complaint resolution rate of 99.00%. This not only demonstrates Autostreets' strong commitment to addressing customer concerns and its proactive responsiveness, but also effectively safeguards customer rights, further reinforcing client trust and the Company's market reputation.

(2) *Product Quality Control*

Autostreets has always regarded vehicle quality as the foundation of its business growth. By establishing a comprehensive end-to-end quality management system — spanning vehicle sourcing, professional inspection, and after-sales support — the Company ensures that every vehicle sold through the platform meets the highest standards. In 2025, Autostreets continued to expand its market transaction scale, achieving annual sales of over 140,000 gasoline vehicles, over 1,000 diesel vehicles, and more than 9,000 new energy vehicles, with a total transaction value exceeding RMB4.246 billion. Amid rapid business growth, the Company maintained an outstanding service record of zero returns due to safety or quality issues throughout the year, underpinned by a rigorous vehicle admission mechanism, standardized inspection processes, and a professional after-sales service system. Specifically, we begin at the source by conducting compliance reviews of all documentation for vehicles entering the transaction process, ensuring they are legally eligible for trade. During the inspection phase, we leverage professional equipment and a skilled technical team to conduct systematic assessments of vehicle appearance, mechanical performance, and critical components, ensuring that vehicles are free from hidden defects and safety risks. After the transaction is completed, we continue to provide prompt and effective post-sale support to ensure the vehicle's long-term reliability, thereby establishing a closed-loop quality assurance system that spans from vehicle onboarding to after-sales service.

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(3) *Vehicle Acquisition*

The used vehicle acquisition process is a critical component in ensuring vehicle quality and safeguarding brand reputation. Autostreets maintains rigorous, end-to-end oversight of this process to consistently deliver high-quality vehicles to its customers. Leveraging our proprietary EQS Inspection and Evaluation System, we complete a comprehensive vehicle assessment and issue an authoritative evaluation report in just 40 minutes. The system covers five major inspection categories and over 160 inspection points, with an added specialized module for the “three electric systems”—namely, the battery, motor, and power electronics — of new energy vehicles, ensuring full and gap-free coverage of all critical aspects. The report features clear and intuitive 3D damage visualizations, making the vehicle’s condition immediately apparent and providing robust support for the objective presentation of vehicle quality. Through systematic management of the vehicle acquisition process, Autostreets not only demonstrates its unwavering commitment to product quality but also significantly enhances customer confidence in vehicle purchases, showcasing its professionalism and sense of responsibility in the used car industry.

(4) *Intellectual Property Management*

Intellectual property is a core competitive advantage for Autostreets and the fundamental safeguard underpinning its innovation-driven growth. The Company strictly complies with relevant laws and regulations, including the *Patent Law*, the *Copyright Law*, and the *Trademark Law*, actively safeguarding its own intellectual property rights while fully respecting the legitimate rights and interests of others. To this end, we have established an institutional framework centered on the *Intellectual Property Management System*, implementing end-to-end lifecycle management of intangible assets — including patents, trademarks, and software copyrights — spanning their creation, protection, and utilization to ensure the security and integrity of these assets.

1) *Patent Management*

The Company has established a dedicated staff role staffed by personnel with specialized expertise in patents, who are responsible for the overall planning and implementation of intellectual property initiatives. This role is responsible for formulating the annual patent work plan, overseeing the patent application process, coordinating internal and external resources, and organizing internal training and awareness initiatives to continuously enhance company-wide understanding of patent protection and reinforce the strategic value of patents in driving innovation and competitive advantage.

2) *Trademark Management*

Autostreets strictly complies with the *Trademark Law* in all aspects of trademark registration, use, and maintenance, adhering to standardized practices in daily operations to mitigate infringement risks. Upon discovering any trademark infringement, the Company will promptly take legal action — ranging from cease-and-desist letters to litigation — to firmly safeguard its brand reputation and market rights.

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3) *Software Copyright Management*

The Company implements standardized archiving and dynamic monitoring for all software copyrights that have been officially registered, ensuring the completeness and traceability of certificates and related documentation. In the course of software usage, we strictly adhere to licensing terms to mitigate infringement risks and enhance software protection through technical measures. Meanwhile, the Company continuously monitors updates to relevant laws and regulations to ensure lawful and compliant software operations.

As of 2025, Autostreets has been granted 8 invention patents and holds 54 registered software copyrights. These achievements not only reflect the Company's innovation capabilities but also demonstrate its sustained investment in intellectual property strategy, laying a solid foundation for long-term growth.

(5) *Consumer Privacy Protection*

Autostreets has always placed consumer information security at the core of its operations, strictly adhering to laws and regulations such as the *Cybersecurity Law* and the *Data Security Law*. The Company implements privacy protection through a multi-dimensional approach that integrates institutional frameworks, process controls, rights safeguarding, and dynamic compliance. The Company has formulated and implemented internal policies, including the *Information Asset Security Management Measures*, the *Privacy Rights Policy*, and the *Data Classification and Grading Guidelines*, which clearly define categories of consumer personal information and establish comprehensive rules governing its handling throughout the entire data lifecycle. To operationalize these rules, Autostreets enforces strict access controls, encryption technologies, and authorization management, adheres to the principle of informed consent, and maintains rigorous oversight across all stages — from data collection, use, and sharing to deletion — ensuring that all operations are lawful, compliant, secure, and reliable.

Meanwhile, the Company explicitly recognizes and safeguards consumers' right to be informed and their right to make choices, providing clear and accessible channels for exercising data-related rights — including access, correction, and account deletion — and imposing no unreasonable restrictions. Personal information is not shared with external parties without the consumer's explicit, separate consent, and any disclosure to third parties is strictly limited to the minimum necessary scope. Moreover, the Company has established a dynamic compliance mechanism: whenever business changes necessitate revisions to privacy policies, the business operations team and the information security team jointly conduct a review. This ensures continuous optimization of privacy protection strategies and the information security framework, reflecting the Company's strong sense of responsibility in safeguarding consumer privacy and its commitment to building a transparent and trustworthy digital environment.

7. *Anti-Corruption*

(1) *Business Ethics*

Autostreets maintains a zero-tolerance policy toward any form of fraud, bribery, or corruption. Through a multi-pronged approach — including robust institutional frameworks, end-to-end process oversight, organization-wide training, diverse reporting channels, and strict disciplinary actions — the Company has established a sustainable, long-term mechanism for anti-fraud and anti-corruption governance. The Company strictly complies with national laws and regulations, including the *Interim Provisions on the Prohibition of Commercial Bribery*, and is firmly committed to upholding its corporate reputation, market integrity, and a fair, transparent, and trustworthy business environment.

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To implement this principle, the Company has established an institutional framework centered on the *Anti-Bribery and Anti-Corruption Policy* and the *Anti-Fraud Management System*, which clearly defines prohibited conduct, accountability mechanisms, and preventive controls; it continuously strengthens a closed-loop risk management system under the “three lines of defense” model, embedding anti-fraud requirements into all aspects of business operations, conducts specialized compliance and integrity risk audits at key auction venues — including Shanghai and Beijing — and actively drives corrective actions based on audit findings, while also enhancing employees’ legal awareness and professional ethics across the organization through policy communication, targeted training programs, and regular case-based alerts. Between 2022 and 2025, the Company has handled relevant fraud-related personnel in strict accordance with laws and internal regulations, and issued company-wide email notifications detailing specific cases to deliver a strong deterrent effect.

(2) *Whistle-blowing Mechanisms*

The Company upholds the principle of “Anti-corruption and Supervision by All,” and has established open, efficient, and responsive communication channels to receive reports and concerns from internal and external stakeholders — including employees and personnel from partner organizations — regarding violations of business ethics or anti-corruption requirements.

The Company has formulated specialized management documents, including the *Regulations for Enhancing the Code of Conduct for Auction Site Management*, the *Guidelines for Standardizing Auction Processes*, and the *Guidelines for Managing Key Indicators of Auction Sites*, and has prominently displayed whistleblower and supervision notice signs at auction venues. To ensure that reports are handled efficiently, in accordance with established procedures, and with impartiality, the Company actively encourages named reporting. Employees, as well as individuals who have direct or indirect business relationships with the Company, may submit reports concerning fraudulent conduct to the Audit Department of the Company through multiple legitimate channels — including the dedicated whistleblower email (hr@autostreets.com), the hotline (400-821-8889), or in-person communication. Meanwhile, the Company places great emphasis on protecting the rights and interests of whistleblowers, and explicitly requires in its *Anti-Fraud Management System* that personnel handling anonymous reports must strictly maintain confidentiality and fulfill their duties with integrity throughout the entire process — including case intake, information registration, investigation and verification, and document custody. The Company has implemented multiple layers of security safeguards to fully ensure the confidentiality and security of whistleblowers’ personal information and report content, effectively mitigate the risk of data leakage or loss, and provide comprehensive protection of their rights, enabling anyone who reports suspected misconduct to do so without fear of retaliation.

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IV. COMPLIANCE AS THE FOUNDATION OF GOVERNANCE, SAFEGUARDING THE AUCTION ECOSYSTEM

1. Governance Structure

The respect for laws and regulations has been assimilated into the corporate DNA of Autostreets, which rigorously adheres to the *Company Law of the People's Republic of China*, among others, and conforms to the regulatory rules of the Stock Exchange of Hong Kong for the capital market in an in-depth manner. The Company has established a robust, powerful, and efficient governance structure as a tamped foundation for its sustainable development to secure steady progress in the fierce market competition, continuously create value for shareholders, customers, and society, and exhibit corporate responsibility and commitment.

(1) Composition of the Board of Directors

As of December 31st, 2025, the Board of Directors of Autostreets comprises 9 directors, including 2 non-executive directors and 3 independent non-executive directors. There are 3 female directors, accounting for 33.33%. All members of the Board of Directors have a master's degree or above, aged from 36 to 64, and a tiered structure of senior, middle-aged, and young members is set up on that basis, which has not only pooled together extensive experience, but injected innovation and vitality as well to provide a more comprehensive and forceful lens for the Company's development. The members of the Board of Directors are equipped with diverse professional backgrounds covering a wide range of key areas such as finance, financial services, and business administration. With diverse professional perspectives and profound wisdom in decision-making, the Board of Directors has the capacity to provide the Company with comprehensive and professional guidance and effectively enhance corporate governance levels to secure solid intellectual support and fully guarantee decision-making pertaining to the Company's healthy and stable development.

Board of Directors Information Table

Name	Gender	Age	Educational qualification	Position	Committee appointments
Yang Aihua	Male	64	PhD in Applied Finance	Executive Director	Nomination Committee
Yang Hansong	Male	63	PhD in Applied Finance	Executive Director	
Zhao Hongliang	Male	58	Master of Business Administration	Executive Director	
Gao Kun	Female	49	Master of Finance	Executive Director	
Rob Huting	Male	58	Master of International Business	Non-executive Director	
Yang Chuyu	Female	36	Master of Risk Management	Non-executive Director	
Wang Jianping	Male	61	Master of Business Administration	Independent Non-executive Director	Audit Committee, Remuneration Committee
Li Mochou	Female	43	PhD in Accountancy	Independent Non-executive Director	Audit Committee, Nomination Committee, Remuneration Committee
Yan Jonathan Jun	Male	63	Master of Management	Independent Non-executive Director	Audit Committee, Nomination Committee, Remuneration Committee

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(2) Routine governance of the Board of Directors

Under the principle of putting equal emphasis on professional competence and a sense of responsibility, the Company conducts careful selection and rigorous assessment to ensure the professionalism and stability of the leadership. The Company sets great store by the improvement and optimization of its corporate governance structure by clarifying the roles and functions of directors, further refining the scope of responsibilities and powers of the Board of Directors and professional committees, and clearly establishing the procedures for shareholders’ nominees to stand for election as directors, so as to ensure the scientific and transparent corporate governance.

Autostreets has demonstrated remarkable and standardized implementation of corporate governance. In 2025, the Company held 1 General Meeting, 4 Board of Directors meetings, 2 Audit Committee meetings, and one meeting each of the Nomination Committee and the Remuneration Committee. With the exception of the Board meeting held on September 28th, which had an attendance rate of 88.89%, all other Board and committee meetings achieved a 100.00% attendance rate among their respective members, ensuring timely and effective decision-making of the Company, providing strong support for the Company’s high-quality development, and safeguarding the interests of shareholders and investors.

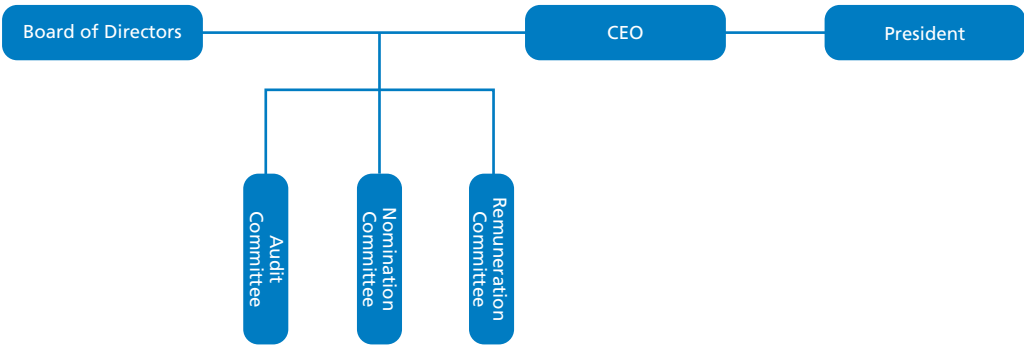


Figure 17: Autostreets Corporate Governance Structure

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(3) ESG Governance of the Board of Directors

Guided by China's national "Carbon Peaking and Carbon Neutrality" strategy, the Company actively responds to global sustainability trends and continuously advances its green transformation and low-carbon development. Autostreets has placed the establishment of an ESG-related management committee on its strategic agenda for future development. Building on a robust sustainability organizational framework that vertically spans all auction sites and horizontally covers all functional departments, the Company deeply integrates ESG principles into every aspect of its operations. The Company aims to deeply embed sustainability into its corporate development through a systematic and institutionalized governance framework, demonstrating its commitment to social responsibility through concrete actions and steadily advancing toward a greener, more sustainable future.

In 2025, the Company internally established a preliminary three-tier ESG structure:

- **ESG Committee:** Composed of senior executives from the Group's leadership team, this committee regularly reviews and provides recommendations on the Group's sustainability initiatives, including progress on major projects, annual operational targets, and the annual budget. It will provide far-sighted recommendations and decisions for the Company's sustainable development, ensuring corporate development in synergy with the national "Carbon Peaking and Carbon Neutrality" strategic goals and in step with the global trend of sustainable development.
- **ESG Working Group:** Comprised of managers from various functional departments across the Group, this working group conducts internal discussions on matters including customer audits, compliance, risk management, health and safety, and supplier management. Working group members communicate regularly and report to the ESG Committee, ensuring that the ESG Committee maintains real-time visibility into the detailed progress of the Company's sustainability initiatives and can make well-informed decisions.
- **Daily Task Force:** Composed of core staff from various business units, this team jointly drives and coordinates the day-to-day advancement of sustainability initiatives across Autostreets. Through close collaboration with the ESG Working Group, it provides timely feedback on issues and challenges in the course of implementation, and at the same time actively implements the decisions and deployments made by the ESG Committee and the ESG Working Group, so as to build a solid foundation for the Company's sustainable development.



Figure 18: ESG Governance Structure

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In 2025, all members of the Company's senior management participated in a dedicated ESG training session lasting 2.5 hours. The session provided an in-depth interpretation of ESG-related regulatory requirements issued by Chinese authorities and the Hong Kong Stock Exchange (HKEX) for H-share listed companies. Through analysis of current market trends and peer institutions' ESG practices, the training further embedded forward-looking concepts — such as green operations, low-carbon transition, and responsible investment — into senior management's strategic planning and day-to-day business guidance. This initiative aims to leverage senior leadership's ESG awareness to guide all employees from "passive compliance" toward "proactive implementation," helping shape a corporate identity rooted in sustainability and responsibility, and thereby injecting enduring momentum into the Company's long-term, high-quality development.

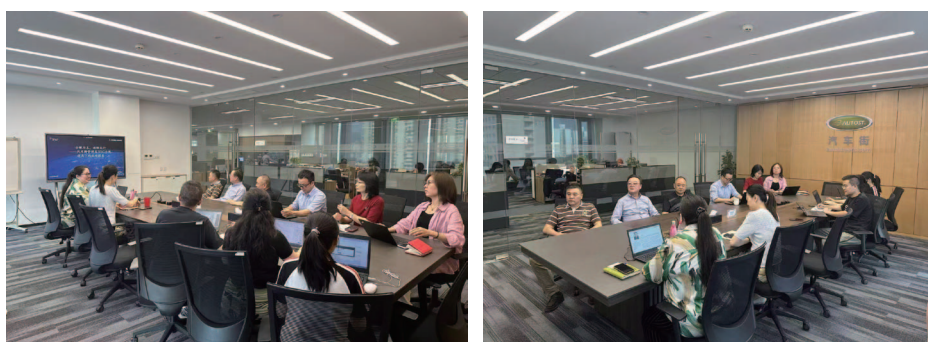


Figure 19: ESG Training Session

2. Anti-Corruption and Integrity Development

The Company has always attached great importance to integrity governance, positioning the development of anti-corruption and anti-fraud systems as a critical component of its sustainable development. By integrating institutional improvement, process supervision, and comprehensive employee education, it systematically builds a compliance defense line. Integrity in business operations is not only the cornerstone of a company's stable development but also the core safeguard for protecting shareholders' interests and enhancing industry credibility.

(1) Institutional Framework

To fully regulate the integrity-based practice of management and all employees, and resolutely fortify integrity defenses, the Company has formulated a series of institutional documents, including the *Anti-Bribery and Anti-Corruption Policy*, *Anti-Fraud Management System*, *Anti-Money Laundering Management Policy for Autostreets*, and *Sanctions Compliance Policy*. These documents cover anti-corruption requirements for employees, suppliers, and other business partners, explicitly prohibit all forms of bribery, and establish a long-term mechanism that places equal emphasis on prevention and control from the perspective of governance structure.

To further strengthen daily compliance management, the Company has incorporated key provisions, including integrity standards, confidentiality obligations, non-compete restrictions, and disciplinary actions, into the *Employee Handbook*, providing clear guidance for employee conduct. Meanwhile, all employees have signed the *Commitment Letter on Prevention of Commercial Bribery*, pledging to abide by national laws and regulations and the Company's rules, to resolutely resist commercial bribery, to refrain from seeking improper benefits by taking advantage of their positions, and to jointly safeguard the fairness and transparency of the Company's operations.

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(2) **Supervision and Training**

During the reporting period, the Company consistently adhered to lawful and compliant operations, strictly complying with all applicable and materially significant laws and regulations, particularly the provisions on duty-related crimes such as acceptance of bribes and offering of bribes in the *Criminal Law of the People's Republic of China*, as well as the relevant provisions of the *Anti-Unfair Competition Law of the People's Republic of China* on the prohibition of commercial bribery. During the reporting period, neither the Company nor any of its employees were involved in any legal cases related to corruption or bribery in the course of business operations and performance of duties, nor did they receive any internal reports or external investigation notices regarding corruption or bribery.

During the reporting period, the Company conducted 1 special activity focused on developing the anti-corruption system. The training content was closely integrated with practical cases, which served as a powerful and effective warning, strengthened employees' compliance awareness, and laid a solid ideological foundation for the Company's steady and sound development.

Case: Integration of Audit Oversight and Integrity Governance

In April 2025, the Company conducted a special operational audit targeting its leading auction houses (Shanghai and Beijing) with large business volumes and concentrated risks, comprehensively examining their compliance and integrity performance in business processes. Anti-corruption oversight was embedded throughout the audit process to ensure systematic screening of potential risk points. Upon the completion of the audit, the Company promoted targeted rectification measures at both auction houses and maintained continuous tracking of the rectification progress. This has enhanced the implementation efficiency of anti-corruption requirements at the front end of business operations and enabled the effective extension of the anti-corruption mechanism from institutional development to in-depth business integration.

3. **Risk Management and Control**

Currently, amidst profound transformations in China's automotive industry, multiple factors have converged to create a complex and multifaceted external environment, posing a range of challenges to corporate business models and market expectations. Simultaneously, China's used car market stands on the cusp of rapid growth, with policy dividends, increased vehicle supply, and accelerated cross-regional circulation driving the industry toward standardized and scaled development.

In this context, the Company places high priority on risk governance and the development of internal control systems, viewing them as essential foundations for maintaining strategic focus and achieving steady operations amid industry fluctuations. By continuously refining its risk identification, assessment, and response mechanisms, the Company can precisely capture market dynamics and scientifically address various risks and challenges. Particularly in its core business of used cars, the Company has built an end-to-end risk control system that covers vehicle inspection, transaction facilitation, title transfer, and logistics services by leveraging its digital platform and nationwide network of offline auction houses. This system has effectively enhanced business transparency and compliance, enabling high-quality and sustainable development.

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(1) *Risk Management Structure*

Mature risk management systems and sound internal controls are the guarantee of addressing risks and achieving stable operations. The Company adheres to and reinforces the “Three Lines of Defense” model, continuously improving its internal control management systems and frameworks. Specifically:

- The first line of defense is the headquarters’ operational departments. The Audit Department, through special audits and post-event rectification measures, reinforces the obligation of operational departments as the primary responsible parties for risk prevention.
- The second line of defense comprises departments such as Legal and Human Resources. The Audit Department collaborates closely with these departments in pre-event intervention, in-process participation, and post-event follow-up to jointly formulate policies for risk monitoring.
- The third line of defense is the Audit Department. As an independent internal department of the Company, it fulfills its oversight duties through regular business risk assessments, special audits, and tracking of rectification actions.

To ensure the Company’s operations comply with listing regulatory requirements, the Audit Committee has established an institutional framework covering key areas such as risk management, related transactions, and information disclosure. By implementing standardized compliance operation mechanisms, this framework has effectively standardized the Company’s corporate governance structure, enhanced operational transparency, and strengthened operational risk prevention capabilities, thereby providing solid institutional support for the long-term and steady development of the Company. In daily operations, the Audit Committee continuously monitors the compliance and accuracy of financial reports and management processes related to the Company’s auction business, ensuring strict adherence to the core requirements of listing rules regarding the truthfulness, accuracy, and completeness of information disclosure.

(2) *Internal Audit Risk Management*

To ensure the systematic and standardized operation of internal audit work, the Company has specifically formulated and implemented the *Internal Audit Management System*. This initiative aims to enhance the Company’s risk control capability and overall operational efficiency, advancing the internal audit process toward standardization and normalization. This system designates the Audit Department as the core implementing body and grants it the authority to exercise its duties independently, thereby ensuring the objectivity, fairness, and efficiency of the audit process. Meanwhile, the system clearly defines the rights and responsibilities of the internal audit institution, systematically standardizes relevant processes and content, and provides practical guidance and institutional support for audit work.

Within the Company’s overall internal control system, internal audit, with its professionalism, independence, and authority, effectively performs multiple functions, including oversight, evaluation, and recommendation, laying a solid foundation for the Company’s sustained and sound operation. Through the coordinated advancement of system control and institutional development, the Company achieved zero employee violations and disciplinary incidents in 2025, representing a remarkable improvement over previous years. This achievement has not only notably enhanced the standardization and stability of the Company’s operations, but also further demonstrated the important supporting value of the Audit Department in the corporate governance and risk management system.

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(3) ESG Risk Identification

The Company is firmly committed to its social responsibilities and deeply recognizes the critical role of environmental, social, and governance (ESG) factors in achieving long-term prosperity. In establishing a sustainable development management system, ESG risk identification serves as a foundational and essential task. The Company conducts systematic identification primarily through the following two dimensions:

1) Internal Management-Based Identification

The Company primarily identifies ESG risks by relying on internal management mechanisms, which specifically include: conducting cross-departmental thematic workshops to gather professional perspectives and experiences from multiple fields such as management, production, human resources, and legal affairs, systematically organizing ESG-related risks; systematically reviewing and analyzing historical events (such as safety incidents, customer complaints, legal disputes, etc.) and relevant financial data (such as environmental protection investments, trends in employee welfare expenditures), identifying and extracting risk factors from them; additionally, establishing a key indicator system covering qualitative and quantitative indicators such as carbon emissions, employee turnover rate and work safety accident rate, and realizing timely identification and early warning of ESG risks through continuous monitoring of dynamic fluctuations in these indicators.

2) External Environment-Based Identification

ESG risk identification from an external perspective is equally crucial, which primarily covers the following: changes in policies and regulations often introduce new compliance requirements and risks, so the Company timely tracks and analyzes ESG-related laws, regulations, policies, and industry standards issued at national and local levels. Secondly, the Company conducts industry benchmarking analysis and identifies potential common risks by studying the ESG practices and exposed risk cases of peer enterprises, especially leading enterprises or major competitors, in combination with its own operation. In addition, the Company systematically collects and analyzes feedback from various stakeholders, including shareholders, employees, customers, suppliers, communities, and non-governmental organizations, who can often point out the Company's potential governance, environmental, and social problems from different dimensions. Shareholders focus on corporate governance and financial transparency, employees pay attention to the working environment and career development, while community organizations emphasize the Company's environmental impact and social contribution.

4. Corporate Governance Transparency

(1) Tax Governance Transparency

In terms of tax management, the Company has always adhered to a strong sense of responsibility and the principle of transparency. The Company attaches great importance to enhancing tax transparency, strictly abides by tax laws and regulations, and continuously optimizes its tax management mechanism. The Company strictly adheres to accounting standards and disclosure requirements, legally disclosing relevant tax information in its annual reports and public disclosures. It is committed to establishing an open, transparent, and responsible tax governance system, providing investors, regulators, and the public with accurate and complete tax information, and effectively safeguarding the legitimate rights and interests of all parties. The Company is also active in close engagement with investors and highly responsive to market concerns in a timely manner, further building up investors' trust in its tax management.

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(2) *Investor Relations Management*

The Company upholds the principles of accountability to investors, openness, and transparency, continuously building and refining an efficient and trust-based investor relations management mechanism. By establishing multi-tiered communication channels, including official website information releases and periodic report disclosures, the Company ensures that investors can access key information, such as the Company's operating results, financial position, and strategic planning, in a timely and convenient manner. In 2025, the Company held 8 performance briefings and received about 20 investor visits. These activities effectively communicated the Company's value and business progress, and further enhanced investors' confidence in the Company's governance and development prospects.

5. *Information Security and Privacy Protection*

The Company strictly complies with relevant laws, regulations, and industry standards, such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It systematically establishes and continuously improves the management framework for information security and privacy protection. By formulating internal regulations such as the *Personal Information Protection Impact Assessment System*, *Safety Training and Education Strategies*, *Cybersecurity Management System*, *Information Security Management System*, and *Administrative Measures for Monitoring and Handling Information Security Incidents*, the Company continuously advances the refinement of its information security management system and strengthens its capabilities to protect user privacy.

(1) *Information Security*

In 2025, the Company conducted systematic, multi-tiered management work in information security, establishing a comprehensive management system covering architecture refinement, technical protection, and personnel training.

1) *Information Security Management Structure*

The Company has established dedicated bodies, including the Information Security Management Team, the Network and Information Security Office, and the Emergency Response Team, which are responsible for coordinating and implementing information security and privacy protection. By developing and refining the training system for information technology personnel, the Company continuously enhances information security awareness and management capabilities across all employees. The Company has formulated comprehensive *Safety Training and Education Strategies*, emphasizing the integration of safety awareness education with position assessments. For key technical personnel, their position qualifications are directly linked to the results of information security training and assessments.

For personal information protection, the Company has established a three-level personal information protection management mechanism led by the Legal Department, coordinated by the Technical Department, and implemented by the business departments, forming a compliance operation system with interconnected functions and clear responsibilities.

- The Legal Department is responsible for decision-making oversight and system coordination in the Company's personal information protection system. Its primary duties include guiding company-wide compliance efforts, approving major compliance matters, reviewing evaluation reports from various departments, providing risk control suggestions, supervising the implementation of assessments and urging rectification, as well as managing system updates and related guidance.

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- The Product Technology Department serves as a professional support and collaborative review function. It is primarily responsible for assisting the Legal Department in reviewing evaluation reports, participating in the review and implementation process, providing corresponding risk control and rectification suggestions, and offering technical support for compliance decision-making.
- Relevant business departments, as the primary entities responsible for implementation and execution, shall conduct personal information protection impact assessments for specific business operations in accordance with established systems and guidelines. Based on the assessment results, they shall adopt corresponding risk management measures to ensure that compliance requirements are effectively implemented in business processes.

2) *Information Security Technology Protection*

The Company attached great importance to information security management and carried out a wide range of initiatives on all fronts to strengthen information security in 2025:

- a. **Strict On-Duty System Established**
The Company clearly requires that special personnel be on duty during working days, rest days, and official holidays, maintaining a high level of vigilance at all times to ensure the prompt response and proper handling of all kinds of safety incidents.
- b. **System Updates and Upgrades**
In 2025, the Company completed 154 updates and iterations of its information systems, focusing on enhancing system management functions. In August 2025, it initiated a tender for the cybersecurity classified protection to promote the compliance upgrade of business systems. In September 2025, the Company commissioned a nationally qualified third-party vendor (BANGCLE) to harden its APP, effectively mitigating decompilation risks.
- c. **External Protection and Oversight**
The Company engaged a third party (EY) to conduct IT audits on information security systems, including the Autostreets business system, further strengthening external verification of information security management and control. In terms of technology, the Company deployed multi-layer protection measures, including Sangfor traffic control, 360 antivirus protection, WAF intrusion prevention, SQL injection prevention, and DDoS attack defense. Data security was safeguarded through authority management, data encryption, anomaly early warning, and other means.

In 2025, the Company achieved an excellent result of zero data breaches.

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3) Information Security Training

To enhance employees' information security awareness and improve the information security management system, the Company organized special information security training to deepen employees' awareness of information security.

Case: Financial Information Security Training

On March 21st, 2025, the Company organized an information security training session. The training comprehensively covered key areas, including computer usage standards, data security management, password management, network and email security, equipment management, etc. The training provided systematic explanations and discussions on nine aspects, including dedicated equipment usage and software installation, authority and data access management, password setting and security awareness, network and email protection, external equipment connection, and equipment security management. This training effectively enhanced the information security protection capabilities of finance personnel in their daily work, providing strong support for the Company's overall information security development.

培训名称: 信息安全培训	计划培训日期: 2025/3/21
组织部门: 运营部	
培训对象: 财务部	
培训内容	
● 电脑使用规范 ● 数据安全规范 ● 密码管理 ● 网络与邮件安全 ● 设备管理	
会议记录	
1. 专用终端与软件安装 2. 权限与数据访问管理 3. 数据安全管理 4. 密码设置与复杂度 5. 密码安全意识 6. 网络与邮件安全 7. 邮件安全规范 8. 网络设备管理 9. 设备安全管理	
参会人员签到	
陈峰 李海杰 张旭东 董丽娜 王峰 杨志 Anna	

Figure 20: Information Security Training

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(2) **Privacy Protection**

The Company has prioritized the rights and interests of users and privacy security, and provided protection for them with a high sense of responsibility and mission. It has clearly defined user information management mechanisms through policies such as the *Autostreets Network Service Agreement* and *Privacy Policy*. It has formulated the *Data Classification and Grading Guidelines*, established supporting security measures including access control, data encryption, and data desensitization, and developed a comprehensive authorized usage plan.

The Company attaches great importance to the protection of user information, and strictly regulates the processes of collecting, using, sharing, and deleting user information. It emphasizes users' right to know and choose, and ensures that information processing complies with laws and regulations. Where changes to the business model involve amendments to the privacy policy, the Business Operation Department and the Information Security Team conduct joint reviews to ensure policy compliance. In processing user information, the Company strictly abides by relevant compliance requirements. Except as otherwise explicitly stipulated by law, the Company will not share user information with any other companies, organizations, or individuals other than Autostreets without obtaining separate consent from users. Meanwhile, the Company only provides necessary user personal information to third parties that provide relevant services for the purpose of fulfilling the corresponding services, and consistently prohibits any excessive collection of information or sharing beyond the necessary scope and purposes.

In 2025, the Company conducted one internal training session on information security and privacy protection in total.

Case: In-depth Information Security Training

To enhance the information security literacy and privacy protection capabilities of all employees, the Company has carried out information security training. The training adopts a combination of online and offline modes. Online, a series of learning courses covering all employees is released through the OA system and WeChat Work platform, covering core areas such as cybersecurity awareness, interpretation of laws, regulations, and policies, data compliance management, and personal information protection. Offline, customized special training is provided for key position personnel, and the Company actively participates in special training activities held by regulators and external experts. More than 20 employees participated in the training, which effectively strengthened employees' understanding and prevention capabilities of information security risks, and built a more robust human defense barrier for the Company.

(3) **Emergency Response Plan**

Guided by the principles of "rapid response, efficient disposal, prevention first, and continuous improvement", the Company has established an institutional framework including the *Online Fault Handling Measures* and the *Information System Emergency Response Plan*, forming a systematic and standardized emergency management mechanism for information systems. The Company has categorized various potential information system emergencies and formulated targeted emergency response plans and response measures for different scenarios, ensuring rapid and accurate responses under unexpected circumstances. Meanwhile, the system has set clear and stringent provisions on key aspects such as fault reporting time limits, response procedures, handling steps, and assessment mechanisms.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6. Compliance in Marketing

(1) Compliance in Promotion

In marketing activities, the Company consistently adheres to a responsibility-oriented and compliant operation approach, strictly abiding by the *Advertisement Law of the People's Republic of China*, the *Anti-Unfair Competition Law*, and other laws and regulations. It has formulated the *Management System for Autostreets Website, Branding, and Advertising* to regulate all advertising, promotion, and sales activities systematically. Guided by the core brand philosophy of "integrity, innovation, professionalism", the Company ensures the accuracy and consistency of all externally released information, and firmly prohibits false propaganda and excessive marketing, thereby continuously earning customer trust and market recognition.

(2) Compliance in Processes

The Company provides reliable technical support for the authenticity and accuracy of sales and acquisition businesses through its self-developed ADMS, BOS, and OA systems, effectively achieving transparent and traceable management of business processes.

In the auction business, the Company adheres to the service principles of compliance and standardization. Based on a series of institutional documents, including the *Autostreets Merchant Management Department Management Manual*, *Auction Standards*, *Auction Creation Standards*, *Auction File Management System*, and *Autostreets Arbitration Disposal Rules*, it has established a sound operation and management framework. This framework fully guarantees the fairness, impartiality, and transparency of auction activities, and is committed to creating a secure and trustworthy trading environment for clients.

(3) Compliance in Quality

The Company attaches great importance to product quality and implements source control over the entire business process through systematic institutional design. It has formulated and implemented a series of normative documents, including the *Autostreets Vehicle Source Development Business Management Standards*, *Acquisition and Sales Business Operation Manual*, *Autostreets Inspection Standards*, and *Vehicle Warehousing Standards*, covering all key stages such as vehicle source development, guaranteed buyout program, dealer business empowerment, daily acquisition and sales operations, and acquisition and disposal. Meanwhile, the Company has clearly defined the scope of vehicle types that are not eligible for acquisition. If an appraiser illegally acquires such vehicles, it will be regarded as a serious dereliction of duty and dealt with severely in accordance with relevant provisions.

The Company consistently prioritizes business quality as its core pursuit, deeply integrating standardized marketing concepts into the performance appraisal system for sales personnel. It explicitly requires them to adhere to high-standard, responsible marketing guidelines strictly. Through systematic training, the Company continuously strengthens the sense of responsibility and compliance capabilities of its business personnel, providing a solid foundation for the effective implementation of standardized marketing. These measures have not only improved the professionalism of the sales team, but also fostered a good brand image in market competition, injecting sustained impetus into the sustainable development of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

V. DIGITAL INTELLIGENCE AS THE GUIDE, INNOVATION AS THE DRIVER OF DEVELOPMENT

1. Digital Transformation

Autostreets has significantly enhanced operational efficiency and information transparency through a comprehensive digital transformation of its business processes, building an intelligent ecosystem covering the entire used car transaction chain.

- Starting from front-end vehicle inspection, the system employs intelligent methods to assist operations. For instance, the EQS inspection system can automatically generate detailed vehicle reports and proactively link inspection items during appraiser operations, ensuring no omissions in key links and effectively improving the comprehensiveness and accuracy of inspections.
- In the transaction middle office, business management has achieved a high level of intelligence, enabling automatic scheduling of subsequent processes such as inspection and logistics from the moment a customer places an order online.
- For pricing, an intelligent valuation model is adopted, which integrates multi-dimensional data, including vehicle conditions and market supply and demand, to provide a scientific and reasonable price benchmark for both parties, achieving a sound balance between transaction rate and profitability.
- The back-end delivery process has also been significantly optimized. After the vehicle transaction, the system automatically follows up on document processing and intelligently assigns tasks based on the capabilities of various service providers. Users can track the processing progress in real time and independently book logistics after delivery is completed, making the overall service process efficient and convenient.



Figure 21: Digital Business Management System

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. Digital Intelligence Value-Added Services

To enhance user trust and improve service added value, the Company has developed a series of value-added functions.

By connecting to third-party data platforms, users can conveniently access the vehicle's insurance and maintenance records, helping them gain a more comprehensive understanding of the vehicle's condition. Meanwhile, based on intelligent analysis of user behavior, the Company's recommendation system can automatically filter and match suitable vehicle sources to improve purchase efficiency. On the auction platform, the Company provides comprehensive vehicle condition displays including high-definition images, video data, and complete inspection reports, enabling buyers to remotely understand the vehicle's condition in detail and effectively alleviate the problem of information asymmetry in traditional used car transactions.

The digital service system has not only significantly improved transaction efficiency but, more importantly, established a more transparent and trustworthy trading environment. Through continuous optimization of all links, the Company is driving the used car transaction industry toward greater standardization and efficiency. Moving forward, the Company will continue to advance technological innovation and is committed to providing users with an even better service experience.

VI. JOINT EFFORTS FOR A SHARED FUTURE, UNITED ENDEAVORS FOR A GREEN ECOSYSTEM

1. Office Environment Management

(1) Objectives

A routine office environment management system is established to systematically ensure that daily operations fully comply with national and local ecological environment supervision and regulatory requirements, effectively mitigate environmental compliance risks, and continuously advance the implementation of the green office concept.

(2) Specific Measures

- 1) **Environmental protection laws and regulations education:** The Company regularly provides all employees with specialized training and publicity on environmental protection laws and regulations, enhances their awareness of environmental compliance, and ensures strict adherence to relevant environmental laws, regulations, and institutional requirements throughout business operations.
- 2) **Environmental compliance review:** The Company regularly conducts comprehensive inspections on internal environmental compliance, systematically evaluates the compliance of various business processes, timely identifies potential violation risks, and implements rectifications to ensure that operational activities continue to meet the requirements of environmental protection laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3) Energy saving and consumption reduction initiatives:

- a. Comprehensive implementation of paperless operations, prioritizing electronic signatures, cloud-based collaboration, and online processes to minimize reliance on paper.
- b. Stringent adherence to air conditioning temperature control standards ($\geq 26^{\circ}\text{C}$ in summer, $\leq 20^{\circ}\text{C}$ in winter) with optimized activation criteria. Popularization of LED energy-saving lighting in office areas, along with the enforcement of "turning off lights and equipment when leaving".
- c. Priority procurement of reusable office and daily necessities (e.g., glass tea sets), with reduced procurement and usage of disposable tableware, paper cups, and other consumables.
- d. Encouragement of paper double-sided utilization, draft printing on waste paper, pen refilling instead of new pens, and repeated use of pins and paper clips to maximize the value of every office supply.

- 4) **Waste classification management:** The Company has established standardized classified recycling facilities for recyclables, other waste, waste batteries, and ink cartridges in office areas, guiding employees to sort and dispose of waste accurately, to promote resource recycling and optimal allocation.

2. Responding to Climate Change and Carbon Emission Reduction

(1) Objectives

In response to the national "Carbon Peaking and Carbon Neutrality" strategy and in strict compliance with the *Environmental Protection Law of the People's Republic of China* and other laws and regulations, the Company has formulated a scientific and feasible carbon emission reduction plan based on its actual operation. The plan aims to gradually reduce the total carbon emissions throughout the entire operation process through systematic and multi-dimensional measures, thereby supporting the achievement of global climate change response goals.

(2) Specific Measures

- 1) **Promotion of new energy vehicles:** In accordance with the Company's vehicle usage demand and renewal plan, traditional fuel-powered operation vehicles will be gradually replaced. New energy vehicles will be prioritized for internal material transportation, daily distribution, and other scenarios, so as to reduce carbon emissions in transportation and operation.
- 2) **Cooperation in new energy vehicle auctions:** The Company has established long-term and stable strategic partnerships with new energy vehicle manufacturers to jointly carry out special auctions of used new energy vehicles, enriching the categories and volume of used new energy vehicles in the market supply. This helps reduce total carbon emissions in the transportation and circulation sector, and contributes to the continuous improvement of urban air quality and ecological environment construction.
- 3) **Enhancement of employees' awareness of environmental protection:** The Company actively organizes and encourages employees to participate in ecological and environmental protection activities, such as tree planting and green low-carbon travel. It continues to deepen the sustainable development philosophy among all employees, and promotes the integration of low-carbon environmental awareness into daily work and life.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VII. APPENDIX

1. Summary of Key Performance Indicators

(1) Environmental Performance Indicators

Indicator/Unit	2025
Greenhouse gas (GHG)	
Total greenhouse gas emissions (tons of carbon dioxide equivalent)	1,209.30
— Greenhouse gas emissions (Scope 1)	13.15
— Greenhouse gas emissions (Scope 2)	476.17
— Greenhouse gas emissions (Scope 3)	719.98
Greenhouse gas emissions per unit of income (tons of carbon dioxide equivalent/ RMB1 million)	4.46
Energy consumption ⁶	
Energy consumption (indirect) ⁷ (kilowatt hours)	887,376.35
Energy consumption (indirect) per unit of income (Kilowatt hours/RMB1 million)	3,273.55
Energy consumption (direct) ⁸ (Kilowatt hours)	52,704.90
Energy consumption per unit of income (direct)(Kilowatt hours/RMB1 million)	196.81
Water consumption ⁹	
Municipal water consumption (tons)	7,953.94
Municipal water consumption per unit of floor area (tons/1000 square meters)	67.73

⁶ Energy consumption is calculated according to GB/T 2589-2020 General Rules for Comprehensive Energy Consumption Calculation.

⁷ Energy consumption (indirect) comes from purchased electricity.

⁸ Energy consumption (direct) comes from gasoline consumption in owned vehicles.

⁹ Water is used from our office and from the auction yard and the warehouse.

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(2) Social Performance Indicators

Name of performance		Unit	2025
Total number of employees		Person	600
Gender	Male	Person	444
	Female	Person	156
Type of employment	Full-time employee	Person	593
	Part-time employee	Person	7
Age	Less than 30 years old	Person	69
	30-50 years old	Person	500
	Over 50 years old	Person	31
Educational qualification	Master's degree and above	Person	19
	Bachelor's degree	Person	197
	Below the bachelor's degree	Person	384
Employee's place of origin	East China	Person	290
	Central China	Person	80
	Southwest China	Person	82
	North China	Person	70
	Northeast China	Person	25
	Northwest China	Person	35
	South China	Person	17
	United States	Person	1
Employee training	Number of training sessions throughout the year	Time	13
	Training funds	RMB	89,640.46
	Total number of employees trained	Attendances	1,527
	Total training hours of employees trained	Hour	3,344.5
	Training hours per employee trained	Hour	2.19
	Number of male employees trained	Attendances	1,279
	Number of female employees trained	Attendances	248
	Total training hours of male employees trained	Hour	2,654.50
	Total training hours of female employees trained	Hour	690.00
	Training hours per male employee trained	Hour	2.10
	Training hours per female employee trained	Hour	2.80
	Number of general employees trained	Attendances	1,253
	Number of mid-level management trained	Attendances	266
	Number of senior management trained	Attendances	8
	Total training hours of general employees trained	Hour	2,368.50
	Total training hours of mid-level management trained	Hour	943.00
	Total training hours of senior management trained	Hour	33.00
	Training hours per general employee trained	Hour	1.89
	Training hours per mid-level manager trained	Hour	3.55
	Training hours per senior manager trained	Hour	4.13

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2. GRI Standard Index Table

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3. HKEX Code Index

ESG KPI	Guidelines	Page Number
A. Environment		
A1: Emissions	General disclosure The following regarding exhaust emissions, discharge to water and land, generation of hazardous and non-hazardous waste, etc.: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	63
Key performance indicator A1.1	Emission types and related emission data.	103
Key performance indicator A1.2	Deleted on January 1st, 2025	N/A
Key performance indicator A1.3	Total amount of hazardous waste generated (in tons) and, if applicable, density (e.g., per production unit, per facility).	51
Key performance indicator A1.4	Total amount of non-hazardous waste generated (in tons) and, if applicable, density (e.g., per production unit, per facility).	51
Key performance indicator A1.5	Description of the emission targets set and the steps taken to achieve them.	63
Key performance indicator A1.6	Description of the methods used to deal with hazardous and non-hazardous waste, and description of the waste reduction targets set and the steps taken to achieve them.	51
A2: Use of resources	General disclosure Policies for the efficient use of resources (including energy, water, and other raw materials).	64–66
Key performance indicator A2.1	Total direct and/or indirect energy (e.g., electricity, gas, or oil) consumption (in thousands of kilowatt-hours) and intensity (e.g., per production unit, per facility) by type.	66
Key performance indicator A2.2	Total water consumption and density (e.g., per production unit, per facility).	65
Key performance indicator A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	66
Key performance indicator A2.4	Description of any problems in accessing suitable water sources, as well as the water efficiency targets set and the steps taken to achieve them.	65
Key performance indicator A2.5	Total amount (in tons) of packaging materials used in finished products and, if applicable, the amount per production unit.	51
A3: Environment and natural resources	General disclosure Policies to minimize the issuer's significant impact on the environment and natural resources.	64–70
Key performance indicator A3.1	Description of the significant impacts of the business activities on the environment and natural resources, and the actions that have been taken to manage the impacts.	70–71

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG KPI	Guidelines	Page Number
A4: Climate change	Deleted on January 1st, 2025	N/A
Key performance indicator A4.1	Deleted on January 1st, 2025	N/A
B. Society		
B1: Employment	General disclosure The following regarding compensation and termination, recruitment and promotion, working hours, leave entitlements, equal opportunities, diversity, anti-discrimination, as well as other benefits and conditions of employment: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	71
Key performance indicator B1.1	Total number of employees by gender, type of employment (e.g., full-time or part-time), age group, and region.	73
Key performance indicator B1.2	Employee turnover rate by gender, age group, and region.	74
B2: Health and safety	General disclosure The following regarding the provision of a safe working environment and the protection of employees from occupational hazards: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	77
Key performance indicator B2.1	Number and rate of work-related deaths in each of the past three years (including the reporting year).	77
Key performance indicator B2.2	Number of working days lost due to work-related injuries.	77
Key performance indicator B2.3	Description of the occupational health and safety measures adopted and the related implementation and monitoring methods.	77
B3: Development and training	General disclosure Policies regarding the enhancement of employees' knowledge and skills in performing their job duties. Description of the training activities.	77
Key performance indicator B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, mid-level management).	77
Key performance indicator B3.2	Average number of hours of training completed per employee, by gender and employee category.	77

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG KPI	Guidelines	Page Number
B4: Labor standards	General disclosure The following regarding the prevention of child or forced labor: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	79
Key performance indicator B4.1	Description of measures to review recruitment practices to avoid child and forced labor.	79
Key performance indicator B4.2	Description of the steps taken to eliminate the situation when a violation is detected.	79
B5: Supply chain management	General disclosure Policies for managing environmental and social risks in the supply chain.	80
Key performance indicator B5.1	Number of suppliers by region.	80
Key performance indicator B5.2	Description of the practices relating to the engagement of suppliers, the number of suppliers to whom the practices have been implemented, and the related implementation and monitoring methods.	80
Key performance indicator B5.3	Description of the practices for identifying environmental and social risks at each point in the supply chain, and related implementation and monitoring methods.	83–84
Key performance indicator B5.4	Description of the practices of promoting the use of environmentally preferable products and services in the selection of suppliers, and the related implementation and monitoring methods.	83–84
B6: Product liability	General disclosure The following regarding health and safety, advertising, labeling, and privacy matters, and remedies for the products and services offered: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	84
Key performance indicator B6.1	Percentage of total products sold or shipped that are subject to recall for safety and health reasons ¹⁰ .	N/A
Key performance indicator B6.2	Number of complaints received about products and services, and how they were responded to.	84
Key performance indicator B6.3	Description of the practices related to the maintenance and protection of intellectual property rights.	85
Key performance indicator B6.4	Description of the quality check process and product recall procedures.	85
Key performance indicator B6.5	Description of the consumer data protection and privacy policy, as well as the related implementation and monitoring methods.	86

¹⁰ After the buyer has paid for the vehicle, it is deemed that the investigation of the condition of the vehicle has been completed, and Autostreets will no longer accept any disputes initiated by the buyer on the condition of the vehicle and vehicle information issues, so Autostreets has no product recall procedure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG KPI	Guidelines	Page Number
B7: Anti-corruption	General disclosure The following regarding the prevention of bribery, extortion, fraud, and money laundering: (a) policies; and (b) information on compliance with relevant laws and regulations that materially affect the issuer.	91
Key performance indicator B7.1	The number of corruption cases filed and concluded against the issuer or employees during the reporting period, and the outcome of such cases.	92
Key performance indicator B7.2	Description of precautionary measures and reporting procedures, as well as related implementation and monitoring methods.	87
Key performance indicator B7.3	Description of the anti-corruption training provided to directors and employees ¹¹	N/A
Community¹²		
B8: Community investment	General disclosure Policies on community involvement to understand the needs of the communities in which it operates and to ensure that its operations take into account the interests of the community.	N/A
Key performance indicator B8.1	Focus areas of contribution (e.g., education, environmental issues, labor needs, health, culture, sports).	N/A
Key performance indicator B8.2	Resources allocated to focus areas (e.g., financial or time investments).	N/A

¹¹ Directors' anti-corruption training is not currently available, it is included in the compliance plan and will be implemented as soon as possible.

¹² Community engagement and investment are not yet underway, but will be incorporated into the CSR roadmap for future implementation.

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
27/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent auditor's report

To the shareholders of Autostreets Development Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Autostreets Development Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 114 to 179, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(Continued)*

Key audit matter

How our audit addressed the key audit matter

Revenue recognition of used vehicle auction commission and service fees

The Group is principally engaged in used vehicle auction services. For the year ended 31 December 2025, the Group recognised consolidated revenue from used vehicle auction commission and service fees amounting to RMB179 million.

The timing of revenue recognition of used vehicle auction commission and service fees is at the point in time upon the closing of used vehicle sale. We considered such revenue recognition a key audit matter as there was inherent risk based on the fact that the Group earned such revenue primarily from commission and services fees charged to a large number of individual buyers through the Group's transaction platform. The accounting policy relating to revenue recognition is disclosed in note 2.4 to the consolidated financial statements and the details of revenue are disclosed in note 5 to the consolidated financial statements.

We obtained an understanding of and evaluated the process and internal controls in place on the revenue cycle of the Group, especially the point of time of auction completion.

We reviewed and evaluated the revenue recognition policy by inquiring of the management and reviewing sales contracts on a sample basis.

We obtained business data in the auction system to compare with the revenue transactions recorded in the financial system.

We performed revenue cut-off procedures as well as tests of details by selecting samples to check the original supporting documents, such as sales confirmations, bank slips, buyer registration agreements and logistics receipts.

We evaluated the adequacy of the disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yee Chung Man (practising certificate number: P05744).

Ernst & Young

Certified Public Accountants

Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	271,075	408,591
Cost of revenue		(101,346)	(153,463)
Gross profit		169,729	255,128
Other income and gains, net	6	11,754	9,349
Selling and distribution expenses		(58,292)	(80,352)
Administrative expenses		(87,638)	(134,114)
Impairment losses on financial assets, net		(1,522)	(315)
Other expenses		(2,225)	(2,540)
Finance costs	8	(6,846)	(6,321)
Share of profits of an associate		301	12
Fair value changes of financial liabilities at fair value through profit or loss	7	—	(142,293)
PROFIT/(LOSS) BEFORE TAX	9	25,261	(101,446)
Income tax expense	12	(3,573)	(9,116)
PROFIT/(LOSS) FOR THE YEAR		21,688	(110,562)
Attributable to:			
Owners of the parent		8,266	(123,003)
Non-controlling interests		13,422	12,441
		21,688	(110,562)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
— Basic and diluted (RMB)	14	0.01	(0.15)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000
PROFIT/(LOSS) FOR THE YEAR	21,688	(110,562)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of the Company	(7,440)	6,766
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	(7,440)	6,766
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	14,248	(103,796)
Attributable to:		
Owners of the parent	826	(116,237)
Non-controlling interests	13,422	12,441

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	5,937	9,453
Right-of-use assets	16(a)	51,982	65,393
Other intangible assets	17	264	463
Investment in an associate	18	2,239	1,938
Deferred tax assets	26	5,579	8,372
Other non-current assets	20	8,351	6,455
Total non-current assets		74,352	92,074
CURRENT ASSETS			
Trade and bills receivables	19	14,393	14,670
Prepayments, deposits and other receivables	20	308,072	93,593
Financial assets at fair value through profit or loss	21	5,000	3,300
Restricted cash	22	1,120	–
Cash and cash equivalents	22	827,464	1,046,599
Total current assets		1,156,049	1,158,162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	23	9,983	11,103
Other payables and accruals	24	80,469	97,279
Interest-bearing bank borrowings	25	126,000	129,480
Lease liabilities	16(b)	15,905	19,694
Tax payable		3,945	4,729
Total current liabilities		236,302	262,285
NET CURRENT ASSETS		919,747	895,877
TOTAL ASSETS LESS CURRENT LIABILITIES		994,099	987,951
NON-CURRENT LIABILITIES			
Lease liabilities	16(b)	42,597	50,423
Total non-current liabilities		42,597	50,423
Net assets		951,502	937,528
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	56	56
Reserves	28	927,044	926,218
		927,100	926,274
Non-controlling interests		24,402	11,254
Total equity		951,502	937,528

Yang Hansong
Director

Gao Kun
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	Notes	Attributable to owners of the parent				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (note 27)	Capital reserve* RMB'000 (note 28)	Exchange fluctuation reserve* RMB'000 (note 28)	Accumulated losses* RMB'000	Total RMB'000	
At 1 January 2024		51	626,360	(1,506)	(230,045)	394,860	394,726
Loss for the year		-	-	-	(123,003)	(123,003)	(110,562)
Other comprehensive income for the year:							
Exchange differences on translation of the financial statements of the Company		-	-	6,766	-	6,766	6,766
Total comprehensive loss for the year		-	-	6,766	(123,003)	(116,237)	(103,796)
Issue of shares upon initial public offering ("IPO")	28	1	139,117	-	-	139,118	139,118
Share issue expenses		-	(7,779)	-	-	(7,779)	(7,779)
Dividends paid to non-controlling shareholders	13	-	-	-	-	(1,788)	(1,788)
Conversion of convertible redeemable preferred shares to ordinary shares	28	4	516,308	-	-	516,312	516,312
Capital contributions from non-controlling shareholders of subsidiaries		-	-	-	-	735	735
At 31 December 2024		56	1,274,006	5,260	(353,048)	926,274	937,528

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	Notes	Attributable to owners of the parent				Non-controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000 (note 27)	Capital reserve* RMB'000 (note 28)	Exchange fluctuation reserve* RMB'000 (note 28)	Accumulated losses* RMB'000	Total RMB'000	
At 1 January 2025		56	1,274,006	5,260	(353,048)	926,274	937,528
Profit for the year		-	-	-	8,266	8,266	21,688
Other comprehensive loss for the year:							
Exchange differences on translation of the financial statements of the Company		-	-	(7,440)	-	(7,440)	(7,440)
Total comprehensive income for the year		-	-	(7,440)	8,266	826	14,248
Dissolved of a subsidiary		-	-	-	-	(274)	(274)
At 31 December 2025		56	1,274,006	(2,180)	(344,782)	927,100	951,502

* These reserve accounts comprise the consolidated other reserves of RMB927,044,000 (2024: RMB926,218,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		25,261	(101,446)
Adjustments for:			
Finance costs	8	6,846	6,321
Fair value change of financial liabilities at fair value through profit or loss	7	–	142,293
Interest income from assistance fund to business partners	6	(6,266)	(3,633)
Depreciation of property, plant and equipment	15	4,310	5,710
Depreciation of right-of-use assets	16(a)	21,473	23,602
Amortisation of other intangible assets	17	199	423
Loss/(gain) on disposal of items of property, plant and equipment, net		59	(361)
Impairment losses on financial assets		1,522	315
Share of profits of an associate		(301)	(12)
		53,103	73,212
Increase in restricted cash		(1,120)	–
Decrease in trade and bills receivables		278	1,303
Decrease in prepayments, deposits and other receivables		4,607	7,635
Decrease in trade payables		(1,120)	(19,328)
Decrease in other payables and accruals		(16,810)	(45,841)
Cash generated from operations		38,938	16,981
Income taxes paid		(1,564)	(7,542)
Net cash flows from operating activities		37,374	9,439

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	15	(867)	(2,112)
Purchases of items of intangible assets	17	–	(82)
Purchases of items of financial assets at fair value through profit or loss		(2,000)	(7,300)
Proceeds from disposal of financial assets at fair value through profit or loss		300	7,500
Dissolved of a subsidiary		(274)	–
Proceeds from disposal of items of property, plant and equipment		14	985
Repayment of assistance funds to business partners		83,245	129,076
Assistant funds to business partners		(305,968)	(133,182)
Interest received		905	4,052
Withdrawal of long-term time deposits at banks	22	–	1,000
Net cash flows used in investing activities		(224,645)	(63)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		–	139,118
Share issue expenses		–	(7,228)
Acquisition of non-controlling interests		–	(1,180)
Proceeds from interest-bearing bank borrowings		165,600	139,380
Repayment of interest-bearing bank borrowings		(169,080)	(79,400)
Principal portion of lease payments		(19,677)	(22,971)
Dividends paid to non-controlling shareholders		–	(61,983)
Interest paid		(6,846)	(6,321)
Capital contributions by non-controlling shareholders		–	735
Net cash flows (used in)/from financing activities		(30,003)	100,150
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(217,274)	109,526
Cash and cash equivalents at beginning of year		1,046,599	935,441
Effect of foreign exchange rate changes, net		(1,861)	1,632
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	827,464	1,046,599

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and 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 year, the Group was mainly involved in used vehicle auctions, arrangement of sales of used vehicles, and provision of services of used vehicles.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) effective on 31 May 2024.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of registration and business	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Xinbao Botong E-commerce Co., Ltd. *	The People’s Republic of China (“ PRC ”)/Chinese mainland 19 Jun 2014	RMB600,000,000	–	100%	Investment holding and arrangement for sales of used vehicles
Shanghai Shuxun Electric Commercial Co., Ltd. *	PRC/Chinese mainland 7 Mar 2014	RMB100,000,000	–	100%	Operation of IT system and internet information services
Shanghai Changxin Auction Co., Ltd. *	PRC/Chinese mainland 29 Sep 2014	RMB150,000,000	–	100%	Used vehicle auction services and related services
Beijing Kaokesi Auto Technical Co., Ltd. *	PRC/Chinese mainland 10 May 2017	RMB30,000,000	–	100%	Used vehicle auction services and related services
Changchun Baorui International Exhibition Co., Ltd. *	PRC/Chinese mainland 26 Dec 2017	RMB1,000,000	–	100%	Exhibition related services
Wenzhou Changxin Automobile Sales Service Co., Ltd. *	PRC/Chinese mainland 4 Nov 2019	RMB2,000,000	–	100%	Used vehicle value-added services and arrangement for sales of used vehicles
Guizhou Xintong Used Vehicle Auction Co., Ltd. *	PRC/Chinese mainland 20 Jul 2011	RMB10,000,000	–	67%	Used vehicle auction services and related services and used vehicle value-added services
Suzhou Huaze Used Motor Vehicle Trading Market Co., Ltd. * (Formerly known as: Suzhou Huarunde Used Motor Vehicle Trading Market Co., Ltd.)	PRC/Chinese mainland 8 Jun 2017	RMB10,000,000	–	100%	Used vehicle value-added services
Xinjiang Huihan Motor Vehicle Auction Service Co., Ltd. *	PRC/Chinese mainland 4 Jun 2020	RMB1,000,000	–	100%	Used vehicle auction services and related services

* The English names of these companies represent the best effort made by the management of the Company to directly translate their Chinese names as they have not registered any official English names.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) as issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Due to regulatory restrictions on foreign ownership in the provision of value-added telecommunications services in Chinese mainland, the principal business carried out by Shanghai Shuxun Electric Commercial Co., Ltd. (the **"Consolidated Affiliated Entity"**) was restricted from foreign ownership. The wholly-owned subsidiary of the Company, Shanghai Xinbao Botong E-commerce Co., Ltd., has entered into a series of contractual arrangements (the **"Contractual Arrangements"**) with the Consolidated Affiliated Entity and its respective shareholders. The Contractual Arrangements enable Shanghai Xinbao Botong E-commerce Co., Ltd. to exercise effective control over the Consolidated Affiliated Entity and obtain substantially all economic benefits of the Consolidated Affiliated Entity. Accordingly, the Company regards the Consolidated Affiliated Entity as an indirect subsidiary and consolidated the assets, liabilities and results of operations of the Consolidated Affiliated Entity in the financial statements of the Group. This entity is owned through the Contractual Arrangements.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 ¹

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

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

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(Continued)*

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(Continued)*

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and machinery	10% to 33%
Motor vehicles	20% to 25%
Furniture and fixtures	20% to 33%
Leasehold improvements	Over the shorter of lease terms and estimated useful lives

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software	10 years
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Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1 to 15 years
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NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessee *(Continued)*

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

Group as a lessor *(Continued)*

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“**ECLs**”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, lease liabilities and interest-bearing borrowings and convertible redeemable preferred shares and warrants.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and interest-bearing borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

The Group primarily engages in the operation of a used vehicle e-commerce platform through a mobile application (Autostreets) and website (autostreets.com), providing consumers with a nationwide selection of used and various vehicles related value-added services.

(1) *Used vehicle auction commission and service fees*

The Group provides an online platform and offline auction which enable consumers to buy used vehicles. The Group charges consumers the commission fees based on an agreed percentage of the final sales price. The Group recognises revenue at the point in time upon the closing of used vehicle sales. The Group also provides related logistics services. The Group recognises related logistics service revenue over time as customers receive the benefits of the services.

(2) *Revenue from used vehicle value-added services*

The Group also provides used vehicle value-added services to customers, such as used vehicle inspection services, title transfer and vehicle assessment services, etc. The Group recognises revenue at the point in time upon the completion of the service and customer acceptance. The Group also provides used vehicle management system services to customers. The Group recognises revenue from used vehicle management system services over time as customers receive the benefits of the services.

(3) *Revenue from arrangement for sale of used vehicles*

The Group arranges the sale of used vehicles to individual buyers and wholesalers through an online platform and offline auction. The Group recognises revenue at the point in time upon the closing of used vehicle sales between the owner and the buyer.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

(4) *Revenue from exhibition related services*

The Group also provides exhibition and other related services to customers. The Group recognises revenue from advertisement and exhibition related services over time as customers receive the benefits of the services.

(5) *Revenue from other services*

The Group also provides other services, such as new vehicle title transfer services. The Group recognises revenue at the point in time upon the completion of the service and customer acceptance.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(Continued)*

Foreign currencies

These financial statements are presented in RMB, which is different from the Company's functional currency. As the major assets of the Group are derived from operations in the Chinese mainland, RMB is chosen as the presentation currency to present the financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Some subsidiaries may have other currency as their functional currency, such as Hong Kong Dollars ("HKD"). Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company and overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

NOTES TO FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are included in note 26 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, service type and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. As at the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO FINANCIAL STATEMENTS

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4. 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 the reporting period were derived from one single operating segment.

Geographical information

As the Group generates all of its revenues and all the non-current assets are located in the PRC during the reporting 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 reporting period.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers:</i>		
Used vehicle auction commission and service fees	179,453	262,952
Revenue from used vehicle value-added services	42,059	69,041
Revenue from arrangement for sale of used vehicles	36,325	49,564
Revenue from exhibition related services	–	14,075
Revenue from other services	13,238	12,959
Total	271,075	408,591
	2025 RMB'000	2024 RMB'000
<i>Timing of revenue recognition:</i>		
Closing of sale or completion of service at a point in time	233,068	341,628
Services rendered over time	38,007	66,963
Total	271,075	408,591

NOTES TO FINANCIAL STATEMENTS

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5. REVENUE *(Continued)*

Revenue from contracts with customers *(Continued)*

(a) **Disaggregated revenue information** *(Continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue from used vehicle value-added services	2,793	16,392

(b) **Performance obligations**

Information about the Group's performance obligations is summarised below:

Used vehicle auction commission and service fees

The performance obligation is generally satisfied upon the closing of used vehicle sales, or over time as logistics services are rendered. Payment is generally due upon completion of the auction and customer acceptance.

Revenue from used vehicle value-added services

The performance obligation is satisfied as services are rendered and payment is generally due upon completion of the service and customer acceptance.

Revenue from arrangement for sale of used vehicles

The performance obligation is satisfied upon the closing of vehicle sales between the owner and the buyer. Payment is generally due within 30 days from the closing of used vehicle sales.

Revenue from exhibition related services

The performance obligation is satisfied over time as services are rendered. Payment in advance is normally required.

Revenue from other services

The performance obligation is satisfied at the point in time upon the completion of the service and customer acceptance.

As at the end of the reporting period, no transaction prices were allocated to unsatisfied performance obligations.

NOTES TO FINANCIAL STATEMENTS

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6. OTHER INCOME AND GAINS, NET

An analysis of other income and gains, net, is as follows:

	2025 RMB'000	2024 RMB'000
Interest income from assistant funds to business partners	6,266	3,633
Penalty income from customers	1,876	2,142
Government grants*	1,422	709
Rental service income	1,230	1,036
Bank interest income	926	1,904
Gain on disposal of items of property, plant and equipment, net	–	361
Foreign exchange loss, net	(109)	(1,141)
Others	143	705
Total	11,754	9,349

* The government grants were received from the PRC local government authorities to support certain subsidiaries' operating activities. There are no unfulfilled eligibility requirements and conditions relating to these government grants.

7. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 RMB'000	2024 RMB'000
Fair value changes of convertible redeemable preferred shares	28	–	142,293
Total		–	142,293

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	2,834	3,298
Interest on bank loans	4,012	3,023
Total	6,846	6,321

NOTES TO FINANCIAL STATEMENTS

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9. PROFIT/(LOSS) BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of used vehicle auction commission and service fees		82,366	118,039
Cost of exhibition related services		–	10,376
Cost of arrangement for sale of used vehicles		6,672	8,365
Cost of used vehicle value-added services		7,833	12,327
Cost of other services		4,475	4,356
Research and development costs*		11,044	10,772
Depreciation of property, plant and equipment	15	4,310	5,710
Depreciation of right-of-use assets	16	21,473	23,602
Amortisation of other intangible assets*	17	199	423
Loss/(gain) on disposal of items of property, plant and equipment, net		59	(361)
Lease payments not included in the measurement of lease liabilities	16(c)	5,878	6,194
Fair value changes of convertible redeemable preferred shares	7	–	142,293
Auditors' remuneration		2,200	2,200
Listing expenses		–	26,662
Employee benefit expense (including directors' remuneration)**:			
Wages, salaries and other allowances		65,394	96,378
Pension scheme contributions and social welfare		14,160	18,835
		79,554	115,213
Foreign exchange differences, net		109	1,141
Impairment of trade receivables, net		(1)	315
Impairment of financial assets included in prepayments, other receivables and other asset, net		1,523	–

* Research and development costs and amortisation of other intangible assets are included in "Administrative expenses" in the consolidated statement 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 FINANCIAL STATEMENTS

31 December 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Ms. Li Mochou was appointed as an independent non-executive director of the Company on 23 May 2024.

Mr. Wang Jianping was appointed as an independent non-executive director of the Company on 23 May 2024.

Mr. Yan Jonathan Jun was appointed as an independent non-executive director of the Company on 23 May 2024.

Mr. Zhao Hongliang was appointed as a director of the Company on 28 May 2025.

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	390	288
Other emoluments:		
Salaries, allowances and benefits in kind	3,633	4,438
Pension scheme contributions	142	132
Subtotal	3,775	4,570
Total	4,165	4,858

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. Li Mochou	130	96
Mr. Wang Jianping	130	96
Mr. Yan Jonathan Jun	130	96
Total	390	288

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

(b) Executive directors, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2025				
Executive directors:				
Ms. Gao Kun	1,128	—	71	1,199
Mr. Yang Hansong	1,215	—	—	1,215
Mr. Yang Aihua	—	—	—	—
Mr. Zhao Hongliang	1,290	—	71	1,361
Non-executive directors:				
Ms. Yang Chuyu	—	—	—	—
Mr. Rob Huting	—	—	—	—
Ms. Zhu Yi	—	—	—	—
Total	3,633	—	142	3,775
	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2024				
Executive directors:				
Ms. Gao Kun	1,369	—	66	1,435
Mr. Yang Hansong	1,500	—	—	1,500
Mr. Yang Aihua	—	—	—	—
Non-executive directors:				
Ms. Yang Chuyu	—	—	—	—
Mr. Rob Huting	—	—	—	—
Ms. Zhu Yi	—	—	—	—
Chief executive:				
Mr. Zhao Hongliang	1,569	—	66	1,635
Total	4,438	—	132	4,570

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

31 December 2025

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors and executive (2024: three directors and the chief executive), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (2024: two) highest paid employees who are neither a director nor executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,840	3,293
Pension scheme contributions	133	88
Total	1,973	3,381

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees 2025	Number of employees 2024
Nil to HK\$1,000,000	1	–
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	–	–
HK\$2,000,001 to HK\$2,500,000	–	1
Total	2	2

NOTES TO FINANCIAL STATEMENTS

31 December 2025

12. INCOME TAX

The major components of income tax expense for the reporting period are:

	2025 RMB'000	2024 RMB'000
Current — Chinese mainland:		
Charge for the year	734	5,159
Underprovision in prior years	46	72
Deferred (note 26)	2,793	3,885
Total tax charge for the year	3,573	9,116

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 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 reporting 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. has been accredited as a High and New Technology Enterprise and enjoy a preferential income tax rate of 15% from 2024 to 2026. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Xinjiang Huihan Motor Vehicle Auction Service Co., Ltd. (“**Xinjiang Huihan**”) enjoys 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

12. INCOME TAX *(Continued)*

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 is entitled to the foresaid preferential tax rate.

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

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rate applicable in Chinese mainland to the tax expense at the effective tax rate, is as follows:

	2025 RMB'000	2024 RMB'000
Profit/(loss) before tax	25,261	(101,446)
Tax at the statutory tax rate of 25%	6,315	(25,362)
Lower tax rates enacted by local authority	(16,005)	20,589
Adjustments in respect of current tax of previous periods	46	72
Expenses not deductible for tax	608	2,002
Tax losses utilised from previous periods	(86)	(473)
Tax losses not recognised	12,695	12,288
Tax charge at the Group's effective rate	3,573	9,116

13. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year.

NOTES TO FINANCIAL STATEMENTS

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14. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 832,662,000 (2024: 803,427,000) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year 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 outstanding during the year, as used in the basic earning 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 calculation of basic earnings/(loss) per share is based on:

	2025	2024
Profit/(Loss)		
Profit/(Loss) attributable to ordinary equity holders of the parent (RMB'000)	8,266	(123,003)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation ('000)	832,662	803,427
Earnings/(loss) per share (RMB)	0.01	(0.15)

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025.

During the year ended 31 December 2024, the potential ordinary shares were not included in the calculation of diluted earnings per share as the potential ordinary shares had an anti-dilutive effect on the basic earnings per share. Accordingly, the diluted earnings per share during the year ended 31 December 2024, is the same as the basic earnings per share.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025						
At 1 January 2025:						
Cost	72,055	542	12,512	3,025	15	88,149
Accumulated depreciation and impairment	(65,714)	(381)	(10,834)	(1,767)	–	(78,696)
Net carrying amount	6,341	161	1,678	1,258	15	9,453
At 1 January 2025, net of accumulated depreciation and impairment	6,341	161	1,678	1,258	15	9,453
Additions	239	–	19	–	609	867
Transfers	327	–	215	–	(542)	–
Disposals	(5)	–	(68)	–	–	(73)
Depreciation provided during the year	(3,315)	(36)	(570)	(389)	–	(4,310)
At 31 December 2025, net of accumulated depreciation and impairment	3,587	125	1,274	869	82	5,937
At 31 December 2025:						
Cost	72,616	542	12,678	3,025	82	88,943
Accumulated depreciation and impairment	(69,029)	(417)	(11,404)	(2,156)	–	(83,006)
Net carrying amount	3,587	125	1,274	869	82	5,937

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024						
At 1 January 2024:						
Cost	71,344	542	12,223	2,087	465	86,661
Accumulated depreciation and impairment	(61,176)	(344)	(9,935)	(1,531)	–	(72,986)
Net carrying amount	10,168	198	2,288	556	465	13,675
At 1 January 2024, net of accumulated depreciation and impairment	10,168	198	2,288	556	465	13,675
Additions	145	–	248	–	1,719	2,112
Transfers	840	–	119	1,210	(2,169)	–
Disposals	(274)	–	(78)	(272)	–	(624)
Depreciation provided during the year	(4,538)	(37)	(899)	(236)	–	(5,710)
At 31 December 2024, net of accumulated depreciation and impairment	6,341	161	1,678	1,258	15	9,453
At 31 December 2024:						
Cost	72,055	542	12,512	3,025	15	88,149
Accumulated depreciation and impairment	(65,714)	(381)	(10,834)	(1,767)	–	(78,696)
Net carrying amount	6,341	161	1,678	1,258	15	9,453

NOTES TO FINANCIAL STATEMENTS

31 December 2025

16. LEASES

The Group as a lessee

The Group leases certain buildings for its offices and auction sites. Leases of buildings generally have lease terms between 1 and 15 years. The rest of the leases generally have lease terms of 12 months or less and/or are individually of low value.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings RMB'000
As at 1 January 2024	64,371
Additions	24,624
Depreciation charge	(23,602)
As at 31 December 2024	65,393
As at 31 December 2024 and 1 January 2025	65,393
Additions	8,062
Depreciation charge	(21,473)
As at 31 December 2025	51,982

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	70,117	68,464
New leases	8,062	24,624
Accretion of interest recognised during the year	2,834	3,298
Payments	(22,511)	(26,269)
Carrying amount at 31 December	58,502	70,117
Analysed into:		
Current portion	15,905	19,694
Non-current portion	42,597	50,423

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

16. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	2,834	3,298
Depreciation charge of right-of-use assets	21,473	23,602
Expense relating to short term leases	5,878	6,194
Total amount recognised in profit or loss	30,185	33,094

17. OTHER INTANGIBLE ASSETS

	Software RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	463
Additions	–
Amortisation provided during the year	(199)
At 31 December 2025	264
At 31 December 2025:	
Cost	4,666
Accumulated amortisation	(4,402)
Net carrying amount	264
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	804
Additions	82
Amortisation provided during the year	(423)
At 31 December 2024	463
At 31 December 2024:	
Cost	4,666
Accumulated amortisation	(4,203)
Net carrying amount	463

NOTES TO FINANCIAL STATEMENTS

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18. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Share of net assets	2,239	1,938

Particulars of the associate is as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Wuxi Dongxin Auto Auction Limited	Ordinary shares	PRC/ Chinese Mainland	40%	Car trading

The Group casts significant influence over the decision making of the relevant activities of the associate through its shareholdings, participation in the board or provision of technical information, which does not constitute unilateral power to direct the relevant activities of the associate and the ability to use the power over the associate to affect the amount of the Group's returns.

The following table illustrates the summarised financial information in respect of Wuxi Dongxin Auto Auction Limited:

	2025 RMB'000	2024 RMB'000
Share of the associate's profit for the year	301	12
Share of the associate's total comprehensive income for the year	301	12
Carrying amount of the Group's investment in an associate	2,239	1,938

NOTES TO FINANCIAL STATEMENTS

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19. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	6,527	14,985
Bills receivable	8,180	–
Impairment	(314)	(315)
Net carrying amount	14,393	14,670

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

	2025 RMB'000	2024 RMB'000
Within 6 months	14,347	14,376
6 months to 1 year	46	294
Total	14,393	14,670

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	315	–
Impairment losses (note 9)	(1)	315
At end of year	314	315

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses have also incorporated forward-looking information.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

19. TRADE AND BILLS RECEIVABLES *(Continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Past due			Total
	Less than 1 year	1 to 2 years	Over 3 years	
Expected credit loss rate	2%	0%	100%	2%
Gross carrying amount (RMB'000)	14,707	–	–	14,707
Expected credit losses (RMB'000)	314	–	–	314

As at 31 December 2024

	Past due			Total
	Less than 1 year	1 to 2 years	Over 3 years	
Expected credit loss rate	2%	0%	100%	2%
Gross carrying amount (RMB'000)	14,985	–	–	14,985
Expected credit losses (RMB'000)	315	–	–	315

NOTES TO FINANCIAL STATEMENTS

31 December 2025

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	Notes	2025 RMB'000	2024 RMB'000
Assistant funds to business partners	(a)	288,777	66,054
Advances to suppliers		5,900	14,686
Other receivables	(b)	2,345	3,349
Deposits	(b)	7,151	7,909
Interest receivable		8,073	959
Deductible value-added tax		2,082	2,148
Prepaid lease payments		1,093	1,918
Amounts due from related parties	33(c)	1,002	3,025
Less: Other non-current assets		(8,351)	(6,455)
Total current portion		308,072	93,593

None of the above assets is either past due or impaired.

As at the end of the reporting period, other receivables of the Group were considered to be of low credit risk and thus the Group has assessed that the ECLs for other receivables were minimal under the 12-month expected credit loss method.

(a) Details of assistant funds to business partners are set out below:

	2025		2024	
	Effective interest rate (%)	RMB'000	Effective interest rate (%)	RMB'000
Maturity				
Within one year or on demand	1.7–4.75	288,777	4.3–4.5	66,054

Default rate is defined as the gross amount of assistant funds to business partners, which are 90 days past due, over the gross amount of assistant funds to business partners as at the end of the reporting period. In making this assumption, the Group considers that a default event occurs when:

- (i) the business partner is unlikely to pay its credit obligations to the Group in full; or
 - (ii) the assistant funds to business partners are 90 days past due.
- (b) Deposits and other receivables mainly represent deposits to suppliers and landlords, and were unsecured, non-interest-bearing, and trade in nature. The general expected timing of settlement for deposits and other receivables ranges from 1 year to 5 years.

NOTES TO FINANCIAL STATEMENTS

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Financial products issued by banks	5,000	3,300

The above financial products represented short-term investments issued by banks with no predetermined or guaranteed return which are primarily not principal protected investments. The financial products are with expected rates of return (not guaranteed), depending on the market prices of underlying financial instruments, including bonds, debentures and other financial assets. The expected return rates ranged from 0.95% to 1.37% per annum.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash at banks	827,464	998,642
Restricted cash (i)	1,120	–
Time deposits	–	47,957
Subtotal	828,584	1,046,599
Less: Restricted cash	1,120	–
Cash and cash equivalents	827,464	1,046,599
Denominated in RMB	826,031	894,521
Denominated in HKD	745	127,964
Denominated in USD	688	24,114
Cash and bank balances	827,464	1,046,599

- (i) As at 31 December 2025, the cash of RMB1,120,000 was restricted due to litigations and it will become unrestricted after the resolution of those litigations.

The RMB is not freely convertible into other currencies. However, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

23. TRADE AND BILLS PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within 6 months	7,293	10,906
6 months to 1 year	2,690	197
Total	9,983	11,103

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

24. OTHER PAYABLES AND ACCRUALS

	Note	2025 RMB'000	2024 RMB'000
Deposits		53,542	59,969
Salary and welfare payables		13,259	15,874
Advance from buyers collected on behalf of sellers		7,909	11,748
Accrued expenses		2,776	3,378
Other tax payables		664	1,190
Contract liabilities	(a)	63	2,793
Others		2,256	2,327
Total		80,469	97,279

Note:

- (a) Contract liabilities include short-term advances received to deliver used vehicle services.

Details of the contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Used vehicle value-added services	63	2,793

31 December 2025

	2025			2024		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	2.60–3.50	2026	126,000	2.70–3.50	2025	129,480
					2025	2024
					RMB'000	RMB'000
Analysed into:						
Bank loans repayable:						
Within one year					126,000	129,480

The movements in deferred tax assets and liabilities during the year are as follows:

	Lease liabilities RMB'000	2025 Loss available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2025	14,396	5,881	20,277
Deferred tax charged to the statement of profit or loss during the year (note 12)	5,650	(2,735)	2,915
Gross deferred tax assets at 31 December 2025	20,046	3,146	23,192

	Lease liabilities RMB'000	2024 Loss available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2024	15,353	9,813	25,166
Deferred tax charged to the statement of profit or loss during the year (note 12)	(957)	(3,932)	(4,889)
Gross deferred tax assets at 31 December 2024	14,396	5,881	20,277

NOTES TO FINANCIAL STATEMENTS

31 December 2025

26. DEFERRED TAX *(Continued)*

Deferred tax liabilities

	2025 Right-of-use assets RMB'000
At 1 January 2025	11,905
Deferred tax credited to the statement of profit or loss during the year (note 12)	5,708
Gross deferred tax liabilities at 31 December 2025	17,613
	2024 Right-of-use assets RMB'000
At 1 January 2024	12,909
Deferred tax credited to the statement of profit or loss during the year (note 12)	(1,004)
Gross deferred tax liabilities at 31 December 2024	11,905

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	5,579	8,372

Deferred tax assets have not been recognised in respect of the following item:

	2025 RMB'000	2024 RMB'000
Tax losses	152,879	138,829

The Group had tax losses arising in the Chinese mainland of RMB152,879,000 (2024: RMB138,829,000) that would expire in one to five years for offsetting against their future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that enough taxable profits will be available against which the tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS

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27. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 832,662,428 (2024: 832,662,428) ordinary shares at par value of USD0.00001 each	56	56

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 2024		761,992,710	51
Issue of shares upon IPO	(a)	15,000,000	1
Conversion of convertible redeemable preferred shares to ordinary shares upon IPO	(b)	55,669,718	4
At 31 December 2024		832,662,428	56
At 31 December 2024 and 1 January 2025		832,662,428	56
At 31 December 2025		832,662,428	56

Notes:

- (a) 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).
- (b) 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.

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the Group.

(a) Capital reserve

The capital reserve represents share premium of the Group, the reserve arisen pursuant to the acquisition of non-controlling interests, capital reorganisation and issue of shares. Details of the movements in capital reserve are set out in the consolidated statement of changes in equity of the financial statements.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB8,062,000 (2024: RMB24,624,000) and RMB8,062,000 (2024: RMB24,624,000), respectively, in respect of lease arrangements for property and office premises.

(b) Changes in liabilities arising from financing activities 2025

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2025	129,480	70,117
Changes from financing cash flows	(7,492)	(22,511)
New leases	–	8,062
Interest expense	4,012	2,834
At 31 December 2025	126,000	58,502

2024

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares and warrants RMB'000
At 1 January 2024	69,500	68,464	372,385
Changes from financing cash flows	56,957	(26,269)	–
New leases	–	24,624	–
Interest expense	3,023	3,298	–
Fair value changes	–	–	142,293
Exchange adjustments	–	–	1,634
Transfer to ordinary shares	–	–	(516,312)
At 31 December 2024	129,480	70,117	–

NOTES TO FINANCIAL STATEMENTS

31 December 2025

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	5,878	6,194
Within financing activities	22,511	26,269
Total	28,389	32,463

30. CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

31. COMMITMENTS

As at 31 December 2025, the Group did not have any commitments (31 December 2024: Nil).

32. 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
Maanshan Ruibao Auto Sales Service Co., Ltd. 馬鞍山瑞寶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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties:

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of used vehicle value-added services:	(i)		
Huzhou Baorui Auto Sales Service Co., Ltd.		267	322
Maanshan Ruibao Auto Sales Service Co., Ltd.		59	44
Rental expenses:	(ii)		
Shanghai Kailong Automobile Sales Co., Ltd.		3,314	3,314
Shanghai Longyun Property Management Co., Ltd.		337	518
Purchases of plant, vehicles, furniture and fixtures:			
Huzhou Baorui Auto Sales Service Co., Ltd.		–	600

Notes:

- (i) The cost of used vehicle value-added services was made according to the published prices and conditions offered by the related parties to their major customers.
- (ii) The rental expenses were made according to the published prices and conditions offered similar to those offered to the other lessee of the supplier.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000
Non-trade:		
Prepayments, deposits and other receivables		
Shanghai Kailong Automobile Sales Co., Ltd.	870	2,610
Shanghai Longyun Property Management Co., Ltd.	132	415
Total	1,002	3,025
Trade and bills payables		
Huzhou Baorui Auto Sales Service Co., Ltd.	119	122
Maanshan Ruibao Auto Sales Service Co., Ltd.	10	14
Total	129	136
Other payables and accruals		
Huzhou Baorui Auto Sales Service Co., Ltd.	–	622
Total	–	622

The amounts due from related parties and the amounts due to related parties are non-trade, unsecured, interest-free and repayable on demand.

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

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	6,971	8,894
Pension scheme contributions	374	339
Total	7,345	9,233

Further details of directors' emoluments are included in note 10 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

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33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial products issued by banks (note 21)	5,000	–	5,000
Trade and bills receivables (note 19)	–	14,393	14,393
Financial assets included in prepayments, deposits and other receivables (note 20)	–	306,346	306,346
Cash and cash equivalents (note 22)	–	827,464	827,464
Total	5,000	1,148,203	1,153,203

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables (note 23)	9,983
Lease liabilities (note 16(b))	58,502
Interest-bearing bank borrowings (note 25)	126,000
Financial liabilities included in other payables and accruals (note 24)	61,451
Total	255,936

NOTES TO FINANCIAL STATEMENTS

31 December 2025

33. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2024

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial products issued by banks (note 21)	3,300	—	3,300
Trade and bills receivables (note 19)	—	14,670	14,670
Financial assets included in prepayments, deposits and other receivables (note 20)	—	78,271	78,271
Cash and cash equivalents (note 22)	—	1,046,599	1,046,599
Total	3,300	1,139,540	1,142,840

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables (note 23)	11,103
Lease liabilities (note 16(b))	70,117
Interest-bearing bank borrowings (note 25)	129,480
Financial liabilities included in other payables and accruals (note 24)	71,717
Total	282,417

NOTES TO FINANCIAL STATEMENTS

31 December 2025

34. 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 the end of each reporting period, 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:

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") multiple and price to earnings ("**P/E**") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent financial products issued by banks in the Chinese mainland. The Group has estimated the fair values 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

34. 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 31 December 2025

	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	–	5,000	–	5,000

As at 31 December 2024

	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	–	3,300	–	3,300

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 31 December 2024.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade payables and financial liabilities included in other payables and accruals. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade receivables, financial assets included in prepayments, deposits and other receivables, and cash and cash equivalents that are derived directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Group's policies for managing each of these risks are as follows:

Foreign currency risk

The Group's businesses are located in Chinese mainland and all transactions are conducted in RMB. Most of the Group's assets and liabilities were denominated in RMB, except for certain bank balances and financial assets denominated in USD and HKD. The Group's assets denominated in USD and HKD were mainly held by certain subsidiaries incorporated outside Chinese mainland which had HKD as their functional currency and the Group did not have material foreign currency transactions in Chinese mainland during the year.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in the rate of foreign currency %	Increase/ (decrease) in profit before tax RMB'000
31 December 2025		
If RMB weakens against USD	5	38
If RMB strengthens against USD	(5)	(38)
If RMB weakens against HKD	5	(21)
If RMB strengthens against HKD	(5)	21
31 December 2024		
If RMB weakens against USD	5	1,211
If RMB strengthens against USD	(5)	(1,211)
If RMB weakens against HKD	5	4,180
If RMB strengthens against HKD	(5)	(4,180)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables and bills receivables*	–	–	–	14,707	14,707
Financial assets included in prepayments, deposits and other receivables — Normal**	306,346	–	–	–	306,346
Cash and cash equivalents — Not yet past due	827,464	–	–	–	827,464
Total	1,133,810	–	–	14,707	1,148,517

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	14,985	14,985
Financial assets included in prepayments, deposits and other receivables — Normal**	78,271	–	–	–	78,271
Cash and cash equivalents — Not yet past due	1,046,599	–	–	–	1,046,599
Total	1,124,870	–	–	14,985	1,139,855

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk

The Group's objective is 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.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

As at 31 December 2025

	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	17,170	39,982	14,503	71,656
Interest-bearing bank borrowings	126,113	–	–	126,113
Trade and bills payables	9,983	–	–	9,983
Other payables and accruals	61,451	–	–	61,451
Total	214,718	39,982	14,503	269,203

As at 31 December 2024

	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Lease liabilities	22,985	46,623	13,620	83,228
Interest-bearing bank borrowings	129,611	–	–	129,611
Trade and bills payables	11,103	–	–	11,103
Other payables and accruals	71,717	–	–	71,717
Total	235,416	46,623	13,620	295,659

NOTES TO FINANCIAL STATEMENTS

31 December 2025

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

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 changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is total debt divided by the total assets. Total debt includes current liabilities and non-current liabilities. Total assets include current assets and non-current assets.

The gearing ratios as at the end of the reporting periods are as follows:

	2025 RMB'000	2024 RMB'000
Total debt	278,899	312,708
Total assets	1,230,401	1,250,236
Gearing ratio	22.67%	25.01%

36. EVENTS AFTER THE REPORTING PERIOD

The Group has no other significant events after the reporting period up to the approval date of these financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	868,593	802,593
Total non-current assets	868,593	802,593
CURRENT ASSETS		
Prepayments, deposits and other receivables	16	108
Amounts due from subsidiaries	203,232	136,923
Cash and cash equivalents	986	150,644
Total current assets	204,234	287,675
CURRENT LIABILITIES		
Other payables and accruals	7,302	5,179
Total current liabilities	7,302	5,179
NET CURRENT ASSETS	196,932	282,496
TOTAL ASSETS LESS CURRENT LIABILITIES	1,065,525	1,085,089
Net assets	1,065,525	1,085,089
EQUITY		
Share capital	56	56
Other reserves	1,065,469	1,085,033
Total equity	1,065,525	1,085,089

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

A summary of the Company's reserves/(deficits) is as follows:

	Capital reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025	1,274,006	5,260	(194,233)	1,085,033
Profit for the year	–	–	(12,124)	(12,124)
Other comprehensive loss for the year: Exchange differences on translation of the financial statements of the Company	–	(7,440)	–	(7,440)
Total comprehensive loss for the year	–	(7,440)	(12,124)	(19,564)
At 31 December 2025	1,274,006	(2,180)	(206,357)	1,065,469

	Capital reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	626,360	(1,506)	(13,002)	611,852
Loss for the year	–	–	(181,231)	(181,231)
Other comprehensive income for the year: Exchange differences on translation of the financial statements of the Company	–	6,766	–	6,766
Total comprehensive loss for the year	–	6,766	(181,231)	(174,465)
Issue of shares upon initial public offering ("IPO")	139,117	–	–	139,117
Share issue expenses	(7,779)	–	–	(7,779)
Conversion of convertible redeemable preferred shares to ordinary shares	516,308	–	–	516,308
At 31 December 2024	1,274,006	5,260	(194,233)	1,085,033

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

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 the annual report 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" or "CG 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
"Guizhou Tongyuan Automobile"	Guizhou Tongyuan Automobile Group Co. Ltd.* (貴州通源汽車集團有限公司), a company established in the PRC on 12 June 1992
"Guizhou Tongyuan Automobile Group"	Guizhou Tongyuan Automobile together with its subsidiaries
"Guizhou Tongyuan Investment"	Guizhou Tongyuan Investment Group Co., Ltd.* (貴州通源投資集團有限公司), a company established in the PRC on 20 October 1999
"Guizhou Tongyuan Investment Group"	Guizhou Tongyuan Investment together with its subsidiaries

DEFINITIONS

“Guizhou Xintong”	Guizhou Xintong Used Vehicle Auction Co., Ltd* (貴州信通二手車拍賣有限公司), a company established in the PRC on 20 July 2011 and a non-wholly owned subsidiary of our Company
“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
“ICE”	internal combustion engine, traditional engine powered by burning fossil fuel inside itself
“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
“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
“NEV”	new energy vehicle
“OEM”	original equipment manufacturer, which in this annual report, refers to automobile manufacturer
“Prospectus”	the prospectus of the Company dated 23 May 2024
“Reporting Period”	1 January 2025 to 31 December 2025
“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
“RMB”	Renminbi, the lawful currency of China

DEFINITIONS

"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 annual report 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

* For identification purposes only.