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# 途虎养车

**TUHU Car Inc.**

*(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)  
(Stock Code: 9690)*

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

The Board is pleased to announce the unaudited consolidated interim results of our Group for the six months ended 30 June 2024, together with comparative figures for the corresponding period in 2023. These interim results have been reviewed by Ernst & Young, the Auditor, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, and approved by the Audit Committee.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

In this announcement, “we,” “us,” and “our” refer to the Company and where the context otherwise requires, the Group.

## KEY HIGHLIGHTS

### Financial Summary

|  | For the six months ended 30 June |             |           |            | Period<br>over<br>period<br>change |
|--|----------------------------------|-------------|-----------|------------|------------------------------------|
|  | 2024                             |             | 2023      |            |                                    |
|  | Amount                           | As a        | Amount    | As a       |                                    |
|  |                                  | percentage  |           | percentage |                                    |
| (RMB'000)                              | %                                | (RMB'000)   | %         |            |                                    |
| (Unaudited)                            |                                  | (Unaudited) |           | %          |                                    |
| Revenue                                | 7,126,161                        | 100.0       | 6,521,629 | 100.0      | 9.3                                |
| Gross profit                           | 1,845,765                        | 25.9        | 1,578,109 | 24.2       | 17.0                               |
| Operations profit                      | 211,884                          | 3.0         | 66,731    | 1.0        | 217.5                              |
| Profit for the period                  | 284,332                          | 4.0         | 59,487    | 0.9        | 378.0                              |
| Adjusted EBITDA (non-IFRS measure)     | 449,619                          | 6.3         | 351,822   | 5.4        | 27.8                               |
| Adjusted net profit (non-IFRS measure) | 358,164                          | 5.0         | 214,045   | 3.3        | 67.3                               |

#### Notes:

- Adjusted EBITDA (non-IFRS measure) represents profit for the period excluding income tax expense, finance income, finance costs, depreciation and amortisation, share-based payment expenses, fair value changes of convertible redeemable preferred shares and listing expenses.
- Adjusted net profit (non-IFRS measure) represents profit for the period excluding share-based payment expenses, fair value changes of convertible redeemable preferred shares and listing expenses.

### Key Operation Metrics

|  | As of/For the twelve months<br>ended 30 June |       | Period over<br>period change |
|--|--|-------|------------------------------|
|  | 2024   | 2023  |                              |
| Number of Tuhu workshops                       | 6,311  | 5,129 | 23.0%                        |
| – Self-operated Tuhu workshops                 | 149  | 161   | (7.5)%                       |
| – Franchised Tuhu workshops                    | 6,162  | 4,968 | 24.0%                        |
| Transacting users <sup>(1)</sup> (in millions) | 21.4   | 18.0  | 18.8%                        |
| Registered users <sup>(2)</sup> (in millions)  | 126.4  | 104.8 | 20.7%                        |

#### Notes:

- Transacting user represents a user account that paid for at least one transaction of product or service on our platform (excluding Qipeilong) in a given period, regardless of whether the transaction was subsequently refunded.
- Registered user represents a user that has registered by providing the required information and logged in to our flagship app at least once since registration. We calculate the number of registered users as the cumulative number of valid user accounts at the end of the relevant period with duplicates eliminated.

## **BUSINESS REVIEW**

### **Financial Highlights**

During the Reporting Period, our Group maintained steady growth, achieving a total revenue of RMB7.1 billion, representing an increase of 9.3% as compared to RMB6.5 billion for the corresponding period in 2023. Owing to the diversified business strategy, widened service offerings, and enhanced supply chain capabilities, our Group recorded a gross profit of RMB1.8 billion for the six months ended 30 June 2024. Gross profit margin of our Group for the six months ended 30 June 2024 amounted to 25.9%, representing 1.7 percentage point increase compared to the same period in 2023. We also made strides in management efficiency during the Reporting Period. Our overall workforce efficiency and automation rate continued to improve alongside business expansion, leading to better leverage of operating expenses. In the first half of 2024, our total operating expenses (comprising operating and support expenses, research and development expenses, selling and marketing expenses, and general and administrative expenses) amounted to RMB1.7 billion and accounted for 23.6% of total revenue, representing 0.9 percentage point decrease compared to the corresponding period in 2023. During the Reporting Period, our Group recorded an adjusted net profit of RMB358.2 million, representing an increase of 67.3% compared to the same period in 2023. As of the end of the Reporting Period, the cash position of our Group was approximately RMB7.1 billion, demonstrating our strong financial footing.

### **Platform Operations**

Grounded in our assurance of user experiences, we have been continuously bordering both the quantity and quality of our user base and employing diverse methods to boost user loyalty to our platform. As of 30 June 2024, our registered users have reached 126 million, maintaining our position as the largest independent automotive service platform in China. To further enhance new user stickiness and existing user engagement, we have tailored our approach by aligning the traffic characteristics and focal points of marketing channels such as news feeds and searches, to create channel-specific user reach and conversion pathways. We also adopted new management tools, such as WeCom, facilitating a granular understanding of each customer's needs. Based on these measures, we have fully mobilised user engagement and our average monthly active users on the platform have reached 11.5 million during the Reporting Period, representing an increase of 15.8% compared to the corresponding period in 2023. As of 30 June 2024, our 12-month cumulative transacting users reached 21.4 million, representing an increase of 18.8% compared to the number as of 30 June 2023. Additionally, we observed steady improvement in the cost efficiency of our marketing efforts, highlighting the gradual realisation of our platform's scalability potential. In the first half of 2024, with the surge of a more diversified automotive service demand from users, we expanded our service categories to further enhance our comprehensive supply chain capabilities for accommodating various business segments. This initiative improved the user repurchase rate, defined as the percentage of customers who paid in June 2023 and continued to pay for at least one order during the following twelve-month, which is already at an industry-leading position, reaching 61.1%.

We also partnered with our suppliers to launch a series of innovations in services, products, and marketing tools in the first half of 2024. During the Tire Festival in March 2024, we collaborated with over 20 well-known domestic and international tire brands to introduce the “Gold Warranty” service, providing dual warranties from both Tuhu and the participating brands. In May 2024, we launched the new National Geographic edition of Shell Helix motor oil, accompanied by a self-driving interactive project. Drawing inspiration from the distinct self-driving routes recommended by National Geographic, we named four newly developed Shell Helix motor oil to highlight their robust capabilities under different road conditions: the G219 “Frontier Road,” the G228 “Coastal Road,” the G7 “Gobi Road,” and the G318 “Plateau Road.” Tuhu workshops along these four routes also offered a comprehensive suite of pre-trip, on-trip, and post-trip vehicle inspection and maintenance services for self-driving project participants.

We continued to refine our “content + live streaming + local services” matrix on Douyin Ecommerce Platform. During the 618 Shopping Festival, we organised dedicated events for six major brands, including a special President Live Stream Broadcast featuring both Michelin and Tuhu presidents. We also hosted the exclusive launch event for the National Geographic IP products on Douyin Ecommerce Platform. These diverse initiatives propelled our live streaming channel once again, to the top spot in the automotive parts and accessories category on Douyin Ecommerce Platform in terms of the cumulative gross merchandise volume (GMV) during the 618 Shopping Festival. We also secured two spots among the top five best-selling tire brands on the Douyin Ecommerce Platform during the 618 Shopping Festival. With precise product recommendations and smooth service process via Douyin Ecommerce Platform, our GMV from Douyin Local Services increased by over 100% in the first half of 2024 compared to the corresponding period in 2023, solidifying our leading position among the automotive service providers on Douyin Ecommerce Platform.

## **Store Network**

In the first half of 2024, we further optimised the presence of our existing nationwide store network, exploring untapped markets to provide convenient and comprehensive services for car owners across the country. As of 30 June 2024, we had 6,311 Tuhu workshops in operation nationwide, representing a net addition of 402 stores since the end of 2023. Tuhu workshop network spans over 300 prefecture-level cities across nearly all province-level administrative divisions in China, covering around 1,700 county-level regions as well. We also reached new milestones in economically vibrant provinces such as Jiangsu, Sichuan, and Fujian, with over 600, 300, and 200 stores as of 30 June 2024, respectively. Furthermore, we have placed significant emphasis on the development in lower-tier cities. For example, as a result of our dedicated efforts in the Xinjiang Uyghur Autonomous Region, the number of Tuhu workshops there as of 30 June 2024 increased by 74% compared to the number as of 30 June 2023, fulfilling our commitment to continued expansion in lower-tier cities.

As of 30 June 2024, we have collaborated with 12 key strategic franchisees, including, among others, Dongfeng South, PetroChina, and Sinopec. In 2024, our cooperation with Dongfeng South has begun to yield scale effects, with 14 Tuhu workshops secured under this partnership as of 30 June 2024. This collaboration model not only serves as a replicable approach for the authorised dealers adapting to the transformation of complex automotive service market, but also facilitates our future exploration of similar attempts with franchisees in the NEV sector.

In the first half of 2024, we have continued safeguarding the interests of our franchisees by optimising our franchisee policy, site selection, and store opening process. In lower-tier cities where we are actively expanding, our franchise fee reduction are up to 3 times greater than those in higher-tier cities. Our online self-service store setup system, launched in late 2022, has significantly reduced the average setup time from new franchisee intention to contract signing from 73 days to 27 days, achieving a 63% improvement in efficiency. The number of franchisee store applications for the six months ended 30 June 2024 increased by 22% compared to the same period in 2023, with 2.5 times increase in the northeast and western regions of China.

Notably, on 16 April 2024 and 2 August 2024, we launched two Tuhu workshops in Tsuen Wan and Chai Wan in Hong Kong. This milestone signifies the successful expansion of our operational expertise and supply chain advantages, which were cultivated over years in the mainland China market, to Hong Kong, bringing fresh automotive service experiences to local users.

To foster a healthy franchising environment and ensure service quality amidst expansion, in the first half of 2024, we implemented a tiered franchisee management system to evaluate the performance of franchisees across five key dimensions, “compliance, service, development, operation, and reputation.” By adhering to the principle of “rewarding high-performing franchisees and phasing out underperforming ones,” we issued warning and withdrawal measures against underperforming franchisees, thus ensuring the service quality of our stores, which is the cornerstone of customer service.

Our key store operation initiatives in the first half of 2024 revolved around improving the customer experience. First, we optimised the queuing experience prior to the service, focusing on difficulties in making appointments and long wait times. Second, we carried out monthly customer review for stores building upon the “recommended store” program introduced in 2023, incentivising franchisees, store managers, and technicians to improve customer experience and actively address customer feedback. Third, we intensified efforts to curb excessive sales through standardised online system controls, resulting in a 40% decrease in customer complaints associated with excessive sales in the first half of 2024 compared to the same period in 2023.

### **Products and Services: Tires**

Anchored in the trend of consumption rationalisation, well-functioning and affordable domestic tires have become mainstream market choices. Capitalising on this trend, we have acted decisively to secure a first-mover advantage. By leveraging the manufacturing capabilities of leading domestic tire manufacturers such as Doublestar and Double Coin, we developed high performance and aesthetic tires which are welcomed by the car owners in China. As a result of these partnerships, sales of our private label tires produced by these two partners have surpassed 1.5 million units in the first half of 2024.

We also, according to diversified consumer tags, collaborated with several leading tire manufacturers to develop private label products tailored to various user segments. For example, we offer large-size tires that cater to the growing popularity of NEV, as well as functional tires that align with evolving consumer preferences.

Beyond introducing innovative functional products, we are deeply committed to upholding the highest quality standards for our offerings. To that end, we actively participate in shaping industrial rules and standards. Earlier in 2024, we collaborated with the China Automotive Technology and Research Centre (CATARC) to conduct the first-ever batch testing of tires with silent technology in China. In March 2024, CATARC awarded the first set of certifications for silent technology tires to several of our private label brands. These milestones represent a significant step towards establishing the first domestic certification system for tires with silent technology.

### **Products and Services: Auto Maintenance**

Leveraging our service capability, we deepened our cooperation with renowned brands on the products used in our auto maintenance service in the first half of 2024. We have fully integrated our consumer insights and digital marketing capabilities with the brand power and production capabilities of these renowned brands. This synergy enabled us to meet consumer demand for superior products at more accessible prices. Our longstanding partnership with Bosch is a prime example. In June 2024, we became the exclusive sales platform for Bosch motor oil. Developed in accordance with the latest industry standards, Bosch motor oil meets the latest certification standards of luxury car brands, including Porsche, Mercedes-Benz, BMW, and Audi, thereby expanding our reach into the automotive service for luxury vehicles. That same month, we partnered with Saudi Aramco-Valvoline, to launch the high-end fully synthetic motor oil exclusively available on our platform. This marked the first venture of the world's largest oil producer to extend its brand to passenger car motor oils and, more significantly, the first time it has entrusted its high-quality petroleum raw materials and Valvoline's century-old technological expertise to a Chinese brand. This collaboration provides us with an opportunity to lead the entire industry toward higher quality and standards through our private label product. In the same vein, we have also forged similar partnerships with other leading global companies, such as TotalEnergies and VARTA, to enhance our product offerings. In the future, we will continue to deepen our cooperation with these partners and actively expand our collaborations with other renowned brands.

In addition to the all-round collaboration with renowned brands, our first private label brand, for maintenance service, has evolved into a comprehensive brand encompassing 30 categories, including oil and fluids (motor oil, transmission fluid, brake fluid), filters, wipers, maintenance products (fuel additives, air conditioning line cleaning, fuel injector cleaning), spark plugs and ignition coils. As of 30 June 2024, such brand had sold over 21 million products, exemplifying its high favour and recognition among consumers.

### **Other Products and Services**

In the first half of 2024, we adhered to “service-driven excellence” strategy for car wash and detailing services and actively promoted service standardisation and operational refinement. During the Reporting Period, we upgraded more than 800 Tuhu workshops with car wash abilities, elevating the total number of Tuhu workshops nationwide offering this service to over 5,300. This achievement positions us as one of the largest professional car wash and detailing service providers, in conjunction with the largest automotive service provider in China. We made significant strides in enhancing the online customer experience from purchase to fulfilment, including “one-second order placing,” “stores to your choice,” and “fully systematised car wash process.” Our dedicated efforts in car wash and detailing services led to a 51% increase in the online order volume for related services in the first half of 2024 compared to the same period in 2023. As a high-frequency automotive service, car wash and detailing service also demonstrated excellent cross-selling potential and customer retention rates.

## NEV Initiatives

As a service provider to upstream battery manufacturers, we recognise that establishing a comprehensive service network to ensure efficiency and costs plays a decisive factor in their selection of authorised service providers. We therefore upgraded the capacity of our existing Tuhu workshop network in the first half of 2024. Building upon the network of workshops and module repair centers with NEV maintenance capabilities established in 2023, we further expanded our reach in the first half of 2024. Currently, our NEV maintenance service coverage extends to 73 cities. We have also constructed a NEV technology centre in Shanghai, dedicated to investments in e-powertrain maintenance, battery pack refurbishment, and the development of service capabilities and process solutions tailored to the specific requirements of battery manufacturers. This centre will serve as a cornerstone in establishing our competitive advantage in e-powertrain maintenance capabilities.

We continued to prioritise talent development, revamping our talent training program for power battery repair capabilities to incorporate safety management, comprehensive maintenance skills, and in-depth diagnostic analysis abilities. We conducted power battery repair training courses to strengthen our market-leading talent pool in NEV services. Our technical team dedicated significant efforts to research and development, tailoring our technical systems to the unique characteristics and demands of NEV services and developed an online knowledge base for NEV assembly technical data, enabling us to provide frontline technicians with relevant technical materials based on orders, similar to our existing process for internal combustion engine vehicle maintenance. This systematised automation of technical information flow, coupled with our continuously evolving comprehensive maintenance service capabilities for NEV and strong brand reputation, allowed us to secure contracts with 16 leading upstream battery manufacturers as of 30 June 2024, commencing warranty and out-of-warranty battery repair services. We also initiated pilot projects with two leading commercial insurance companies to explore opportunities in the field of commercial NEV battery extended warranty services.

With the rapid increase in the number of NEVs, the demand for various automotive services is also accelerating. In the first half of 2024, we made strategic deployments in various business segments to increase overall user penetration. To cater to the growing demands for charging services among users, we partnered with charging service providers, incorporating charging service portal on our online platform, while offline, integrating a total of 46,000 charging stations (accounting for 28.3% of charging stations in China) with three charging service providers, Orange Charging, Kuaidian, and Yunkuaichong. In the first half of 2024, our charging service gained over 20,000 monthly transacting users, demonstrating the growing preference among NEV owners to utilise Tuhu as their go-to platform for all their automotive service needs.

Across our various business segments, we enriched our product offerings to meet the specific needs of NEV owners. For example, we observed a consistent upward trend in the proportion of transacting users purchasing NEV accessories, which insight thereby led us to add 617 new specialised products across 50 categories for a leading NEV brand. In the car wash and detailing segment, we developed tailored products, such as car wash cards and window films, to cater to the high-frequency service demands from NEV owners.

It is precisely due to our deepening understanding of the NEV industry that we identified our business direction and priorities to effectively meet the evolving needs of both upstream and downstream stakeholders. The number of our NEV transacting users continued to rise, reaching 1.85 million for the twelve months ended 30 June 2024 with the penetration rate of NEV users rising to 8.4%. While the industry is still in its early stages, we remain committed to innovation and adaptation. We will leverage our long-term vision to comprehend with the industry's developmental trajectory, aiming to play a pivotal role in shaping the future of China's NEV automotive service market.

## **Supply Chain and Logistics**

In the first half of 2024, Tuhu continued to make breakthroughs and stride forward in the construction of supply chain and logistics systems. Our sophisticated three-tiered warehouse network, consisting of regional distribution centres, front distribution centres and in-store storages, has been strategically refined to enhance structural efficiency and cost performance.

In the first half of 2024, we upgraded the coverage of our regional warehouse network by establishing new regional distribution centres while relocating and merging some existing ones. Such strategic initiative enabled us to enhance operational efficiency and reduce costs without compromising service coverage. As of 30 June 2024, we streamlined our regional distribution centres nationwide to 29, while achieving a 5.9% increase in warehouse area and a 6.7% decrease in the average rental cost per square meter compared to the same period in 2023. Our regional distribution centres network, together with our comprehensive logistics services supported by self-operated fleet, regional logistics, and third-party express delivery, has formed a wide-reaching coverage network. In the first half of 2024, we had established self-operated delivery routes in over 100 cities across China, and the proportion of orders delivered on the same day or the next day has further increased to 77.2% of all orders.

As of 30 June 2024, we have established 509 front distribution centres nationwide. Our front distribution centres continue to maintain the industry-leading "30 minutes within 5km" delivery standard. In higher-tier cities, we focused on optimising the overall network to further enhance the ability of each front distribution centre to serve multiple Tuhu workshops. In lower-tier cities, we continued to expand our front distribution centre network and store coverage through both self-operation and partnership models. Furthermore, we improved the prediction accuracy and depth of inventory in our front distribution centres and initiated comprehensive collaborations with select repair parts manufacturers, which led to significant improvement in the availability of low-frequency categories like automotive repair parts.

## **Environmental, Social and Governance**

In the first half of 2024, we integrated social responsibility into our corporate culture and business mission. We showed our commitment to social development through active participation in public welfare initiatives, and encouraging our employees to make positive contributions to society both within and outside the workplace.

Faced with the frequent natural disasters in the southern region of China in the first half of 2024, we promptly mobilised our resources to address the urgent needs of users, communities, and franchisees, providing various forms of emergency services and support. Following heavy rainfall in the Guangdong and Guangxi provinces starting in April 2024, we issued a disaster relief policy for affected Tuhu workshops to facilitate their recovery, providing fee reductions and exemptions to eligible stores. As of 30 June 2024, we have waived over RMB1 million operating expenses for more than 100 Tuhu workshops in disaster-stricken areas. We also established free emergency service hotlines in cities such as Nanning and Yulin in Guangxi province and Dongguan in Guangdong province, providing car owners with access to repair and insurance claims, as well as the ability to schedule free towing and other emergency services within a 20-kilometre radius. In early July 2024, we, together with Sanyou, a subsidiary of China Aerospace, jointly hosted a donation ceremony named “sailing for future, care from films” in Tibet Autonomous Region. This event aimed to support the primary school in Chabu Township, Gya County, Ali Prefecture, Tibet Autonomous Region, through a series of initiatives including donations of educational and living supplies, establishment of a science corner, and installation of sun-blocking equipment such as heat-insulating window film.

Our robust performance and unwavering commitment to environmental, social and governance (ESG) practices earned us a number of recognitions in the first half of 2024. On 11 May 2024, we were awarded the “innovation case in sustainable development” by Xinhua News Agency in recognition of our outstanding contributions to energy conservation, emission reduction, green supply chain, and social responsibility. On 30 May 2024, we topped the automotive maintenance and repair sector in the “2023 Top 100 Chain Enterprises in the Lifestyle Service Industry” list released by the China Chain Store & Franchise Association (CCFA). Additionally, we won the inaugural “Shanghai Business Innovation Award,” which was guided by the Shanghai Municipal Commission of Commerce and the Shanghai Municipal Human Resources and Social Security Bureau and organised by the Shanghai Business Federation, for our innovative online-to-offline business model.

## **Shareholder and Employee Return**

In the first half of 2024, amidst a complex and volatile capital market environment, we implemented a proactive Share repurchase program. Following the end of the initial public offering (IPO) lock-up period in March 2024, which led to stock price fluctuations, we promptly announced a share repurchase plan. During the first half of 2024, we repurchased 12,286,900 Class A Shares from the open market on the Stock Exchange at an aggregate consideration of approximately HK\$204 million. In early June 2024, we cancelled all repurchased shares, further enhancing earnings per Share attributable to Shareholders.

On 25 June 2024, we announced the Second Post-IPO Share Scheme (Existing Shares). Through this scheme, existing Shares will be purchased from the open market and re-issued to qualified employees as part of their remuneration, without further dilution of the share capital of our Company, thereby safeguarding the interests of both our Shareholders and employees.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Selected Consolidated Income Statement Items

|  | For the six months<br>ended 30 June |                |
|--|-------------------------------------|----------------|
|  | 2024                                | 2023           |
|  | <i>RMB'000</i>                      | <i>RMB'000</i> |
|  | (Unaudited)                         | (Unaudited)    |
| <b>Revenue</b>   | <b>7,126,161</b>                    | 6,521,629      |
| <b>Cost of Revenue</b>   | <b>(5,280,396)</b>                  | (4,943,520)    |
| <b>Gross Profit</b>  | <b>1,845,765</b>                    | 1,578,109      |
| Other income and gains, net  | 21,042                              | 83,223         |
| Operations and support expenses  | (283,086)                           | (272,020)      |
| Research and development expenses  | (302,041)                           | (297,957)      |
| Selling and marketing expenses   | (908,125)                           | (841,540)      |
| General and administrative expenses  | (186,081)                           | (185,454)      |
| Fair value changes on financial assets at<br>fair value through profit or loss | 24,410                              | 2,370          |
| <b>Operating profit</b>  | <b>211,884</b>                      | 66,731         |
| Finance income   | 90,443                              | 61,640         |
| Finance costs  | (8,635)                             | (9,479)        |
| Fair value changes of convertible redeemable preferred shares                  | –                                   | (47,161)       |
| Share of profits and losses of joint ventures and associates                   | (4,582)                             | (1,595)        |
| <b>Profit before tax</b>   | <b>289,110</b>                      | 70,136         |
| Income tax expense   | (4,778)                             | (10,649)       |
| <b>Profit for the period</b>   | <b>284,332</b>                      | 59,487         |
| <b>Adjusted EBITDA (non-IFRS measure)</b>                                      | <b>449,619</b>                      | 351,822        |
| <b>Adjusted net profit (non-IFRS measure)</b>                                  | <b>358,164</b>                      | 214,045        |

## Revenue

Our revenue for the six months ended 30 June 2024 amounted to RMB7.1 billion, representing an increase of 9.3% as compared with RMB6.5 billion for the corresponding period in 2023.

The following table sets forth the breakdown of our revenue, in amounts and as percentages of total revenue for the periods indicated.

|  | <b>For the six months ended 30 June</b> |                     |                         |                     |
|--|---|---------------------|-------------------------|---------------------|
|  | <b>2024</b>                             |                     | <b>2023</b>             |                     |
|  | <i>(RMB'000)</i>                        | <i>%</i>            | <i>(RMB'000)</i>        | <i>%</i>            |
|  | <b>(Unaudited)</b>                      |                     | <b>(Unaudited)</b>      |                     |
| <b>Automotive products and services</b>          | <b>6,643,280</b>                        | <b>93.2</b>         | 6,058,798               | 92.9                |
| Individual end customers                         | <b>5,970,096</b>                        | <b>83.8</b>         | 5,406,596               | 82.9                |
| – Tires and chassis parts                        | <b>2,972,618</b>                        | <b>41.7</b>         | 2,677,640               | 41.1                |
| – Auto maintenance                               | <b>2,617,725</b>                        | <b>36.7</b>         | 2,364,974               | 36.3                |
| – Others <sup>(1)</sup>                          | <b>379,753</b>                          | <b>5.4</b>          | 363,982                 | 5.5                 |
| Qipeilong <sup>(2)</sup>                         | <b>673,184</b>                          | <b>9.4</b>          | 652,202                 | 10.0                |
| <b>Advertising, franchise and other services</b> | <b>482,881</b>                          | <b>6.8</b>          | 462,831                 | 7.1                 |
| Franchise services                               | <b>378,265</b>                          | <b>5.3</b>          | 356,528                 | 5.5                 |
| Advertising services                             | <b>48,045</b>                           | <b>0.7</b>          | 39,418                  | 0.6                 |
| Others   | <b>56,571</b>                           | <b>0.8</b>          | 66,885                  | 1.0                 |
| <b>Total</b>                                     | <b><u>7,126,161</u></b>                 | <b><u>100.0</u></b> | <b><u>6,521,629</u></b> | <b><u>100.0</u></b> |

### Notes:

- (1) Others under automotive products and services to individual end customers primarily consist of revenues from auto accessories, car detailing, automated car wash and repairs.
- (2) Qipeilong primarily consists of sales of auto parts to (i) Tuhu workshops and partner stores; and (ii) third-party auto parts dealers/customers and service providers.

### *Revenue from Automotive Products and Services*

Our revenue from automotive products and services increased by 9.6% from RMB6.1 billion for the six months ended 30 June 2023 to RMB6.6 billion for the corresponding period in 2024. Specifically, (i) our revenue from tires and chassis parts, and auto maintenance segment increased by 10.9% from RMB5.0 billion for the six months ended 30 June 2023 to RMB5.6 billion for the six months ended 30 June 2024. This increase was mainly attributed to our continuous optimisation of online marketing strategies and the expansion of our Tuhu workshop network, which together broadened our customer base and transaction volume. This increase was partially offset by the decrease in the average transaction value as more customers opted for value for money products, such as our private label products; (ii) our revenue from other products and services segment increased by 4.3% from RMB364.0 million for the six months ended 30 June 2023 to RMB379.8 million for the six months ended 30 June 2024. This increase was primarily attributed to higher revenue contribution from car wash and detailing services as we offered these services in more Tuhu workshops and promoted consumption through our membership card scheme; and (iii) our revenue from sales of auto parts through Qipeilong increased by 3.2% from RMB652.2 million for the six months ended 30 June 2023 to RMB673.2 million for the six months ended 30 June 2024. This increase was mainly attributed to enhanced sales from instant procurement service, in line with the expansion of our Tuhu workshop network. This increase was partially offset by the decline in the revenue contribution from regional wholesale service.

### *Revenue from Advertising, Franchise and Other Services*

Our revenue from advertising, franchise and other services increased by 4.3% from RMB462.8 million for the six months ended 30 June 2023 to RMB482.9 million for the corresponding period in 2024. This increase was primarily due to (i) the growth in revenue from franchise service, resulting from the expansion of our franchised Tuhu workshop network; and (ii) the growth in revenue from advertising service, driven by our increased co-marketing campaign efforts with our brand partners. This increase was partially offset by the decrease in revenue from our new NEV sales following a strategic review of our NEV initiatives.

## Cost of Revenue

Our cost of revenue for the six months ended 30 June 2024 amounted to RMB5.3 billion, representing an increase of 6.8% as compared with RMB4.9 billion for the corresponding period in 2023.

The following table sets forth the breakdown of our cost of revenue, in amounts and as percentages of total revenue for the periods indicated.

|  | For the six months ended 30 June |             |             |      |
|--|----------------------------------|-------------|-------------|------|
|  | 2024                             |             | 2023        |      |
|  | (RMB'000)                        | %           | (RMB'000)   | %    |
|  | (Unaudited)                      |             | (Unaudited) |      |
| <b>Cost of automotive products and services</b>          | <b>5,070,842</b>                 | <b>71.1</b> | 4,684,558   | 71.8 |
| Individual end customers                                 | 4,517,023                        | 63.3        | 4,137,634   | 63.4 |
| – Tires and chassis parts                                | 2,451,589                        | 34.4        | 2,249,654   | 34.5 |
| – Auto maintenance                                       | 1,756,918                        | 24.7        | 1,571,841   | 24.1 |
| – Others <sup>(1)</sup>                                  | 308,516                          | 4.2         | 316,139     | 4.8  |
| Qipeilong <sup>(2)</sup>                                 | 553,819                          | 7.8         | 546,924     | 8.4  |
| <b>Cost of advertising, franchise and other services</b> | <b>68,294</b>                    | <b>1.0</b>  | 76,879      | 1.2  |
| Franchise services                                       | 43,283                           | 0.6         | 38,745      | 0.6  |
| Advertising services                                     | 2,565                            | 0.1         | 1,698       | 0.0  |
| Others   | 22,446                           | 0.3         | 36,436      | 0.6  |
| <b>Cost of self-operated Tuhu workshops and others</b>   | <b>141,260</b>                   | <b>2.0</b>  | 182,083     | 2.8  |
| <b>Total</b>   | <b>5,280,396</b>                 | <b>74.1</b> | 4,943,520   | 75.8 |

This increase was primarily due to an 8.2% growth in cost of automotive products and services, from RMB4.7 billion for the six months ended 30 June 2023 to RMB5.1 billion for the six months ended 30 June 2024, in line with our revenue growth resulting from the expansion of our Tuhu workshop network and customer base. This increase was partially offset by (i) the decrease in the cost of advertising, franchise and other services, resulting from the decline in cost associated with our new NEV sales as we deprioritised the NEV sales business after a strategic review of our NEV initiatives; and (ii) the decrease in cost of self-operated Tuhu workshops and others, attributable to (a) the reduction in inventory impairment as a result of our improved inventory management capabilities, and (b) the reduction in the number of self-operated Tuhu workshops over the period.

### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, the gross profit of our Group was RMB1.8 billion for the six months ended 30 June 2024, as compared with RMB1.6 billion for the corresponding period in 2023.

Gross profit margin of our Group increased from 24.2% for the six months ended 30 June 2023 to 25.9% for the corresponding period in 2024, primarily due to (i) an improvement in the gross profit margin on automotive products and services, attributed to (a) more favourable terms we gained from suppliers in line with our business growth, and (b) higher revenue contribution from our exclusive and private label products as well as services of our auto maintenance segment, which generally have higher margin; (ii) an increase in gross profit margin on advertising, franchise and other service due to the reduction in certain low-margin new NEV sales; and (iii) the reduction in cost of self-operated Tuhu workshops and others.

### ***Other Income and Gains, Net***

Our other income and gains for the six months ended 30 June 2024 amounted to RMB21.0 million, representing a decrease of 74.7% as compared with RMB83.2 million for the corresponding period in 2023. This decrease was primarily due to (i) the reduction in government grants in the first half of 2024; and (ii) the reduction in foreign exchange gains as a result of the relatively stable exchange rate of U.S. dollar against Renminbi in the first half of 2024 compared to the same period in 2023.

### ***Operations and Support Expenses***

Our operations and support expenses increased by 4.1% from RMB272.0 million for the six months ended 30 June 2023 to RMB283.1 million for the corresponding period in 2024, primarily due to the increase in travel expenses and outsourced service fees associated with our business expansion in the first half of 2024.

### ***Research and Development Expenses***

Our research and development expenses slightly increased from RMB298.0 million for the six months ended 30 June 2023 to RMB302.0 million for the corresponding period in 2024, primarily due to the increase in personnel costs, resulting from a company-wide payroll increase and the addition of new research and development staff in the first half of 2024.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 7.9% from RMB841.5 million for the six months ended 30 June 2023 to RMB908.1 million for the corresponding period in 2024, primarily due to the increase in advertising and promotion-related expenses as part of our investments in marketing to further enhance our brand recognition through new media channels including but not limited to, short video contents and live streaming on Douyin Ecommerce Platform.

### ***General and Administrative Expenses***

Our general and administrative expenses slightly increased from RMB185.5 million for the six months ended 30 June 2023 to RMB186.1 million for the corresponding period in 2024, primarily due to (i) the increase in transaction fees resulted from an overall rise in transaction volume; and (ii) the increase in personnel costs following a company-wide salary adjustment and the new hires in certain departments in the first half of 2024. The increase was partially offset by the reduction in listing expenses.

### ***Finance Income***

Our finance income for the six months ended 30 June 2024 amounted to RMB90.4 million, representing an increase of 46.7% as compared with RMB61.6 million for the corresponding period in 2023. This increase was primarily due to (i) higher interest rates on U.S. dollar denominated time deposits and treasury investments; and (ii) an increase in average balance of time deposits and treasury investments.

### ***Income Tax Expenses***

Our income tax expense for the six months ended 30 June 2024 amounted to RMB4.8 million, representing a decrease of 55.1% as compared with RMB10.6 million for the corresponding period in 2023. This decrease was primarily due to the high base in the same period of 2023 resulting from non-recurring taxable income recorded by certain subsidiaries of our Group. This decrease was partially offset by the increase in the taxable income generated by our Group in the first half of 2024.

### ***Profit for the Period***

As a result of the foregoing, our profit for the six months ended 30 June 2024 amounted to RMB284.3 million, representing a significant increase as compared with RMB59.5 million for the corresponding period in 2023.



We present the non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. Adjusted EBITDA (non-IFRS measure) enables our management to assess our operating results eliminating the impact of income tax expense, finance income, finance costs, depreciation and amortisation, share-based payment expenses, fair value changes of convertible redeemable preferred shares and listing expenses. Adjusted net profit (non-IFRS measure) enables our management to assess our operating results eliminating the impact of share-based payment expenses, fair value changes of convertible redeemable preferred shares and listing expenses.

Adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) should not be considered in isolation or construed as an alternative to profit for the period or any measure of performance. Investors are encouraged to review our historical non-IFRS financial measures together with the most directly comparable IFRS measures. Adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

### Selected Consolidated Balance Sheet Data

|  | As of<br><b>30 June</b><br><b>2024</b> | As of<br>31 December<br><b>2023</b> |
|--|--|-------------------------------------|
|  | <b>RMB'000</b><br><b>(Unaudited)</b>   | <b>RMB'000</b><br><b>(Audited)</b>  |
| <b>Non-current assets</b>  |  |                                     |
| Property, plant and equipment  | <b>1,002,436</b>                       | 899,188                             |
| Right-of-use assets  | <b>460,799</b>                         | 466,946                             |
| Goodwill   | <b>20,323</b>                          | 20,323                              |
| Other intangible assets  | <b>56,093</b>                          | 57,804                              |
| Long-term treasury investments   | <b>1,531,370</b>                       | 1,065,260                           |
| Financial investments at fair value through profit or loss                     | <b>177,508</b>                         | 191,043                             |
| Investments in joint ventures and associates                                   | <b>383,312</b>                         | 362,612                             |
| Equity investments designated at fair value through other comprehensive income | <b>320,626</b>                         | 356,240                             |
| Restricted cash  | <b>92,799</b>                          | 7,799                               |
| Other non-current assets   | <b>30,487</b>                          | 66,189                              |
|  | <b>4,075,753</b>                       | 3,493,404                           |
| <b>Current assets</b>  |  |                                     |
| Inventories  | <b>1,637,213</b>                       | 1,799,796                           |
| Trade receivables  | <b>206,042</b>                         | 218,179                             |
| Prepayments, other receivables and other assets                                | <b>424,332</b>                         | 496,100                             |
| Short-term treasury investments  | <b>3,011,079</b>                       | 1,587,126                           |
| Restricted cash  | <b>1,068,909</b>                       | 1,454,795                           |
| Cash and cash equivalents  | <b>1,355,581</b>                       | 2,715,285                           |
|  | <b>7,703,156</b>                       | 8,271,281                           |

|  | As of<br>30 June<br>2024      | As of<br>31 December<br>2023 |
|--|-------------------------------|------------------------------|
|  | <i>RMB'000</i><br>(Unaudited) | <i>RMB'000</i><br>(Audited)  |
| <b>Current liabilities</b>                         |                               |                              |
| Trade and bills payables                           | 3,825,927                     | 3,886,756                    |
| Other payables and accruals                        | 1,594,774                     | 1,719,505                    |
| Contract liabilities                               | 745,638                       | 742,667                      |
| Interest-bearing borrowings                        | 1,007                         | 1,009                        |
| Tax payable  | 120,523                       | 120,096                      |
| Lease liabilities                                  | 147,600                       | 132,320                      |
| Total current liabilities                          | <u>6,435,469</u>              | <u>6,602,353</u>             |
| <b>Net current assets</b>                          | <u>1,267,687</u>              | <u>1,668,928</u>             |
| <b>Total assets less current liabilities</b>       | <u>5,343,440</u>              | <u>5,162,332</u>             |
| <b>Non-current liabilities</b>                     |                               |                              |
| Interest-bearing borrowings                        | 7,000                         | 7,500                        |
| Contract liabilities                               | 57,599                        | 58,777                       |
| Lease liabilities                                  | 221,784                       | 223,840                      |
| Deferred tax liabilities                           | 7,391                         | 7,391                        |
| Other non-current liabilities                      | 433,683                       | 406,505                      |
| Total non-current liabilities                      | <u>727,457</u>                | <u>704,013</u>               |
| <b>Net assets</b>                                  | <u><u>4,615,983</u></u>       | <u><u>4,458,319</u></u>      |
| <b>Equity</b>                                      |                               |                              |
| <b>Equity attributable to owners of the parent</b> |                               |                              |
| – Share capital                                    | 116                           | 118                          |
| – Reserves   | 4,618,737                     | 4,459,854                    |
|  | <u>4,618,853</u>              | <u>4,459,972</u>             |
| Non-controlling interests                          | <u>(2,870)</u>                | <u>(1,653)</u>               |
| <b>Total equity</b>                                | <u><u>4,615,983</u></u>       | <u><u>4,458,319</u></u>      |

### ***Trade Receivables***

Trade receivables primarily represent (i) trade receivables from franchised Tuhu workshops and third-party auto dealers for payment of auto products sourced from Qipeilong platform; (ii) trade receivables from certain key account customers for bulk purchase of automotive services; (iii) trade receivables from franchised Tuhu workshops in connection with the franchises services we provide; and (iv) trade receivables from brand owners in connection with the advertising services we provide.

The below table sets forth the breakdown of trade receivables as of the dates indicated.

|  | As of<br><b>30 June<br/>2024</b> | As of<br>31 December<br>2023 |
|--|----------------------------------|------------------------------|
|  | <u>RMB'000</u><br>(Unaudited)    | <u>RMB'000</u><br>(Audited)  |
| Trade receivables from bulk sales to key account customers | 59,611                           | 67,680                       |
| Trade receivables from sales on Qipeilong                  | 22,184                           | 27,222                       |
| Trade receivables from franchise services                  | 60,001                           | 63,896                       |
| Trade receivables from advertising services                | 44,477                           | 44,579                       |
| Others   | 31,309                           | 30,040                       |
| Allowance for expected credit losses                       | <u>(11,540)</u>                  | <u>(15,238)</u>              |
| <b>Total</b>   | <b><u>206,042</u></b>            | <b><u>218,179</u></b>        |

Our trade receivables as of 30 June 2024 amounted to RMB206.0 million, representing a decrease of 5.6% as compared with RMB218.2 million as of 31 December 2023. This decrease was primarily attributable to the implementation of enhanced monitoring and management measures for receivables collection in the first half of 2024, which effectively accelerated the recovery of trade receivables.

### ***Treasury Investments***

Treasury investments primarily consist of wealth management products issued by major and reputable commercial banks without guaranteed returns, which are measured at fair value through profit or loss, and certificate of deposit and time deposit, which are measured at amortised cost.

The below table sets forth the breakdown of treasury investments as of the dates indicated.

|  | As of<br><b>30 June<br/>2024</b> | As of<br>31 December<br>2023 |
|--|----------------------------------|------------------------------|
|  | <u>RMB'000</u><br>(Unaudited)    | <u>RMB'000</u><br>(Audited)  |
| <b>Long-term treasury investments at</b>           |                                  |                              |
| – Amortised cost                                   | 1,531,370                        | 1,065,260                    |
| <b>Short-term treasury investments measured at</b> |                                  |                              |
| – Amortised cost                                   | 1,072,267                        | 354,135                      |
| – Fair value through profit or loss                | <u>1,938,812</u>                 | <u>1,232,991</u>             |
| <b>Total</b>                                       | <b><u>4,542,449</u></b>          | <b><u>2,652,386</u></b>      |

Our treasury investments as of 30 June 2024 amounted to RMB4.5 billion, representing an increase of 71.3% as compared with RMB2.7 billion as of 31 December 2023. This increase was primarily driven by our efforts to better utilise our cash position in order to boost financial returns while maintaining safety and liquidity of the overall capital.

### ***Restricted Cash***

The restricted cash primarily consists of security deposits held in designated bank accounts for issuance of bills payable and letters of guarantee.

The below table sets forth the breakdown of restricted cash as of the dates indicated.

|                     | As of<br><b>30 June<br/>2024</b>            | As of<br>31 December<br>2023              |
|---------------------|---|---|
|                     | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Audited)</b> |
| Non-current portion | <b>92,799</b>                               | 7,799                                     |
| Current portion     | <b>1,068,909</b>                            | 1,454,795                                 |
| <b>Total</b>        | <b><u>1,161,708</u></b>                     | <b><u>1,462,594</u></b>                   |

### ***Cash and Cash Equivalents***

Cash and cash equivalents primarily consist of cash at bank and in hand and time deposits with original maturities within three months.

The below table sets forth the breakdown of cash and cash equivalents as of the dates indicated.

|  | As of<br><b>30 June<br/>2024</b>            | As of<br>31 December<br>2023              |
|--|---|---|
|  | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Audited)</b> |
| Cash at banks and on hand                                  | <b>1,055,548</b>                            | 1,270,354                                 |
| Time deposits with original maturities within three months | <b>300,033</b>                              | 1,444,931                                 |
| <b>Total</b>   | <b><u>1,355,581</u></b>                     | <b><u>2,715,285</u></b>                   |

## ***Trade and Bills Payable***

Trade and bills payables represent payable to suppliers from whom we purchase auto products and payable to service providers for services provided.

The below table sets forth the breakdown of trade and bills payable as of the dates indicated.

|                | As of<br><b>30 June<br/>2024</b> | As of<br>31 December<br>2023 |
|----------------|----------------------------------|------------------------------|
|                | <u><i>RMB'000</i></u>            | <u><i>RMB'000</i></u>        |
|                | <b>(Unaudited)</b>               | <b>(Audited)</b>             |
| Trade payables | <b>694,194</b>                   | 965,351                      |
| Bills payable  | <b>3,131,733</b>                 | 2,921,405                    |
| <b>Total</b>   | <b><u>3,825,927</u></b>          | <b><u>3,886,756</u></b>      |

Our trade and bills payable as of 30 June 2024 amounted to RMB3.8 billion, representing a decrease of 1.6% as compared with RMB3.9 billion as of 31 December 2023. This decrease was primarily attributed to the settlement of outstanding balances with several suppliers during the first half of 2024.

## **Financial Ratios**

The following table sets forth certain of the key financial ratios as of the dates or for the periods indicated:

|  | As of<br><b>30 June<br/>2024</b>            | As of<br>31 December<br>2023 |
|--|---|------------------------------|
|  | <u><i>RMB'000</i></u>                       | <u><i>RMB'000</i></u>        |
|  | <b>(Unaudited)</b>                          | <b>(Audited)</b>             |
| Gearing ratio <sup>(1)</sup>                                 | <b><u>60.8%</u></b>                         | <u>62.1%</u>                 |
|  | <b>For the six months<br/>ended 30 June</b> |                              |
|  | <u><b>2024</b></u>                          | <u>2023</u>                  |
|  | <u><i>RMB'000</i></u>                       | <u><i>RMB'000</i></u>        |
|  | <b>(Unaudited)</b>                          | <b>(Unaudited)</b>           |
| Total revenue growth rate <sup>(2)</sup>                     | <b>9.3%</b>                                 | 19.3%                        |
| Gross profit margin <sup>(3)</sup>                           | <b>25.9%</b>                                | 24.2%                        |
| Adjusted EBITDA margin (non-IFRS measure) <sup>(4)</sup>     | <b>6.3%</b>                                 | 5.4%                         |
| Adjusted net profit margin (non-IFRS measure) <sup>(5)</sup> | <b><u>5.0%</u></b>                          | <u>3.3%</u>                  |

Notes:

- (1) Gearing ratio equals total liabilities divided by total assets as of the end of the period/year.
- (2) Revenue growth rate equals revenue growth divided by revenue for the previous period.
- (3) Gross margin equals gross profit divided by revenue for the period.
- (4) Adjusted EBITDA margin equals adjusted EBITDA (non-IFRS measure) divided by revenue for the period.
- (5) Adjusted net profit margin equals adjusted net profit (non-IFRS measure) divided by revenue for the period.

## Liquidity and Capital Resources

For the six months ended 30 June 2024, we funded our cash requirements principally from cash generated from our operations and net proceeds from the Global Offering. Our cash position (includes cash and cash equivalents, treasury investments and restricted cash) increased by 3.4% from RMB6.8 billion as of 31 December 2023 to RMB7.1 billion as of 30 June 2024.

### Selected Consolidated Cash Flow Data

|   | <b>For the six months<br/>ended 30 June</b> |                  |
|---|---|------------------|
|   | <b>2024</b>                                 | 2023             |
|   | <b><i>RMB'000</i></b>                       | <i>RMB'000</i>   |
|   | <b>(Unaudited)</b>                          | (Unaudited)      |
| Net cash flows from operating activities                    | <b>718,700</b>                              | 714,831          |
| Net cash flows used in investing activities                 | <b>(1,981,416)</b>                          | (267,164)        |
| Net cash flows used in financing activities                 | <b>(105,540)</b>                            | (7,817)          |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(1,368,256)</b>                          | 439,850          |
| Cash and cash equivalents at the beginning of the period    | <b>2,715,285</b>                            | 2,686,353        |
| Effect of foreign exchange rate changes, net                | <b>8,552</b>                                | 67,641           |
| <b>Cash and cash equivalents at the end of the period</b>   | <b><u>1,355,581</u></b>                     | <u>3,193,844</u> |

### *Net Cash Flows from Operating Activities*

Net cash flows from operating activities for the six months ended 30 June 2024 was RMB718.7 million, which was mainly attributable to our profit before tax of RMB289.1 million, as adjusted by (i) non-cash and non-operating items, primarily consisted of share-based payments expenses of RMB73.8 million, depreciation of right-of-use assets of RMB88.2 million and depreciation of property, plant and equipment of RMB77.7 million; and (ii) changes in working capital, primarily resulted from a decrease in inventories of RMB161.8 million and a decrease in restricted cash of RMB143.9 million, partially offset by the decrease in other payable and accruals of RMB86.5 million and a decrease in trade and bills payables of RMB60.8 million.

### ***Net Cash Flows Used in Investing Activities***

Net cash flows used in investing activities for the six months ended 30 June 2024 was RMB2.0 billion, which was mainly attributable to purchase of treasury investments of RMB4.4 billion and purchases of property, plant and equipment of RMB186.5 million, partially offset by proceeds from treasury investments of RMB2.6 billion and interest income of RMB46.0 million.

### ***Net Cash Flows Used in Financing Activities***

Net cash flows used in financing activities for the six months ended 30 June 2024 was RMB105.5 million, which was mainly attributable to repurchase of ordinary shares of RMB185.6 million and the principal portion of lease payments of RMB69.2 million, partially offset by the decrease in restricted cash of RMB156.7 million.

### **Contingent Liabilities and Guarantees**

As of 30 June 2024, we did not have any material contingent liabilities or guarantees.

### **Capital Expenditures**

Our capital expenditures primarily consisted of payments for property, plant and equipment, payments for land use rights and payments for other intangible assets.

Our capital expenditures amounted to RMB186.8 million during the six months ended 30 June 2024, representing an increase of 11.7% as compared with RMB167.2 million during the same period in 2023. We plan to fund our future capital expenditures by our internal resources including our cash and cash equivalents and the net proceeds received from the Global Offering.

### **Capital Commitments**

Capital commitments were primarily related to the construction of new automated warehouses and scheduled to be paid within one to two years.

Our capital commitments amounted to RMB120.2 million as of 30 June 2024, representing a decrease of 42.4% as compared with RMB208.8 million as of 31 December 2023.

### **Charges on Assets**

As of 30 June 2024, our Group did not have any charge on its assets.

## **Future Plans for Material Investments**

As of the date of this announcement, save for the “Future Plans and Use of Proceeds” disclosed in the Prospectus, our Group does not have any concrete committed plans for material investments and capital assets for disclosure.

## **Foreign Exchange Risk and Hedging**

We operate our businesses mainly in the PRC and nearly all operational transactions are conducted in RMB. Our foreign currency exposures mainly arise from the bank balances denominated in US\$ held by our subsidiaries incorporated in the PRC. We currently do not have a foreign currency hedging policy. However, we manage foreign exchange risks by closely monitoring our foreign exchange exposure and will consider hedging against significant foreign exchange risks should the need arise.

## **Material Acquisitions, Significant Investments and Disposals**

For the six months ended 30 June 2024, we did not make any material acquisitions, significant investments or disposals of subsidiaries, associates and joint ventures.

## **Employees and Remuneration**

As of 30 June 2024, we had a total of 4,506 employees (as of 30 June 2023: 4,691). For the six months ended 30 June 2024, we incurred total remuneration costs of RMB807.1 million (for the six months ended 30 June 2023: RMB838.7 million). The remuneration packages of our employees include wages, salaries and allowances, pension scheme contributions and share-based payment expense, the amount of which is generally determined by their qualifications, industry experience, position and performance. We contribute to social insurance and housing provident funds as required by the PRC laws and regulations.

To maintain the quality, knowledge and skill levels of the workforce, our Group provides regular and specialised trainings tailored to the needs of employees in different departments, including regular training sessions conducted by senior employees or third-party consultants covering various aspects of our business operations.

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

|   | Notes | For the six months<br>ended 30 June |                               |
|---|-------|-------------------------------------|-------------------------------|
|   |       | 2024                                | 2023                          |
|   |       | <i>RMB'000</i><br>(Unaudited)       | <i>RMB'000</i><br>(Unaudited) |
| Revenue   | 4     | 7,126,161                           | 6,521,629                     |
| Cost of revenue   |       | (5,280,396)                         | (4,943,520)                   |
| Gross profit  |       | 1,845,765                           | 1,578,109                     |
| Other income and gains, net   |       | 21,042                              | 83,223                        |
| Operations and support expenses   |       | (283,086)                           | (272,020)                     |
| Research and development expenses   |       | (302,041)                           | (297,957)                     |
| Selling and marketing expenses  |       | (908,125)                           | (841,540)                     |
| General and administrative expenses   |       | (186,081)                           | (185,454)                     |
| Fair value changes on financial assets<br>at fair value through profit or loss      |       | 24,410                              | 2,370                         |
| Operating profit  |       | 211,884                             | 66,731                        |
| Finance income  | 5     | 90,443                              | 61,640                        |
| Finance costs   | 5     | (8,635)                             | (9,479)                       |
| Fair value changes of convertible redeemable<br>preferred shares                    |       | –                                   | (47,161)                      |
| Share of profits and losses of joint ventures<br>and associates                     |       | (4,582)                             | (1,595)                       |
| <b>PROFIT BEFORE TAX</b>  | 6     | 289,110                             | 70,136                        |
| Income tax expense  | 7     | (4,778)                             | (10,649)                      |
| <b>PROFIT FOR THE PERIOD</b>  |       | <b>284,332</b>                      | <b>59,487</b>                 |
| Attributable to:  |       |                                     |                               |
| Owners of the parent  |       | 285,549                             | 60,264                        |
| Non-controlling interests   |       | (1,217)                             | (777)                         |
|   |       | <b>284,332</b>                      | <b>59,487</b>                 |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE PARENT</b> |       |                                     |                               |
| Basic (RMB)   | 9     | 0.4                                 | 0.4                           |
| Diluted (RMB)   | 9     | 0.3                                 | 0.1                           |

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | <b>For the six months<br/>ended 30 June</b> |                  |
|--|---|------------------|
|  | <u>2024</u>                                 | <u>2023</u>      |
|  | <i>RMB'000</i>                              | <i>RMB'000</i>   |
|  | (Unaudited)                                 | (Unaudited)      |
| <b>PROFIT FOR THE PERIOD</b>   | <b>284,332</b>                              | <b>59,487</b>    |
| <b>OTHER COMPREHENSIVE INCOME</b>  |   |                  |
| Other comprehensive loss that will be reclassified to profit or loss in subsequent periods:              |   |                  |
| Exchange differences on translation of the financial statements of the subsidiaries of the Company       | <u>(51,885)</u>                             | <u>(351,738)</u> |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: |   |                  |
| Equity investments designated at fair value through other comprehensive income/(loss):                   |   |                  |
| Changes in fair value  | (37,622)                                    | 84,054           |
| Exchange differences on translation of the financial statements of the Company                           | <u>74,597</u>                               | <u>(389,834)</u> |
| <b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>   | <b>(14,910)</b>                             | <b>(657,518)</b> |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>  | <b>269,422</b>                              | <b>(598,031)</b> |
| Attributable to:   |   |                  |
| Owners of the parent   | 270,639                                     | (597,254)        |
| Non-controlling interests  | <u>(1,217)</u>                              | <u>(777)</u>     |
|  | <b>269,422</b>                              | <b>(598,031)</b> |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|   | <i>Note</i> | As of<br>30 June<br>2024      | As of<br>31 December<br>2023 |
|---|-------------|-------------------------------|------------------------------|
|   |             | <u>RMB'000</u><br>(Unaudited) | <u>RMB'000</u><br>(Audited)  |
| <b>NON-CURRENT ASSETS</b>   |             |                               |                              |
| Property, plant and equipment   |             | 1,002,436                     | 899,188                      |
| Right-of-use assets   |             | 460,799                       | 466,946                      |
| Goodwill  |             | 20,323                        | 20,323                       |
| Other intangible assets   |             | 56,093                        | 57,804                       |
| Long-term treasury investments  |             | 1,531,370                     | 1,065,260                    |
| Financial investments at fair value through profit or loss                        |             | 177,508                       | 191,043                      |
| Investments in joint ventures and associates                                      |             | 383,312                       | 362,612                      |
| Equity investments designated at fair value through<br>other comprehensive income |             | 320,626                       | 356,240                      |
| Restricted cash   |             | 92,799                        | 7,799                        |
| Other non-current assets  |             | 30,487                        | 66,189                       |
|   |             | <u>4,075,753</u>              | <u>3,493,404</u>             |
| Total non-current assets  |             |                               |                              |
| <b>CURRENT ASSETS</b>   |             |                               |                              |
| Inventories   |             | 1,637,213                     | 1,799,796                    |
| Trade receivables   | 10          | 206,042                       | 218,179                      |
| Prepayments, other receivables and other assets                                   |             | 424,332                       | 496,100                      |
| Short-term treasury investments   |             | 3,011,079                     | 1,587,126                    |
| Restricted cash   |             | 1,068,909                     | 1,454,795                    |
| Cash and cash equivalents   |             | 1,355,581                     | 2,715,285                    |
|   |             | <u>7,703,156</u>              | <u>8,271,281</u>             |
| Total current assets  |             |                               |                              |

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

|  | <i>Note</i> | As of<br><b>30 June<br/>2024</b>     | As of<br>31 December<br>2023       |
|--|-------------|--------------------------------------|------------------------------------|
|  |             | <u>RMB'000</u><br><b>(Unaudited)</b> | <u>RMB'000</u><br><b>(Audited)</b> |
| <b>CURRENT LIABILITIES</b>                         |             |                                      |                                    |
| Trade and bills payables                           | 11          | 3,825,927                            | 3,886,756                          |
| Other payables and accruals                        |             | 1,594,774                            | 1,719,505                          |
| Contract liabilities                               |             | 745,638                              | 742,667                            |
| Interest-bearing borrowings                        |             | 1,007                                | 1,009                              |
| Tax payable  |             | 120,523                              | 120,096                            |
| Lease liabilities                                  |             | 147,600                              | 132,320                            |
|  |             | <u>6,435,469</u>                     | <u>6,602,353</u>                   |
| Total current liabilities                          |             | <u>6,435,469</u>                     | <u>6,602,353</u>                   |
| <b>NET CURRENT ASSETS</b>                          |             | <u>1,267,687</u>                     | <u>1,668,928</u>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>       |             | <u>5,343,440</u>                     | <u>5,162,332</u>                   |
| <b>NON-CURRENT LIABILITIES</b>                     |             |                                      |                                    |
| Interest-bearing borrowings                        |             | 7,000                                | 7,500                              |
| Contract liabilities                               |             | 57,599                               | 58,777                             |
| Lease liabilities                                  |             | 221,784                              | 223,840                            |
| Deferred tax liabilities                           |             | 7,391                                | 7,391                              |
| Other non-current liabilities                      |             | 433,683                              | 406,505                            |
|  |             | <u>727,457</u>                       | <u>704,013</u>                     |
| Total non-current liabilities                      |             | <u>727,457</u>                       | <u>704,013</u>                     |
| <b>Net assets</b>                                  |             | <u>4,615,983</u>                     | <u>4,458,319</u>                   |
| <b>EQUITY</b>                                      |             |                                      |                                    |
| <b>Equity attributable to owners of the parent</b> |             |                                      |                                    |
| Share capital                                      |             | 116                                  | 118                                |
| Reserves   |             | 4,618,737                            | 4,459,854                          |
|  |             | <u>4,618,853</u>                     | <u>4,459,972</u>                   |
| Non-controlling interests                          |             | <u>(2,870)</u>                       | <u>(1,653)</u>                     |
| <b>Total equity</b>                                |             | <u>4,615,983</u>                     | <u>4,458,319</u>                   |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|   | <i>Notes</i> | For the six months<br>ended 30 June         |   |
|---|--------------|---|---|
|   |              | 2024  | 2023  |
|   |              | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |   |   |
| Profit before tax   | 6            | 289,110                                     | 70,136                                      |
| Adjustments for:  |              |   |   |
| Finance income  | 5            | (90,443)                                    | (61,640)                                    |
| Finance costs   | 5            | 8,635                                       | 9,479                                       |
| Dividend income   |              | –   | (1,778)                                     |
| Share of profits and losses of joint ventures and associates                          |              | 4,582                                       | 1,595                                       |
| Fair value changes of convertible redeemable preferred shares                         |              | –   | 47,161                                      |
| Fair value changes of financial assets at fair value through profit or loss           |              | (24,410)                                    | (122)                                       |
| Share-based payment expenses  |              | 73,832                                      | 95,413                                      |
| Loss on disposal of property, plant and equipment                                     |              | 360   | 406   |
| Foreign exchange differences  |              | (881)                                       | (21,533)                                    |
| Depreciation of property, plant and equipment   |              | 77,734                                      | 79,001                                      |
| Depreciation of right-of-use assets   |              | 88,247                                      | 97,951                                      |
| Amortisation of other intangible assets   |              | 2,504                                       | 2,337                                       |
| (Reversal of impairment)/impairment losses on trade receivables and other receivables | 6            | (4,491)                                     | 10,356                                      |
| Write-down of inventories   | 6            | 772   | 23,993                                      |
| Termination of leases   |              | 284   | (533)                                       |
|   |              | <b>425,835</b>                              | 352,222                                     |
| Decrease in inventories   |              | 161,811                                     | 99,769                                      |
| Decrease/(increase) in trade receivables  |              | 15,835                                      | (34,711)                                    |
| Decrease in prepayments, other receivables and other assets                           |              | 90,195                                      | 35,812                                      |
| Decrease in other non-current assets  |              | 3,908                                       | 717   |
| Decrease in restricted cash   |              | 143,867                                     | 160,402                                     |
| (Decrease)/increase in trade and bills payables                                       |              | (60,829)                                    | 41,077                                      |
| (Decrease)/increase in other payables and accruals                                    |              | (86,542)                                    | 29,009                                      |
| Increase in contract liabilities  |              | 1,793                                       | 16,025                                      |
| Increase in other non-current liabilities   |              | 27,178                                      | 16,078                                      |
|   |              | <b>723,051</b>                              | 716,400                                     |
| Cash generated from operations  |              | <b>723,051</b>                              | 716,400                                     |
| Income tax paid   |              | (4,351)                                     | (1,569)                                     |
| Net cash flows from operating activities  |              | <b>718,700</b>                              | 714,831                                     |

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(CONTINUED)**

|  | <b>For the six months<br/>ended 30 June</b> |                         |
|--|---|-------------------------|
|  | <b>2024</b>                                 | <b>2023</b>             |
|  | <b><i>RMB'000</i></b>                       | <b><i>RMB'000</i></b>   |
|  | <b>(Unaudited)</b>                          | <b>(Unaudited)</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |   |                         |
| Dividends received from a joint venture  | 4   | 5,241                   |
| Dividends received from financial investments at fair value through profit or loss   | –   | 1,778                   |
| Purchase of items of property, plant and equipment                                   | <b>(186,540)</b>                            | (165,207)               |
| Proceeds from disposal of items of property, plant and equipment                     | 92  | –                       |
| Purchase of other intangible assets  | <b>(277)</b>                                | (2,009)                 |
| Purchase of financial investments at fair value through profit or loss               | <b>(1,473)</b>                              | (15,801)                |
| Proceeds from disposal of financial investments at fair value through profit or loss | <b>1,208</b>                                | 40,575                  |
| Purchase of treasury investments   | <b>(4,382,970)</b>                          | (324,599)               |
| Proceeds from treasury investments   | <b>2,552,488</b>                            | 198,222                 |
| Acquisition of a subsidiary  | –   | 31,111                  |
| Purchase of shareholdings in a joint venture   | <b>(10,436)</b>                             | (100,000)               |
| Repayment of loans to related parties  | –   | 736                     |
| Repayment of loans to equity investees and others                                    | <b>456</b>                                  | 18,680                  |
| Interest received  | <b>46,032</b>                               | 44,109                  |
| Net cash flows used in investing activities  | <b><u>(1,981,416)</u></b>                   | <b><u>(267,164)</u></b> |

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(CONTINUED)**

|  | <b>For the six months<br/>ended 30 June</b> |   |
|--|---|---|
|  | <b>2024</b>                                 | <b>2023</b>                                 |
|  | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |
| Principal portion of lease payments  | (69,159)                                    | (87,592)                                    |
| Interest portion of lease payments   | (8,496)                                     | (9,453)                                     |
| Decrease in deposits of leases   | 2,827                                       | 952   |
| Interest paid  | (140)                                       | (81)  |
| Repayments of interest-bearing borrowings  | (500)                                       | –   |
| Purchase of non-controlling interest   | (1,147)                                     | –   |
| Repurchase and cancellation of ordinary shares   | (185,590)                                   | –   |
| Increase in restricted cash  | –   | (289,588)                                   |
| Decrease in restricted cash  | 156,665                                     | 377,945                                     |
|  | <u>(105,540)</u>                            | <u>(7,817)</u>                              |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH<br/>EQUIVALENTS</b>  |   |   |
|  | (1,368,256)                                 | 439,850                                     |
| Cash and cash equivalents at beginning of period   | 2,715,285                                   | 2,686,353                                   |
| Effect of foreign exchange rate changes, net   | 8,552                                       | 67,641                                      |
|  | <u>1,355,581</u>                            | <u>3,193,844</u>                            |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>  |   |   |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH<br/>EQUIVALENTS</b>   |   |   |
| Cash at banks and on hand  | 1,055,548                                   | 1,589,716                                   |
| Time deposits with original maturities within three months   | 300,033                                     | 1,604,128                                   |
|  | <u>1,355,581</u>                            | <u>3,193,844</u>                            |
| <b>CASH AND CASH EQUIVALENTS AS STATED IN<br/>THE INTERIM CONDENSED CONSOLIDATED<br/>STATEMENT OF CASH FLOWS</b> |   |   |
|  | <u>1,355,581</u>                            | <u>3,193,844</u>                            |

## NOTES TO THE FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

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

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The new and revised standards have had no significant financial effect on these financial statements.

### 3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during the period, and the Group's total assets as at 30 June 2024 were derived from one single operating segment.

#### **Geographical information**

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

Segment assets exclude deferred tax assets, tax recoverable, financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

#### **Information about major customers**

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

#### 4. REVENUE

An analysis of revenue is as follows:

##### Disaggregated revenue information

|   | <b>For the six months ended 30 June</b> |                                      |
|---|---|--------------------------------------|
|   | <b>2024</b>                             | <b>2023</b>                          |
|   | <b>RMB'000</b><br><b>(Unaudited)</b>    | <b>RMB'000</b><br><b>(Unaudited)</b> |
| <i>Revenue from contracts with customers:</i> |   |                                      |
| Automotive products and services              | <b>6,643,280</b>                        | 6,058,798                            |
| Advertising, franchise and other services     |   |                                      |
| Franchise services                            | <b>378,265</b>                          | 356,528                              |
| Advertising services                          | <b>48,045</b>                           | 39,418                               |
| Others  | <b>56,571</b>                           | 66,885                               |
| <b>Total</b>                                  | <b>7,126,161</b>                        | <b>6,521,629</b>                     |

|   | <b>For the six months ended 30 June</b> |                                      |
|---|---|--------------------------------------|
|   | <b>2024</b>                             | <b>2023</b>                          |
|   | <b>RMB'000</b><br><b>(Unaudited)</b>    | <b>RMB'000</b><br><b>(Unaudited)</b> |
| <i>Timing of revenue recognition</i>      |   |                                      |
| <i>Services transferred over time:</i>    |   |                                      |
| Advertising, franchise and other services |   |                                      |
| Franchise services                        | <b>378,265</b>                          | 356,528                              |
| Advertising services                      | <b>48,045</b>                           | 39,418                               |
| Others                                    | <b>3,677</b>                            | 3,840                                |
| <i>At a point in time:</i>                |   |                                      |
| Automotive products and services          | <b>6,643,280</b>                        | 6,058,798                            |
| Advertising, franchise and other services |   |                                      |
| Others                                    | <b>52,894</b>                           | 63,045                               |
| <b>Total</b>                              | <b>7,126,161</b>                        | <b>6,521,629</b>                     |

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:

|   | <b>For the six months ended 30 June</b> |                                      |
|---|---|--------------------------------------|
|   | <b>2024</b>                             | <b>2023</b>                          |
|   | <b>RMB'000</b><br><b>(Unaudited)</b>    | <b>RMB'000</b><br><b>(Unaudited)</b> |
| Automotive products and services          | <b>442,724</b>                          | 288,368                              |
| Advertising, franchise and other services | <b>114,636</b>                          | 176,084                              |
| <b>Total</b>                              | <b>557,360</b>                          | <b>464,452</b>                       |

## 5. FINANCE INCOME/(COSTS)

An analysis of finance income/(costs) is as follows:

|                               | <b>For the six months ended 30 June</b> |                                      |
|-------------------------------|---|--------------------------------------|
|                               | <b>2024</b>                             | <b>2023</b>                          |
|                               | <b>RMB'000</b><br><b>(Unaudited)</b>    | <b>RMB'000</b><br><b>(Unaudited)</b> |
| <b>Finance income</b>         |   |                                      |
| Interest income               | <b>90,443</b>                           | 61,640                               |
| <b>Finance costs</b>          |   |                                      |
| Interest on bank loans        | <b>(139)</b>                            | (26)                                 |
| Interest on lease liabilities | <b>(8,496)</b>                          | (9,453)                              |
|                               | <b>(8,635)</b>                          | (9,479)                              |

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

|   | <b>For the six months ended 30 June</b> |                                      |
|---|---|--------------------------------------|
|   | <b>2024</b>                             | <b>2023</b>                          |
|   | <b>RMB'000</b><br><b>(Unaudited)</b>    | <b>RMB'000</b><br><b>(Unaudited)</b> |
| Cost of revenue*  | <b>5,112,765</b>                        | 4,733,594                            |
| Depreciation of property, plant and equipment   | <b>77,734</b>                           | 79,001                               |
| Depreciation of right-of-use assets   | <b>88,247</b>                           | 97,951                               |
| Amortisation of other intangible assets   | <b>2,504</b>                            | 2,337                                |
| Fair value changes of convertible redeemable preferred shares                         | <b>–</b>                                | 47,161                               |
| Lease payments not included in the measurement of lease liabilities                   | <b>14,665</b>                           | 26,086                               |
| Employee benefit expenses (including directors' remuneration):                        |   |                                      |
| Wages, salaries and allowances  | <b>680,061</b>                          | 704,012                              |
| Pension scheme contributions  | <b>53,190</b>                           | 62,547                               |
| Share-based payment expenses  | <b>73,832</b>                           | 72,150                               |
| Share-based payment expenses of consultants   | <b>–</b>                                | 23,263                               |
| Foreign exchange differences, net   | <b>(881)</b>                            | (21,533)                             |
| (Reversal of impairment)/impairment losses on trade receivables and other receivables | <b>(4,491)</b>                          | 10,356                               |
| Write-down of inventories   | <b>772</b>                              | 23,993                               |
| Advertising and promotion related expenses  | <b>471,006</b>                          | 372,833                              |
| Shipping expenses   | <b>192,872</b>                          | 196,945                              |
| Listing expenses  | <b>–</b>                                | 11,984                               |
| Finance income  | <b>(90,443)</b>                         | (61,640)                             |
| Interest on bank loans, overdrafts and other loans                                    | <b>139</b>                              | 26                                   |
| Interest on lease liabilities   | <b>8,496</b>                            | 9,453                                |

\* The amount of cost of revenue as stated herein excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, write-down of inventories, employee benefit expenses, short-term lease expenses and shipping expenses.

## 7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Company and the Group’s subsidiary incorporated in the Cayman Islands and the BVI are not subject to any income tax.

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Certain PRC subsidiaries were accredited as high and new-tech enterprises by the relevant authorities, therefore, the preferential income tax rate of 15% was applied. Except for this, the PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group’s PRC subsidiaries.

|                           | <b>For the six months ended 30 June</b> |                       |
|---------------------------|---|-----------------------|
|                           | <b>2024</b>                             | <b>2023</b>           |
|                           | <b><i>RMB’000</i></b>                   | <b><i>RMB’000</i></b> |
|                           | <b>(Unaudited)</b>                      | <b>(Unaudited)</b>    |
| Current income tax        | <b>4,778</b>                            | 10,649                |
| Tax charge for the period | <b>4,778</b>                            | 10,649                |

## 8. DIVIDEND

No dividend has been paid or declared by the Company and its subsidiaries during the six months ended 30 June 2024 and 2023.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

**9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)**

The calculation of basic and diluted earnings per share is based on:

|   | <b>For the six months ended 30 June</b> |                               |
|---|---|-------------------------------|
|   | <b>2024</b>                             | <b>2023</b>                   |
|   | <i>RMB'000</i><br>(Unaudited)           | <i>RMB'000</i><br>(Unaudited) |
| <b>Earnings</b>   |   |                               |
| Profit attributable to ordinary equity holders of the parent  | <b>285,549</b>                          | 60,264                        |
| Fair value changes on convertible redeemable preferred shares   | –                                       | 47,161                        |
|   | <b>285,549</b>                          | 107,425                       |
| Adjusted profit attributable to ordinary equity holders of the parent   | <b>285,549</b>                          | 107,425                       |
|   |   |                               |
|   | <b>For the six months ended 30 June</b> |                               |
|   | <b>2024</b>                             | <b>2023</b>                   |
|   | <i>Number of shares</i>                 |                               |
| <b>Shares</b>   |   |                               |
| Weighted average number of ordinary shares in issue (thousand) during the period used in the basic earnings per share calculation | <b>813,848</b>                          | 144,151                       |
| Effect of dilution – weighted average number of ordinary shares:  |   |                               |
| Number of ordinary shares resulting from conversion of convertible redeemable preferred shares (thousand)                         | –                                       | 615,501                       |
| Share options and restricted share units (thousand)   | <b>26,480</b>                           | –                             |
| Number of ordinary shares used to calculate diluted earnings per share (thousand)   | <b>840,328</b>                          | 759,652                       |
| Basic earnings per share (RMB)  | <b>0.4</b>                              | 0.4                           |
| Diluted earnings per share (RMB)  | <b>0.3</b>                              | 0.1                           |

The Group has two categories of dilutive potential ordinary shares, which are convertible redeemable preferred shares and share options. For the six months ended 30 June 2023, diluted earnings per share was calculated by considering that the share options were excluded from the diluted weighted average number of ordinary shares calculation as they could not be exercised until the Company completes its IPO and such contingent events had not taken place. For the six months ended 30 June 2024, the calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the share options and restricted share units, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings 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.

## 10. TRADE RECEIVABLES

An ageing analysis of the Group's trade receivables, based on the transaction date and net of loss allowance, as at the end of the reporting period is as follows:

|                | As of<br><b>30 June</b><br><b>2024</b>      | As of<br>31 December<br>2023              |
|----------------|---|---|
|                | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Audited)</b> |
| Within 1 month | 118,636                                     | 184,535                                   |
| 2 to 3 months  | 54,522                                      | 19,586                                    |
| 4 to 6 months  | 19,331                                      | 11,561                                    |
| 7 to 12 months | 13,553                                      | 2,497                                     |
| Total          | <b>206,042</b>                              | <b>218,179</b>                            |

## 11. TRADE AND BILLS PAYABLES

|                | As of<br><b>30 June</b><br><b>2024</b>      | As of<br>31 December<br>2023              |
|----------------|---|---|
|                | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Audited)</b> |
| Trade payables | 694,194                                     | 965,351                                   |
| Bills payable  | 3,131,733                                   | 2,921,405                                 |
| Total          | <b>3,825,927</b>                            | <b>3,886,756</b>                          |

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:

|                 | As of<br><b>30 June</b><br><b>2024</b>      | As of<br>31 December<br>2023              |
|-----------------|---|---|
|                 | <b><i>RMB'000</i></b><br><b>(Unaudited)</b> | <b><i>RMB'000</i></b><br><b>(Audited)</b> |
| Within 3 months | 2,694,582                                   | 2,914,437                                 |
| 3 to 6 months   | 1,123,044                                   | 963,231                                   |
| 6 to 12 months  | 2,611                                       | 2,164                                     |
| Over 1 year     | 5,691                                       | 6,924                                     |
| Total           | <b>3,825,927</b>                            | <b>3,886,756</b>                          |

The trade and bills payables are non-interest-bearing. Trade payables are normally settled on 30-days to 90-days terms. Bills payables generally have a longer payment term of 3 to 6 months.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Interim Dividends

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

### Use of Proceeds from the Global Offering

The net proceeds (the “**Net Proceeds**”) received by our Company from the Global Offering (including partial exercise of the over-allotment option), after deduction of the underwriting commission and other expenses payable by us in connection with the Global Offering, were approximately HK\$1,273.3 million.

As of the date of this announcement, there is no change in the intended use of Net Proceeds as previously disclosed in the Prospectus. Our Group will utilise the Net Proceeds in accordance with the intended purposes as set out in the Prospectus. Please refer to “Future Plans and Use of Proceeds” in the Prospectus for details.

As of 30 June 2024, our Group had utilised the Net Proceeds as set out in the table below:

| Description  | Percentage to the Net Proceeds | Allocation of the Net Proceeds<br><i>(HK\$ in millions)</i> | Unutilised amount                                   | Utilised amount   | Unutilised amount                               | Expected timeline for utilising for the unutilised Net Proceeds |
|--|--------------------------------|---|---|---|---|---|
|  |                                |   | as of 31 December 2023<br><i>(HK\$ in millions)</i> | between 1 January 2024 to 30 June 2024<br><i>(HK\$ in millions)</i> | as of 30 June 2024<br><i>(HK\$ in millions)</i> |   |
| Enhancement of our supply chain capability   | 35.0%                          | 445.6   | 317.4   | 161.3   | 156.1   | 31 December 2025  |
| Research and development to advance our data analytics technologies and further enhance our operating efficiency                     | 20.0%                          | 254.7   | 227.7   | 29.8  | 197.9   | 31 December 2025  |
| Expanding our store network and franchisee base  | 15.0%                          | 191.0   | 110.3   | 94.7  | 15.6  | 31 December 2025  |
| Fund investment related to automotive services for NEV owners as well as investment in tools and equipment related to these services | 20.0%                          | 254.7   | 219.8   | 42.0  | 177.8   | 31 December 2025  |
| Working capital and general corporate purposes   | 10.0%                          | 127.3   | 108.9   | 14.8  | 94.1  | 31 December 2025  |
| <b>Total</b>   | <b>100.0%</b>                  | <b>1,273.3</b>  | <b>984.1</b>  | <b>342.6</b>  | <b>641.5</b>                                    |   |

### Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance standards. The principle of the Company’s corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders. We have adopted the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and regularly reviews its compliance with the Corporate Governance Code with effect from the Listing Date.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman of the board and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman of the Board and chief executive officer and Mr. Chen Min currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of our Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

To the best of our knowledge, save for code provision C.2.1 of the Corporate Governance Code, we have complied with all applicable code provisions of the Corporate Governance Code for the six months ended 30 June 2024 and up to the date of this announcement.

### **Compliance with the Model Code**

Our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiries of the Directors, we confirm that all Directors have complied with the required standard set out in the Model Code for the six months ended 30 June 2024 and up to the date of this announcement.

Our Company's senior management and employees, who are likely to be in possession of inside information of our Company, are also subject to the Model Code for securities transactions. For the six months ended 30 June 2024 and up to the date of this announcement, we did not detect any incident of non-compliance with the Model Code by our Company's relevant senior management and employees.

### **Purchase, Sale or Redemption of Listed Securities**

On 14 March 2024, the Board resolved to repurchase Class A Shares in the open market from time to time up to HK\$1.0 billion in value, pursuant to the general mandate (the "**Share Repurchase Mandate**") granted to the Directors, approved and/or subsequently refreshed or renewed by the Shareholders at the general meeting. During the period from 18 March 2024 to 22 April 2024, the Company has repurchased 12,286,900 Class A Shares on the Stock Exchange at an aggregate consideration of approximately HK\$204 million under the Share Repurchase Mandate. All shares repurchased were subsequently cancelled on 3 June 2024. Upon cancellation of such Class A Shares, Chen Min, as a WVR Beneficiary, simultaneously converted 1,030,720 Class B Shares to Class A Shares on a one-to-one ratio as required by the Listing Rules.

Particulars of the Class A Shares repurchase are as follows:

| <u>Month and year</u> | <u>Number of<br/>Class A Shares<br/>repurchased</u> | <u>Purchase price Per Class<br/>A Share</u> |                          | <u>Aggregate<br/>consideration<br/>(before expenses)<br/>(HK\$ in millions)</u> |
|-----------------------|---|---|--------------------------|---|
|                       |   | <u>Highest<br/>(HK\$)</u>                   | <u>Lowest<br/>(HK\$)</u> |   |
| March 2024            | 3,297,200   | 15.30                                       | 12.96                    | 46.2  |
| April 2024            | 8,989,700   | 18.78                                       | 14.70                    | 158.0   |
| <b>Total</b>          | <b>12,286,900</b>                                   |   |                          | <b>204.2</b>  |

On 25 June 2024, the Company announced the adoption of the Second Post-IPO Share Scheme (Existing Shares), which is funded by the existing Class A Shares only. During the period from 19 July 2024 to 23 July 2024, the trustee entrusted by the Company purchased an aggregate of 1,374,300 Class A Shares on the Stock Exchange at total consideration of approximately HK\$24.87 million pursuant to the terms and conditions of the Second Post-IPO Share Scheme (Existing Shares). Further details are set out in the voluntary announcements dated 25 June 2024 and 23 July 2024.

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

### **Audit Committee**

The Audit Committee (comprising three independent non-executive Directors, namely Ms. Yan Huiping (chairperson), Mr. Feng Wei and Mr. Wang Jingbo), after the discussion with the Auditor, has reviewed our Group's unaudited consolidated interim financial statements for the six months ended 30 June 2024. The Audit Committee has reviewed the accounting principles and practices adopted by our Company and discussed matters in respect of risk management and internal control of our Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by our Company.

Our Group's unaudited consolidated interim financial information for the six months ended 30 June 2024 have been prepared in accordance with IFRS.

### **Auditor's Procedures Performed on this Results Announcement**

The figures in respect of the Group's interim condensed financial information for the six months ended 30 June 2024 as set out in this announcement have been reviewed by the Company's Auditor, Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## Significant Events after the Reporting Period

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this announcement.

## Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([www.tuhu.cn](http://www.tuhu.cn)).

The interim report for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the same websites and despatched to the Shareholders who have requested corporate communications in printed copy in due course.

## APPRECIATION

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

By order of the Board

**TUHU Car Inc.**

**Chen Min**

*Chairman and Executive Director*

Hong Kong, 23 August 2024

*As at the date of this announcement, the Board of Directors comprises Mr. Chen Min and Mr. Hu Xiaodong as executive Directors; Mr. Yao Leiwen as non-executive Director; Ms. Yan Huiping, Mr. Feng Wei and Mr. Wang Jingbo as independent non-executive Directors.*

*Certain statements included in this announcement, other than statements of historical fact, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “might,” “can,” “could,” “will,” “would,” “anticipate,” “believe,” “continue,” “estimate,” “expect,” “forecast,” “intend,” “plan,” “seek,” or “timetable.” These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include our business outlook, estimates of financial performance, forecast business plans, growth strategies and projections of anticipated trends in our industry. These forward-looking statements are based on information currently available to our Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, many of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or our Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstance occurring after the date of this announcement or those that might reflect the occurrence of unanticipated events.*

## DEFINITIONS

|   |   |
|---|---|
| “associate(s)”                            | has the meaning ascribed to it under the Listing Rules  |
| “Audit Committee”                         | the audit committee of the Board  |
| “Auditor”                                 | Ernst & Young, an independent auditor of our Company  |
| “Board”                                   | the board of directors of our Company   |
| “Class A Shares”                          | Class A ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each, conferring a holder of a Class A Share one vote per share on any resolution tabled at our Company’s general meetings  |
| “Class B Shares”                          | Class B ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each, conferring weighted voting rights in our Company such that a holder of a Class B Share is entitled to ten votes per share on any resolution tabled at our Company’s general meetings, save for resolutions with respect to any reserved matters, in which case they shall be entitled to one vote per share |
| “China” or “the PRC”                      | the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan  |
| “Corporate Governance Code”               | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules  |
| “Company,” “our Company” or “the Company” | TUHU Car Inc., an exempted company with limited liability incorporated in the Cayman Islands on 8 July 2019   |
| “Director(s)”                             | the director(s) of our Company  |
| “Global Offering”                         | the global offering of the Class A Shares   |
| “Group,” “our Group” or “the Group”       | our Company and its subsidiaries from time to time  |
| “HK\$”                                    | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                               | the Hong Kong Special Administrative Region of the PRC  |
| “IAS”                                     | International Accounting Standards  |
| “IASB”                                    | International Accounting Standards Board  |
| “IFRS”                                    | International Financial Reporting Standards   |

|  |  |
|--|--|
| “Listing”  | the listing of the Class A Shares on the Main Board of the Stock Exchange  |
| “Listing Date”                                   | 26 September 2023  |
| “Listing Rules”                                  | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time  |
| “Model Code”                                     | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules   |
| “NEV”  | new energy vehicle   |
| “Prospectus”                                     | the prospectus issued by our Company dated 14 September 2023   |
| “Qipeilong”                                      | an auto part trading platform we built to serve our customers’ diversified, long-tail automotive product demand, especially demand arise from our walk-in customers  |
| “Renminbi,” or “RMB”                             | Renminbi, the lawful currency of China   |
| “Reporting Period”                               | the six months ended 30 June 2024  |
| “Second Post-IPO Share Scheme (Existing Shares)” | the second post-IPO share scheme (existing shares) adopted by the Company  |
| “Share(s)”                                       | the Class A Shares and Class B Shares in the share capital of our Company  |
| “Shareholder(s)”                                 | holder(s) of the Share(s)  |
| “Stock Exchange”                                 | The Stock Exchange of Hong Kong Limited  |
| “subsidiary(ies)”                                | has the meaning ascribed to it under the Listing Rules   |
| “WVR Beneficiary”                                | has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Chen Min, being the ultimate holder of the Class B Shares, entitling him to weighted voting rights |
| “%”  | per cent   |