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## XXF GROUP HOLDINGS LIMITED

### 喜相逢集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2473)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

### FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Year-on-year change
	2025 RMB'000	2024 RMB'000	
Revenue	1,862,467	1,464,084	27.2%
Gross profit	479,091	438,351	9.3%
Profit before income tax	58,453	53,368	9.5%
Profit for the year	45,805	39,729	15.3%
Adjusted net profit (non-IFRS Accounting Standard measures) (Note)	49,690	48,002	3.5%

Note: Details of the calculation of adjusted net profit are set out in the paragraph headed “Non-IFRS Accounting Standard Measures” on pages 9 to 10 of this announcement.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Introduction

We are an established automobile retailer providing automobile finance lease service primarily through our self-operated sales outlets in the PRC. The Group's principal businesses comprise: (i) automobile retail and finance, where we sell non-luxury automobiles mostly on direct finance lease; (ii) automobile-related businesses, where we primarily offer automobile operating lease service and other automobile-related services; and (iii) outright car sales business, where we sell cars on a one-off basis.

## Analysis of macroeconomic environment

In 2025, amidst a complex global landscape characterised by insufficient momentum in economic recovery, frequent geopolitical conflicts, profound adjustments to the international economic and trade rules system, and accelerated restructuring of global industrial and supply chains, China's economy demonstrated remarkable resilience and developmental potential. Economic operation exhibited an overall trend of "steady progress and steady improvement". According to data from the National Bureau of Statistics, in 2025, China's gross domestic product (GDP) surpassed the mark of RMB140 trillion for the first time, reaching RMB140,187.9 billion, representing an increase of 5.0% over the previous year at constant prices. On a quarter-on-quarter basis, seasonally adjusted GDP growth for each quarter in 2025 stood at 1.2%, 1.0%, 1.1% and 1.2% respectively, indicating stable economic performance. Concurrently, China's foreign trade structure continued to optimise in 2025, with stable growth in both imports and exports providing robust support to economic growth. Net exports of goods and services contributed 32.7% to economic growth.

## Analysis of industry environment

In 2025, Chinese government departments at all levels continued to introduce and implement a series of efficient and pragmatic policy measures, striving to promote the automobile industry towards breakthroughs amid the complex convergence of technological revolution, market transformation and global competition. Building upon and refining existing policies such as "trade-in", the focus simultaneously extends to supporting the commercialisation of advanced intelligent driving systems, enhancing the supply chain ecosystem for new energy vehicles, and incentivising low-carbon technological innovation. These measures have injected robust policy momentum into the industry's transformation and upgrading, with the automobile industry demonstrating vigorous innovation and development vitality.

China's total automobile production and sales volumes have reached new heights. Data from the China Association of Automobile Manufacturers (CAAM) indicates that in 2025, China's passenger vehicles production and sales totaled 30.27 million units and 30.103 million units respectively, representing year-on-year growth of 10.2% and 9.2% respectively. The sector maintained robust momentum throughout the year, with the market scale continuing to expand.

China's automobile industry has entered a new phase in its electrification transformation. In 2025, new energy vehicles continued to serve as the core growth engine. According to data from CAAM, China's production and sales of new energy vehicles reached 16.626 million units and 16.49 million units respectively, achieving robust year-on-year growth of 29% and 28.2%.

Automobile exports have become a significant growth driver for China's automobile industry. According to CAAM data, China's total passenger vehicle exports reached 6.038 million units in 2025, representing a year-on-year increase of 21.9%. New energy vehicles exports totaled 2.615 million units, representing a 100% year-on-year increase. In the export structure, new energy vehicles constitute the primary source of growth, while export models are evolving from single-channel trade to diversified approaches. Chinese automobile brands are accelerating their transition from "product exports" to "technology exports" and "brand exports", actively adapting to shifts in the international trade landscape to tap into broader global markets.

The scale of China's automobiles rental industry continues to expand with significant structural optimization. According to data from the China Communications and Transportation Association (中國交通運輸協會), the domestic automobiles rental market transacted RMB186 billion in the first half of the year, representing a 27% year-on-year increase. Notably, orders for new energy vehicles exceeded 50% for the first time, while demand for long-term cross-city rentals grew by over 40%. The industry remains in a rapid development phase, accelerating its evolution from a single-purpose vehicle rental service to a comprehensive mobility solutions provider covering all scenarios. The short-term rental market is projected to maintain an average annual growth rate of approximately 15% in the future. Furthermore, Chinese government policy has explicitly outlined plans to establish convenient cross-city vehicle return networks anchored around transportation hubs such as high-speed rail stations and airports to optimize the industry ecosystem and strengthen supply guarantees during peak periods, presenting clear growth pathways and strategic opportunities for enterprises possessing nationwide network operation and vehicle asset management capabilities.

### **Policy support**

During the Reporting Period, the Chinese government continued to introduce a series of supportive policies around the automobile consumption market.

On 14 January 2025, the Ministry of Commerce and seven other departments jointly issued the Notice on Implementing the 2025 Vehicle Trade-in Program (《關於做好 2025 年汽車以舊換新工作的通知》). Building upon the 2024 policy framework, this initiative focuses on "expanding coverage, stabilizing subsidies and streamlining procedures" to further drive automobile consumption upgrades and green transformation. The policy has effectively revitalized the existing consumer market, playing a pivotal role in stabilizing the overall annual automobile sales.

On 20 January 2025, the Ministry of Commerce and seven other departments jointly issued the Notice on Launching Pilot Program for Reforming Automobile Circulation and Consumption (《關於開展汽車流通消費改革試點工作的通知》). The initiative plans to organize a nationwide pilot program for reforming automobile circulation and consumption between 2025 and 2027. This policy aims to explore the removal of institutional and systemic barriers hindering automobile circulation and consumption through local pilot initiatives. It signifies a shift in China’s automobile market policy focus from solely stimulating new vehicle purchases towards comprehensively revitalizing circulation and consumption throughout the entire lifecycle.

On 16 March 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Action Plan for Boosting Consumption (《提振消費專項行動方案》), launching pilot reforms in automobile circulation and consumption. This initiative aims to expand aftermarket automobile consumption in areas such as vehicle modification, leasing, motorsports and motorhome camping, thereby injecting fresh growth momentum into the short-term car rental market and fostering a more regulated trading environment.

On 24 March 2025, the Ministry of Commerce and seven other departments issued a notice on the Special Action Plan for Accelerating the Development of Digital and Intelligent Supply Chains (《加快數智供應鏈發展專項行動計劃》), promoting facilities and equipment such as intelligent three-dimensional warehouses, automated guided vehicles and unmanned delivery vehicles to achieve intelligent coordination of people, vehicles and goods.

On 7 May 2025, the heads of China’s three major financial regulatory bodies – the People’s Bank of China, National Financial Regulatory Administration (NFRA) and China Securities Regulatory Commission (CSRC) – jointly introduced a “comprehensive package of financial policies”. This included a temporary reduction in the reserve requirement ratio for automobile finance companies and finance leasing companies from 5% to 0%, thereby injecting fresh aggregate capital support into the automobile sales and automobile finance sectors.

On 24 June 2025, six government departments – the People’s Bank of China, the National Development and Reform Commission, the Ministry of Finance, the Ministry of Commerce, the NFRA and the CSRC – jointly issued the Guiding Opinions on Financial Support for Boosting and Expanding Consumption (《關於金融支持提振和擴大消費的指導意見》). This policy aims to collectively open up the automobile consumption channel and fully stimulate the vitality of the automobile consumption market through three major financial measures, i.e. invigorating the stock of assets, optimizing credit services and reducing car replacement costs.

On 21 August 2025, the State Council issued the Opinion on Deepening the Implementation of the “Artificial Intelligence Plus” Initiative (《關於深入實施“人工智能+”行動的意見》), which clearly outlines plans to accelerate the deep integration of artificial intelligence with all sectors of the economy and society through systematic deployment, leveraging advantages in data resources, industrial systems and application scenarios. This policy will accelerate the deep coupling of AI with the real economy, fostering new quality productivity and driving the automobile industry towards accelerated evolution towards intelligence and ecological sustainability.

On 11 November 2025, four departments including the Ministry of Commerce and the Ministry of Industry and Information Technology jointly issued the Notice on Further Strengthening the Management of Used Vehicle Exports (《關於進一步加強二手車出口管理工作的通知》). The new policy aligns with industry development needs, empowering enterprises through supporting services and market expansion initiatives to drive the sector’s transition from “scale growth” to “value growth”.

## **Business review**

In 2025, the Company maintained its focus on core strategic directions, achieving steady business growth and structural optimization in intense market competition. During the Reporting Period, we recorded operating revenue of RMB1,862.5 million, representing a 27.2% increase from RMB1,464.1 million in the same period last year, gross profit reached RMB479.1 million, representing a 9.3% increase from RMB438.4 million in the same period last year, profit amounted to RMB45.8 million, a 15.3% increase from RMB39.7 million in the same period last year. The following outlines our overall business strategy and performance during the Reporting Period:

### **1. Focus on core business and consolidate key competitive strengths**

In 2025, the Group steadfastly pursued its strategy of targeting lower-tier markets. Through refined regional analysis, we continued to cultivate user demand and market potential in China's second-tier, third-tier and lower-tier cities, actively filling regional market gaps while accelerating the penetration and expansion of our self-operated sales network. For the year ended 31 December 2025, our total number of self-operated sales outlets increased further from 89 in 2024 to 112, with 23 new outlets added. Among these, 25 were multi-functional self-operated sales outlets, substantially enhancing synergies across the Group's business lines, network reach capabilities and regional coverage density.

In the automobile retail and finance business, we have responded to market demand by establishing new energy vehicles as a new growth driver. We have formally expanded into new business scenarios within 4S dealerships, thereby diversifying our revenue streams. Regarding customer acquisition, we employed a dual-pronged online-offline approach. While expanding our physical sales network, we successfully established a dedicated live-streaming team and deepened channel partnerships with leading platforms such as Tencent and Alipay. This enabled us to build an intelligent customer acquisition matrix that converts traffic from public domains to private domains, fundamentally broadening our traffic entry points. During the Reporting Period, the automobile retail and finance business achieved sales of 16,603 units, representing a year-on-year increase of 12.5%.

In the automobile-related businesses, we focused on market trends to achieve high-quality growth through deep optimization of vehicle model structures, precise cultivation of regional markets and enhanced traffic operations. This included: for new energy vehicle models, both the rental rate and per-vehicle revenue increased thanks to precise targeting and platform synergy strategies; in the western region, by leveraging the "reverse tourism" trend and optimizing the service network, we successfully created a new growth engine; we also signed a strategic agreement with "Hello Car Rental" to jointly invest and create co-branded stores that combine the brand image of "Hello Car Rental" and "XXF Group", which significantly promoted our brand promotion and business growth. During the Reporting Period, we actively participated in tenders organized by governments at various levels and large enterprises, strengthening our B2B collaboration. This resulted in the successful bidding and signing of several substantial contracts, progressively enhancing our industry influence and recognition. In summary, during the Reporting Period, the revenue of the automobile-related businesses recorded a year-on-year growth of 22.5%.

In terms of after-sales service network coverage, we provide customers with a premium service experience throughout the entire vehicle lifecycle. During the Reporting Period, we continued to expand and deepen our strategic cooperation with Tuhu Car Inc. For the year ended 31 December 2025, the Group's collaborative service network with Tuhu Car Inc. exceeded 7,000 outlets. Additionally, we integrated systems with institutions including JD AutoService (京東養車) and CARE MORE (車工坊), further optimizing our repair outlet footprint to enhance service coverage and efficiency.

## **2. Rapid growth in outright car sales business, and accelerated expansion of overseas operations**

During the Reporting Period, our outright car sales business (including domestic outright car sales business and automobile export business) experienced rapid expansion, generating sales revenue of RMB411.3 million, representing a 417.6% increase compared to the same period last year, establishing this segment as a stable growth driver alongside our core business.

In terms of domestic outright car sales business, during the Reporting Period, we leveraged our extensive self-operated sales network and the advantageous resources of automobile dealers to continuously enhance our customer cultivation capabilities on the sales side. Throughout the year, we achieved automobile sales revenue of RMB135.0 million, representing a 252.3% increase compared to the same period last year.

In terms of the automobile export business, during the Reporting Period, we accelerated overseas business expansion while continuously enhancing our integrated service capabilities, including deepening overseas market channel collaborations, optimizing our international trade service framework and developing our export service network. Regarding distribution channels, we strengthened in-depth cooperation with international trade distributors and dealers to further consolidate our market share. In response to the potential demand in the Central Asian market, in May 2025, we completed the upgrade of our wholly-owned subsidiary in Khorgos, effectively enhancing our service capacity and quality for the Central Asian market. Through these measures, our client base has steadily accumulated and expanded, sales capabilities have improved, and export business has demonstrated stable growth. Our business spans Southeast Asia, the Middle East, Central Asia, Africa, and South America, with particularly notable sales growth in Central Asia and the Middle East. Annual automobile export revenue reached RMB276.3 million, representing a 571.5% increase compared to the same period last year.

In terms of international market expansion, we have accelerated the establishment of overseas subsidiaries. In May 2025, our wholly-owned subsidiary in Tashkent was formally established and commenced operations in Tashkent, Uzbekistan. This marked the Group's direct entry into overseas markets officially, introducing China's comprehensive and diversified automobile service solutions to the local market, actively serving local customer needs and developing the regional market. In December 2025, the Group established a subsidiary in Almaty, Kazakhstan, completing the initial framework of our international business network across Central Asia. As each overseas subsidiary systematically implements localized operations, establishing local systems covering both sales and service, the Group's brand influence continues to strengthen.

### **3. Enhance technological empowerment to improve operational and service efficiency**

In 2025, the Group steadfastly pursued its "Technology-Driven" strategy, leveraging dual drivers of digitalization and intelligence to comprehensively reshape the operation and service efficiency of the Company. During the Reporting Period, the Group deployed nearly 200 "digital employees" to automate processes, doubling the number of digital employees compared to the same period last year. This replacement of manual operation yielded significant efficiency gains. In risk management, the Company focused on building an intelligent risk control technology foundation. By developing precise models and automated early warning tools, it strengthened capabilities for early identification and real-time management of high-risk clients, establishing a robust technological defense for steady business development. In terms of the service network, integration with WeCom service robots and proprietary AI intelligent outbound call products enabled rapid response times, markedly improving service efficiency and user experience. Regarding business synergy, the Group successfully launched an integrated solution combining "software products + specialized implementation services from the IT Center". This initiative expanded its end customers, marking a substantive breakthrough in external business collaboration. It demonstrated the feasibility and commercial value of market expansion through ecosystem partnerships and complementary capabilities.

#### **4. Implement cost reduction and efficiency enhancement to strengthen sustainable operational capabilities**

In 2025, in the face of external uncertainties, the Group continued to advance comprehensive cost reduction and efficiency enhancement. In operation and management, we prioritized the efficiency of resource input and output, carefully controlling all costs and expenditures. This enabled effective management of operational costs and sustained improvement in resource utilization efficiency. Regarding financial costs, the Loan Prime Rate (LPR) in China was reduced during the Reporting Period, with both the one-year and five-year-plus LPRs cumulatively decreasing by 0.1 percentage points. Against this backdrop, the Group actively expanded diversified financing collaborations, establishing deep strategic partnerships with multiple automobile finance partners. This further enriched our financing resources, injected efficient capital vitality throughout the sales process, and effectively enhanced asset turnover efficiency. Concurrently, the Group flexibly utilized a combination of diversified funding instruments, including banks, finance leasing companies and supply chain finance platforms, achieving precise allocation of funds to meet business needs and optimizing costs. Building upon this foundation, the Group's weighted average financing cost for the full year decreased by over 1 percentage point, solidifying the capital base for sustained business expansion.

#### **5. Expand new business horizons and foster new momentum for smart mobility**

In 2025, in order to capitalize on transformative opportunities within the industry, the Group proactively expanded into the smart mobility sector. This move leveraged our nationwide self-operated sales network and extensive expertise in vehicle operation and management.

In October 2025, the Group established a subsidiary dedicated to smart mobility operation and progressively rolled out its services. In terms of business development, the Group has forged diversified strategic partnerships with industry-leading autonomous delivery solutions provider and cooperative partner specializing in last-mile logistics unmanned vehicles. Regarding intelligent technologies, we concurrently focused on technical dimensions related to intelligent driving, aiming to connect and integrate “scenario demands” with “technological supply”. The Group is exploring a transition from being an automobile retailer centered on vehicles to becoming a future smart mobility ecosystem.

### **PROSPECTS**

Looking ahead, the Group will continue to focus on its core strategic directions. Building upon its existing business foundations and industry trends, it will deepen its strategic positioning in the following areas:

In terms of deepening our domestic operation, we will continue to cultivate lower-tier markets, further expand and optimize our self-operated sales network layout, and strengthen market penetration and customer service capabilities in tier two, tier three and below cities. Concurrently, we will persistently enhance customer experience and business retention, thereby consolidating and expanding our competitive edge in the domestic market.

In terms of outright car sales business and overseas business expansion, we will continue to capitalize on automobile export opportunities. Building upon our existing business footprint in Khorgos, Tashkent, Almaty and other locations, we will accelerate the development of our comprehensive overseas service network and localized operation. This will further enhance the profitability and scale contribution of our international business.

In terms of technology-enabled innovation, we will continue to strengthen technological empowerment, steadily enhance operational efficiency across our core business lines, and expand the deployment of digital employees solutions in critical areas such as sales, risk management and operation. Our focus will shift from “system development” towards “value-driven operation and data insights”, continuously refining our intelligent risk management framework and data-driven capabilities. Simultaneously, we will provide customers with more personalized and intelligent premium products and services.

In terms of developing innovative businesses, we will continue to explore cutting-edge scenarios such as smart mobility and unmanned vehicle business, while expanding the breadth and depth of our collaborations. We will refine synergistic models that optimize resource integration and complementary capabilities. By strengthening the Group’s first-mover advantage and systematic service capabilities in smart mobility, we will inject sustainable, endogenous momentum into charting the Group’s future-oriented strategic blueprint for smart mobility.

#### **Non-IFRS Accounting Standard measures**

To supplement our consolidated results, which are prepared and presented in accordance with IFRS Accounting Standard, the Company uses adjusted net profit (non-IFRS Accounting Standard measures) as an additional financial measure, which is unaudited and not required by, or presented in accordance with, IFRS Accounting Standard. We believe that this measure facilitates comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of the Group’s operating performance, such as certain non-cash items. The use of this non-IFRS Accounting Standard measure has limitations as an analytical tool, and shareholders and potential investors of the Company should not consider them in isolation from, as a substitute for, analysis of, or superior to, the Group’s results of operations or financial condition as reported under IFRS Accounting Standard. In addition, this non-IFRS Accounting Standard financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. Our presentation of this non-IFRS Accounting Standard measure should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

The following table reconciles adjusted net profit (non-IFRS Accounting Standard measures) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standard. Share-based compensation expenses represent a non-cash expense that the Company recognizes in installments at fair value in profit or loss during the waiting period from the grant date to the vesting date under the Pre-IPO Share Option Scheme.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year	<b>45,805</b>	39,729
Add:		
Share-based compensation expenses	<b>3,885</b>	8,273
Adjusted net profit (non-IFRS Accounting Standard measures)	<b><u>49,690</u></b>	<u>48,002</u>

During the Reporting Period, the Group's adjusted net profit was RMB49.7 million, representing an increase of 3.5% from RMB48.0 million in the same period last year. The increase was mainly attributable to the increase in the Group's sales revenue during the Reporting Period.

## Revenue

	<b>For the year ended 31 December</b>			
	<b>2025</b>		2024	
	<i>RMB'000</i>	<i>percentage</i>	<i>RMB'000</i>	<i>percentage</i>
<b>Automobile retail and finance</b>				
Sales of automobiles under finance lease	<b>906,496</b>	<b>48.7%</b>	894,454	61.1%
Finance lease income	<b>309,860</b>	<b>16.6%</b>	298,462	20.4%
Sub-total	<b><u>1,216,356</u></b>	<b><u>65.3%</u></b>	<u>1,192,916</u>	<u>81.5%</u>

	For the year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>percentage</i>	<i>RMB'000</i>	<i>percentage</i>
<b>Automobile-related businesses</b>				
Automobile operating lease income	<b>218,600</b>	<b>11.7%</b>	173,379	11.8%
Other automobile-related income	<b>16,249</b>	<b>0.9%</b>	18,336	1.3%
Sub-total	<b>234,849</b>	<b>12.6%</b>	191,715	13.1%
<b>Outright car sales business</b>	<b>411,262</b>	<b>22.1%</b>	79,453	5.4%
Total	<b>1,862,467</b>	<b>100.0%</b>	1,464,084	100.0%

During the Reporting Period, the Group's revenue increased by 27.2% from RMB1,464.1 million for the year ended 31 December 2024 to RMB1,862.5 million for the year ended 31 December 2025, primarily due to (1) the higher year-on-year growth of outright car sales business of the Group during the Reporting Period; and (2) the Group's increase in sales results during the Reporting Period as a result of the further expansion of our self-operated sales network and the enhancement of our sales capacity.

Most of our sales outlets are located in tier two, tier three, and below cities. As at 31 December 2025, the number of self-operated sales outlets of the Group was 112, with 43 sales outlets which only provided passenger vehicles, 44 sales outlets which only provided e-hailing vehicles, and 25 sales outlets which provided both passenger vehicles and e-hailing vehicles.

### ***Automobile retail and finance***

During the Reporting Period, the Group's revenue from automobile retail and finance business increased from RMB1,192.9 million for the year ended 31 December 2024 to RMB1,216.4 million for the year ended 31 December 2025. This was mainly due to the increase in vehicle sales under the automobile retail and finance business of the Group during the Reporting Period.

The operating data of the Group's automobile retail and finance business for the years indicated are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
Average principal amount of newly entered finance lease agreements (RMB'000)	<b>82.9</b>	88.3
Average effective interest rate charged for newly entered finance lease agreements ( <i>Note 1</i> )	<b>17.3%</b>	17.4%
Average yield of finance lease receivables ( <i>Note 2</i> )	<b>16.8%</b>	17.2%

*Notes:*

1. Calculated by dividing sum of effective interest rate of newly entered finance lease agreements by the total number of newly entered finance lease agreements entered for the relevant year.
2. Calculated by dividing finance lease income for the relevant year by the average balance of finance lease receivables.

During the Reporting Period, the average effective interest rate charged by the Group for newly entered finance lease agreements and the average yield of finance lease receivables were basically consistent with those for the same period last year.

The customers of our automobile retail and finance business are mainly individuals in the PRC's tier two, and tier three and below cities looking for non-luxury automobile models. The Group does not have any major customers in terms of revenue contribution to the automobile retail and finance business and the total revenue of the Group. For the years ended 31 December 2025 and 2024, the revenue of the automobile retail and finance business of the Group attributable to the five largest customers of that business represented 0.11% and 0.17%, respectively.

The following table sets forth the breakdown of our revenue generated from our automobile retail and finance business by geographical location for the years indicated:

<b>Geographical location of customers</b>	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i>RMB'000</i>	<i>percentage</i>	<i>RMB'000</i>	<i>percentage</i>
Eastern PRC	<b>421,127</b>	<b>34.6%</b>	389,398	32.6%
Southern PRC	<b>186,739</b>	<b>15.4%</b>	173,161	14.5%
Southwestern PRC	<b>135,378</b>	<b>11.1%</b>	139,717	11.7%
Central PRC	<b>111,634</b>	<b>9.2%</b>	122,469	10.3%
Northern PRC	<b>143,830</b>	<b>11.8%</b>	155,908	13.1%
Northwestern PRC	<b>143,454</b>	<b>11.8%</b>	142,535	11.9%
Northeastern PRC	<b>74,194</b>	<b>6.1%</b>	69,728	5.9%
Sub-total	<b><u>1,216,356</u></b>	<b><u>100.0%</u></b>	<b><u>1,192,916</u></b>	<b><u>100.0%</u></b>

During the Reporting Period, the Group's revenue from Eastern PRC, Southern PRC, Northwestern PRC and Northeastern PRC increased slightly compared with the year ended 31 December 2024, mainly due to the strengthening of the Group's sales network in the corresponding regions during the Reporting Period.

### ***Automobile-related businesses***

During the Reporting Period, the Group's revenue from automobile-related businesses amounted to RMB234.8 million for the year ended 31 December 2025, representing an increase of 22.5% from RMB191.7 million for the year ended 31 December 2024, mainly attributable to the increase in Group's revenue from automobile operating lease during the Reporting Period.

### ***Outright car sales business***

During the Reporting Period, the revenue of the Group's outright car sales business increased from RMB79.5 million for the year ended 31 December 2024 to RMB411.3 million for the year ended 31 December 2025, mainly due to the increase in the performance of the Group's domestic outright car sales business and automobile export business during the Reporting Period.

### **Cost of revenue**

During the Reporting Period, the Group's cost of revenue was RMB1,383.4 million for the year ended 31 December 2025, representing an increase of 34.9% from RMB1,025.7 million for the year ended 31 December 2024, mainly due to the increase in sales volume of the Group during the Reporting Period.

### **Gross profit and gross profit margin**

	<b>For the year ended 31 December</b>			
	<b>2025</b>		<b>2024</b>	
	<i><b>RMB'000</b></i>	<i><b>Gross profit margin</b></i>	<i><b>RMB'000</b></i>	<i><b>Gross profit margin</b></i>
Automobile retail and finance	<b>401,437</b>	<b>33.0%</b>	390,815	32.8%
Automobile-related businesses	<b>59,587</b>	<b>25.4%</b>	44,801	23.4%
Outright car sales business	<b>18,067</b>	<b>4.4%</b>	2,735	3.4%
Sub-total	<b><u>479,091</u></b>	<b><u>25.7%</u></b>	<b><u>438,351</u></b>	<b><u>29.9%</u></b>

During the Reporting Period, the Group's gross profit increased by 9.3% from RMB438.4 million for the year ended 31 December 2024 to RMB479.1 million for the year ended 31 December 2025, primarily due to the increase in gross profit resulting from the overall performance growth of the Group during the Reporting Period.

During the Reporting Period and the same period in 2024, the Group's consolidated gross profit margin was 25.7% and 29.9% respectively. The consolidated gross profit margin decreased, mainly due to the rapid growth of the revenue of the outright car sales business of the Group during the Reporting Period, and the lower gross profit margin compared with other businesses, which lowered the Group's consolidated gross profit margin.

## **Selling and marketing expenses**

During the Reporting Period, the Group's selling and marketing expenses increased by 12.9% from RMB109.8 million for the year ended 31 December 2024 to RMB123.9 million for the year ended 31 December 2025, primarily due to, during the Reporting Period, (1) the increase in our employee benefit expenses as a result of the Group's further expansion of sales efforts and the increase in the number of employees for sales network expansion; and (2) the increased marketing expenditure as a result of the further expansion of sales efforts.

## **Administrative expenses**

During the Reporting Period, the administrative expenses of the Group increased by 0.2% from RMB122.9 million for the year ended 31 December 2024 to RMB123.1 million.

## **Research and development expenses**

During the Reporting Period, the Group's research and development expenses amounted to RMB0.5 million, which was basically consistent with RMB0.5 million for the year ended 31 December 2024.

## **Other income/losses, net**

During the Reporting Period, the Group's other income/losses, net decreased by 58.3% from RMB10.1 million for the year ended 31 December 2024 to RMB4.2 million for the year ended 31 December 2025, primarily due to the decrease in the Group's value-added tax refund income during the Reporting Period.

## **Finance cost, net**

During the Reporting Period, the Group's finance cost, net increased by 7.6% from RMB158.8 million for the year ended 31 December 2024 to RMB170.9 million for the year ended 31 December 2025, primarily due to the increase in scale of the Group's borrowing and financing activities during the Reporting Period.

## **Income tax expenses**

During the Reporting Period, the Group recorded income tax expense of RMB12.6 million for the year ended 31 December 2025, representing a decrease from RMB13.6 million for the year ended 31 December 2024, mainly due to the decrease in the Group's income tax expense during the Reporting Period as a result of the compliance with the relevant national preferential tax policies and the applicable lower corporate income tax rate.

## **Profit for the year**

During the Reporting Period, the Group recorded a profit of RMB45.8 million for the year ended 31 December 2025, representing an increase of 15.3% from RMB39.7 million for the year ended 31 December 2024, mainly due to the increase in the Group's sales revenue during the Reporting Period, which increased the Group's profit in the Reporting Period.

## Profit for the year attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company increased by 14.7% from RMB40.0 million for the year ended 31 December 2024 to RMB45.9 million for the year ended 31 December 2025.

## INVENTORY MANAGEMENT

The Group's inventories consist of new and repossessed automobiles and vehicle telematics equipment. As at 31 December 2025, the Group's net inventories amounted to approximately RMB255.0 million, representing an increase of RMB82.9 million from RMB172.1 million as at 31 December 2024, mainly due to the increase in the Group's inventory amount for the procurement of new automobiles.

The Group monitors our inventories from time to time and strives to maintain an optimal inventory level of automobiles. The Group keeps moving record of its inventory levels with the aid of its IT systems and physical records. We conduct daily inspection of the physical condition of our inventories and monthly physical inventory stocktake to ensure the accuracy of our inventory record.

## FINANCE LEASE RECEIVABLES AND POLICIES ON IMPAIRMENT OF FINANCE LEASE RECEIVABLES

Our finance lease receivables mainly include receivables from the automotive finance leasing business. The gross finance lease receivables include the interest and principal that we expect to receive from our customers under the finance lease contract. Finance lease receivables, net represent the gross amount of finance lease receivables minus unearned finance income to be recognized during the lease term.

The overall position of the Group's finance lease receivables as at the dates indicated is as follows:

Period	As at 31 December 2025		As at 31 December 2024	
	Finance lease receivables, net RMB'000	percentage	Finance lease receivables, net RMB'000	percentage
Within one year	796,680	41.8%	767,998	42.1%
Between one and two years	557,361	29.3%	527,552	28.9%
Between two and five years	550,476	28.9%	527,671	29.0%
Sub-total	<u>1,904,517</u>	<u>100.0%</u>	<u>1,823,221</u>	<u>100.0%</u>

As at 31 December 2025, the Group's net finance lease receivables amounted to RMB1,904.5 million, representing a slight increase as compared with that as at 31 December 2024. The Group's finance lease receivables involved 30,769 contracts (involving 30,466 borrowers). The net finance lease receivables due within one year represents the net finance lease receivables to be received by the Group within one year from the date indicated. As at 31 December 2025, our net finance lease receivables due within one year accounted for 41.8% of the Group's net finance lease receivables, basically the same as that as at 31 December 2024.

The following table sets forth the breakdown of net finance lease receivables by geographical location as at the dates indicated:

Geographical location of customers	As at 31 December 2025		As at 31 December 2024	
	Finance lease receivables, net <i>RMB'000</i>	<i>percentage</i>	Finance lease receivables, net <i>RMB'000</i>	<i>percentage</i>
Eastern PRC	905,803	47.6%	778,979	42.7%
Southern PRC	239,108	12.6%	258,715	14.2%
Southwestern PRC	173,887	9.1%	194,104	10.6%
Central PRC	143,295	7.5%	165,717	9.1%
Northern PRC	182,557	9.6%	187,645	10.3%
Northwestern PRC	173,287	9.1%	164,885	9.0%
Northeastern PRC	86,580	4.5%	73,176	4.1%
<b>Sub-total</b>	<b>1,904,517</b>	<b>100.0%</b>	<b>1,823,221</b>	<b>100.0%</b>

The following table sets forth the details of the finance lease receivables, net, the past due net finance lease receivables and the corresponding past due ratios, provision for credit loss and corresponding coverage ratios as at the dates indicated:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance lease receivables, net	1,904,517	1,823,221
Allowance for impairment of finance lease receivables	18,208	16,625
Allowance to net finance lease receivables ratio ( <i>Note 1</i> )	1.0%	0.9%
Past due net finance lease receivables		
Over one month	35,349	34,425
Over three months	15,938	13,451
Over six months	6,757	5,873
Over one year	3,014	2,563

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000

<i>Past due ratio (Note 2)</i>		
Over one month	<b>1.9%</b>	1.9%
Over three months	<b>0.8%</b>	0.7%
Over six months	<b>0.4%</b>	0.3%
Over one year	<b>0.2%</b>	0.1%
 <i>Past due coverage ratio (Note 3)</i>		
Over one month	<b>51.5%</b>	48.3%
Over three months	<b>114.2%</b>	123.6%
Over six months	<b>269.5%</b>	283.1%
Over one year	<b>604.1%</b>	648.7%

*Notes:*

1. Represents allowance for impairment of finance lease receivables as at the end of that corresponding year divided by net finance lease receivables as at the end of that corresponding year.
2. Represents past due net finance lease receivables as at the end of that corresponding year divided by total net finance lease receivables as at the end of the corresponding year.
3. Represents allowance for impairment of finance lease receivables as at the end of that corresponding year divided by past due net finance lease receivables as at the end of that corresponding year.

We actively monitor historical past due ratio and continuously improve our data analytics capabilities, as well as execute post-lease management and loss recovery measures through our automobile monitoring platform and our patent protected GPS tracking devices installed on all the automobiles leased by us. Therefore, our past due ratios remained at a relatively low level. As at 31 December 2025, our over three months past due ratio, over six months past due ratio and over one year past due ratio were all below 1%.

We recognise the impairment of finance lease receivables by applying the simplified approach permitted by IFRS Accounting Standard 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The impairment losses provided for finance lease receivables are determined based on historically observed default rates over the expected life of finance lease receivables with similar credit risk characteristics and are adjusted for forward-looking estimates.

As at 31 December 2025, the provision ratio of the Group's net finance lease receivables was 1%, and was relatively stable compared to the same period last year. Our past due coverage ratios of over three months, over six months and over one year as at 31 December 2025 decreased slightly compared to 31 December 2024, primarily due to our active monitoring on and continuous improvement in loss recovery measures.

## **INTERNAL CONTROLS**

We have developed risk management and internal monitoring systems to address the risks we are exposed to. In particular, we have developed corresponding risk management policies based on the management characteristics of automobile finance leasing business.

### **RISK MANAGEMENT POLICY**

The credit risk management system of the Group is divided into pre-lease and post-lease credit risk management.

#### ***Pre-lease credit assessment and approval process:***

During our credit assessment and approval process for our automobile retail and finance business, we generally consider both (i) qualitative factors, which may include age, location, driving penalty records, credit history and litigation records; and (ii) quantitative factors, which may include the proposed principal amount of the lease transaction, value of the personal assets and personal income level.

We generally require potential finance lease customers to fulfil our preliminary requirements, including (i) holding a valid PRC identity card; (ii) holding a valid PRC driving license (with less than 12 points deducted); and (iii) aged between 18 and 60 years old (inclusive). The Group may also require them to produce (i) property ownership certificate; (ii) business registration certificate (for corporate customers); and/or (iii) proof of employment and salary records of the last six months.

If the potential customers have satisfied the above preliminary requirements, the Group will perform credit assessment based on their information such as checking their name, identity card number and mobile phone number against the Group's self-maintained database as well as the third party databases. Our risk management system allows a bilateral flow of statistics and data between our management systems for pre-credit risk and post-credit risk, which is conducive to the improvement of our future credit risk analysis model. Leveraging our data analytics capabilities, we are able to complete the credit assessment and approval within a relatively short period of time to maintain the Group's competitiveness.

During the above process, the Group's sales staff maintains close communication with the customer in order to complete the necessary manual evaluation process.

After the assessments, we will notify our customers of the assessment results. Before execution of the agreements, we will conduct face-to-face interviews with our customers in order to verify their identity and to ensure that our customers understand the terms and conditions of the agreements. Our customers are then required to settle the initial payment and execute the agreements and other necessary documents. The customers' information will be recorded into our ERP system at the same time.

Before the automobile handover, we will ensure that our GPS tracking devices preinstalled on the leased automobiles function properly. After completion of the standard procedures, we will hand over the leased automobiles to our customers.

### ***Post-lease credit risk management:***

After the automobile handover, the Group will monitor customer's periodic payments and automobile activities. We monitor the status of the leased automobiles through the GPS tracking devices preinstalled and/or our automobile monitoring platform from time to time. Our customer service department usually sends payment reminders through our management system three to five days before the due date of the respective payment, mainly by sending text messages to our customers.

Our finance department checks and monitors the collection of payments from our customers on a daily basis and inputs the payment records into our ERP system. If any default or delinquency on payment arises, our customer service department will continue to send out reminders to these customers.

Generally, if (i) any payment is overdue for over 35 days despite our repeated reminders; or (ii) any irregular activity (such as abnormal trajectory or vanishing GPS signal) is observed for at least three days on our automobile monitoring platform, we may exercise our right to repossess the automobile directly.

After the repossession, our technical department will check and remove any GPS tracking devices not installed by us to avoid any potential tracking and stealing of the automobiles by the customers in breach. Our legal department will also implement other necessary legal measures permitted by law. In the case where our customers are unable to continue with the due performance of the contracts or we cannot get in touch with our customers by all reasonable means, we will terminate the relevant contracts.

If the repossessed automobiles do not meet the normal safety requirements or driving conditions, they will be sent to third party automobile service workshop for repair, in order to be sold under finance lease or operated as operating lease vehicles. Automobiles with severe accidents histories, the repair cost of which is significantly higher than one-off selling price, will be disposed directly through one-off sales.

## **CAPITAL MANAGEMENT**

The Group regularly reviews and manages our capital structure to maintain a balance between debt financing and equity financing and makes adjustments to the capital structure in light of changes in economic conditions. The Group monitors our capital on the basis of the gearing ratio.

The Group manages our capital to ensure that its group companies can repay or refinance debts when they fall due and comply with the PRC laws and regulations while maximising the return to Shareholders through balancing our debt financing and equity financing. The Group strives to balance the objectives of matching the cash inflow of our customers' automobile finance lease with the cash outflow of our borrowings and growing our business.

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Borrowings	<b>2,787,412</b>	2,281,558
Lease liabilities	<b>12,457</b>	11,195
Less: cash and cash equivalents	<b>(371,839)</b>	(340,598)
Net debt	<b>2,428,030</b>	1,952,155
Total equity	<b>877,941</b>	827,846
Total capital	<b>3,305,971</b>	2,780,001
Gearing ratio	<b>73.4%</b>	70.2%

*Note:* Gearing ratio is calculated as net debt divided by total capital

The Group's gearing ratio increased to 73.4% as at 31 December 2025 from 70.2% as at 31 December 2024, mainly due to the increase in the Group's net debt.

## **NET CURRENT ASSETS**

The following table sets out current assets and current liabilities:

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current assets</b>		
Inventories	<b>254,955</b>	172,137
Finance lease receivables	<b>782,548</b>	755,884
Trade receivables	<b>75,723</b>	14,768
Prepayments, deposits and other receivables	<b>493,848</b>	381,550
Restricted cash	<b>3,900</b>	–
Cash and cash equivalents	<b>371,839</b>	340,598
	<hr/>	<hr/>
Total current assets	<b>1,982,813</b>	1,664,937
	<hr/> <hr/>	<hr/> <hr/>

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current liabilities</b>		
Borrowings	<b>1,464,388</b>	1,151,920
Trade payables	<b>42,693</b>	80,584
Other payables and accruals	<b>83,935</b>	89,486
Lease liabilities	<b>6,674</b>	5,720
Current income tax payables	<b>18,522</b>	14,062
	<hr/>	<hr/>
Total current liabilities	<b>1,616,212</b>	1,341,772
	<hr/> <hr/>	<hr/> <hr/>
Net current assets	<b>366,601</b>	323,165
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, the Group's net current assets increased to RMB366.6 million from RMB323.2 million as at 31 December 2024, mainly due to the increase in inventories, trade receivables, prepayments, deposits and other receivables of the Group during the Reporting Period.

## **FOREIGN EXCHANGE EXPOSURE**

The Group's subsidiaries primarily operate in the PRC and the majority of the Group's revenue and expenditures are denominated in RMB. For the year ended 31 December 2025, the Group did not encounter significant foreign currency risk from its operations and did not hedge against any fluctuation in foreign currency.

## **CAPITAL EXPENDITURES**

During the Reporting Period, the Group's capital expenditure increased by 40.6% year-on-year from RMB335.3 million for the year ended 31 December 2024 to RMB471.5 million for the year ended 31 December 2025, mainly due to the increase in expenditures for the Group's purchase of property and equipment and additions of intangible assets during the Reporting Period.

## **CHARGES ON ASSETS**

The Group's borrowings are secured by certain assets as collateral for our borrowings. As at 31 December 2025, the secured assets involved in the Group's borrowings increased to RMB2,419.5 million from RMB2,249.2 million as at 31 December 2024. Of which, (1) as at 31 December 2025, the secured property and equipment increased to RMB504.4 million from RMB376.8 million as at 31 December 2024; (2) secured borrowings deposit decreased to RMB39.7 million from RMB57.5 million as at 31 December 2024; (3) secured inventory decreased to RMB93.1 million from RMB103.0 million as at 31 December 2024; and (4) secured finance lease receivables increased to RMB1,782.3 million from RMB1,711.9 million as at 31 December 2024.

## **SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have any significant investments or future plans for material investments or capital assets as at 31 December 2025.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

There were no material acquisitions or disposals of subsidiaries, joint ventures and associates during the Reporting Period.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at 31 December 2025.

## **FINANCIAL INSTRUMENTS**

The Group did not have any outstanding hedge contracts or financial derivative instruments as at 31 December 2025.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 1,273 full-time employees, among which 1,270 employees were based in the PRC and 3 employees were based in Hong Kong.

The employee benefit expenses, including Directors' remuneration, was approximately RMB156.5 million for the year ended 31 December 2025, as compared to approximately RMB156.4 million for the year ended 31 December 2024. The remuneration package of employees generally includes salary and year-end bonus, as well as share incentive for our key management personnel. The Group also offers performance bonus subject to regular performance appraisals. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to statutory social insurance fund and housing provident fund as applicable.

The Group has developed a systematic training system comprising an e-learning platform, internal seminars and management trainings to improve the essential work-related skills of our employees. We also cooperate with other external institutions to host trainings and facilitate industry exchange. We have established an internal training programme which serves to improve and standardize the training activities and system for our employees. We have also implemented a set of security training policy in respect of personal data protection, which stipulates that regular training on a quarterly basis should be provided for all employees as a reminder and update on personal data protection and mandatory acknowledgement of the collection of personal data protection policy by all new employees should be required.

In addition, the Company has adopted the Pre-IPO Share Option Scheme and the Share Option Scheme. Please refer to the paragraphs headed "Statutory and General Information-D. Other Information-2. Pre-IPO Share Option Scheme" and "Statutory and General Information-D. Other Information-1. Share Option Scheme" in Appendix IV to the Prospectus for further details.

## FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## USE OF PROCEEDS FROM LISTING

The Company was successfully listed on the Main Board on 9 November 2023. The net proceeds from the Global Offering which the Company received, after deducting the underwriting commissions and expenses in relation to the Global Offering payable by the Company, was approximately HK\$28.8 million.

As at 31 December 2025, the utilization of proceeds raised was as follows:

Item	Net proceeds from the Global Offering		Amounts unutilized as of 1 January 2025		Amounts utilized during the Reporting Period		Amounts utilized as of 31 December 2025		Amounts unutilized as of 31 December 2025	
	HK\$'000	RMB'000	HK\$'000	RMB'000	HK\$'000	RMB'000	HK\$'000	RMB'000	HK\$'000	RMB'000
Purchase of automobiles	17,449	16,484	-	-	-	-	17,449	16,484	-	-
Expansion of sales network	11,326	10,700	8,065	7,688	8,065	7,688	11,326	10,700	-	-
<b>Total</b>	<b>28,775</b>	<b>27,184</b>	<b>8,065</b>	<b>7,688</b>	<b>8,065</b>	<b>7,688</b>	<b>28,775</b>	<b>27,184</b>	<b>-</b>	<b>-</b>

As at the date of this announcement, the Company has fully utilised the proceeds from the Global Offering in accordance with the plan on the use of proceeds as stated in the Prospectus.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE PRACTICES

The Company strives to maintain high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability.

During the Reporting Period, the Company had complied with all the applicable code provisions of the Corporate Governance Code, except as expressly described below.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huang Wei is the chairman and chief executive officer of the Group. In view of the fact that Mr. Huang has been assuming day-to-day responsibilities in operating and managing the Group since September 2007, our Board believes that it is in the best interest of the Group to have Mr. Huang taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from Corporate Governance Code provision C.2.1 is appropriate in such circumstance. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the relevant employees. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code during the Reporting Period.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The Audit Committee consists of Mr. Fung Che Wai, Anthony, Mr. Wu Fei and Mr. Chen Shuo, with Mr. Fung Che Wai, Anthony serving as the chairman. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting system, internal control and risk management systems of the Group, overseeing the audit process, developing and reviewing the Group's policies, and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has jointly reviewed with the management, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2025) of the Group. The Audit Committee considered that the audited consolidated financial statements of the Group are in compliance with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. Accordingly, the Audit Committee recommends the Board to approve the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto as of 31 December 2025 as set out in the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at the date of this announcement, no treasury shares were held by the Company.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Board confirms that the Company has maintained the public float as required by the Listing Rules as at the date of this announcement.

## **SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**

As at the date of this announcement, there were no significant subsequent events for the Company after the Reporting Period.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Thursday, 18 June 2026. The notice of AGM and all other relevant documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.xxfqc.com](http://www.xxfqc.com)) in April 2026.

## **CLOSURE OF THE REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 12 June 2026 (Hong Kong Time), being the last registration date.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.xxfqc.com](http://www.xxfqc.com)). The annual report of the Company for the year ended 31 December 2025 will be made available for review on the same websites in due course.

## **ANNUAL RESULTS**

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	<b>For the year ended</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Revenue	4	<b>1,862,467</b>	1,464,084
Cost of revenue	7	<b>(1,383,376)</b>	(1,025,733)
Gross profit		<b>479,091</b>	438,351
Selling and marketing expenses	7	<b>(123,889)</b>	(109,763)
Administrative expenses	7	<b>(123,149)</b>	(122,867)
Research and development expenses	7	<b>(472)</b>	(450)
Provision for credit loss		<b>(6,192)</b>	(3,226)
Other income	5	<b>14,786</b>	20,048
Other losses	6	<b>(10,564)</b>	(9,918)
Operating profit		<b>229,611</b>	212,175
Finance income	8	<b>1,735</b>	1,580
Finance cost	8	<b>(172,660)</b>	(160,387)
Finance cost, net		<b>(170,925)</b>	(158,807)
Share of loss of an associate accounted for using the equity method	16	<b>(233)</b>	–
Profit before income tax		<b>58,453</b>	53,368
Income tax expenses	9	<b>(12,648)</b>	(13,639)
Profit for the year		<b>45,805</b>	39,729

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
Profit/(loss) attributable to:			
– Owners of the Company		<b>45,855</b>	39,970
– Non-controlling interests		<b>(50)</b>	(241)
		<u><b>45,805</b></u>	<u>39,729</u>
Profit for the year		<b>45,805</b>	39,729
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange difference arising from the translation of the Company's functional currency to presentation currency		<b>(385)</b>	205
<i>Items that will be reclassified to profit or loss:</i>			
Exchange difference arising from the translation of a subsidiary's functional currency to presentation currency		<b>790</b>	(1,811)
		<u><b>405</b></u>	<u>(1,606)</u>
Total comprehensive income for the year		<u><b>46,210</b></u>	<u>38,123</u>
Total comprehensive income/(loss) for the year attributable to:			
– Owners of the Company		<b>46,260</b>	38,364
– Non-controlling interests		<b>(50)</b>	(241)
		<u><b>46,210</b></u>	<u>38,123</u>
Earnings per share for profit attributable to owners of the Company for the year ( <i>RMB cents</i> )			
– Basic	<i>10</i>	<u><b>2.96</b></u>	<u>2.58</u>
– Diluted	<i>10</i>	<u><b>2.80</b></u>	<u>2.46</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	12	641,268	494,332
Intangible assets		21,428	20,617
Finance lease receivables	13	1,103,761	1,050,712
Prepayments and deposits		22,456	30,604
Investment of associates accounted for using equity method	16	48,297	48,530
Deferred income tax assets		6,809	–
		<u>1,844,019</u>	<u>1,644,795</u>
<b>Current assets</b>			
Inventories		254,955	172,137
Finance lease receivables	13	782,548	755,884
Trade receivables	14	75,723	14,768
Prepayments, deposits and other receivables		493,848	381,550
Restricted cash	15	3,900	–
Cash and cash equivalents	15	371,839	340,598
		<u>1,982,813</u>	<u>1,664,937</u>
<b>Total assets</b>		<u><u>3,826,832</u></u>	<u><u>3,309,732</u></u>

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		4,657	4,657
Other reserves and retained earnings		867,618	817,473
		<u>872,275</u>	<u>822,130</u>
Non-controlling interests		5,666	5,716
<b>Total equity</b>		<b><u>877,941</u></b>	<b><u>827,846</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	18	1,323,024	1,129,638
Lease liabilities		5,783	5,475
Deferred income tax liabilities		3,872	5,001
		<u>1,332,679</u>	<u>1,140,114</u>
<b>Current liabilities</b>			
Borrowings	18	1,464,388	1,151,920
Trade payables	17	42,693	80,584
Other payables and accruals		83,935	89,486
Lease liabilities		6,674	5,720
Current income tax payables		18,522	14,062
		<u>1,616,212</u>	<u>1,341,772</u>
<b>Total liabilities</b>		<b>2,948,891</b>	<b>2,481,886</b>
<b>Total equity and liabilities</b>		<b><u>3,826,832</u></b>	<b><u>3,309,732</u></b>

## NOTES

### 1 GENERAL INFORMATION

XXF Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 29 March 2019 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of automobile services, including automobiles retail, automobiles financing, automobiles rental and automobile-related services in the People’s Republic of China (the “**PRC**”).

The Company completed its initial public offering on 9 November 2023 (the “**Listing**”) and the Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited.

### 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standard and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for the certain financial assets and liabilities that are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the consolidated financial statements.

### 3 CHANGE IN ACCOUNTING POLICY AND DISCLOSURES

#### (a) Amended standards adopted by the Group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing on 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability
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The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future period.

**(b) New and amended standards not yet adopted**

The following new and amended standards, which are potentially relevant to the Group's consolidated financial statements have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

		<b>Effective for accounting periods beginning on or after</b>
IFRS 9 and IFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Amendments)	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

*IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)*

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

#### 4 REVENUE AND SEGMENT INFORMATION

Revenue during the years ended 31 December 2025 and 2024 are as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of automobiles under finance lease	906,496	894,454
Finance lease income	309,860	298,462
Operating lease income	218,600	173,379
Other automobile-related income	16,249	18,336
Outright car sales income	411,262	79,453
	<u>1,862,467</u>	<u>1,464,084</u>
Revenue from leases under IFRS Accounting Standard 16	1,434,956	1,366,295
Revenue from contracts with customers under IFRS Accounting Standard 15	427,511	97,789
	<u>1,862,467</u>	<u>1,464,084</u>
Timing of revenue recognition for revenue from contracts with customers under IFRS Accounting Standard 15		
Recognised at a point in time	413,973	81,772
Recognised over time	13,538	16,017
	<u>427,511</u>	<u>97,789</u>

#### 5 OTHER INCOME

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants (Note)	13,876	17,234
Gain on disposals of a subsidiary	–	2,170
Others	910	644
	<u>14,786</u>	<u>20,048</u>

Note: Government grants primarily consist of the fiscal support that local governments offer to the Group entities engaged in the finance leasing business in the PRC. There are no unfulfilled conditions or other contingencies attaching to these grants.

## 6 OTHER LOSSES

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss on disposal of property and equipment, net	(5,685)	(5,218)
Exchange losses	(1,673)	–
Others	(3,206)	(4,700)
	<u>(10,564)</u>	<u>(9,918)</u>

## 7 EXPENSES BY NATURE

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Auditor's remuneration		
– audit services	1,830	2,097
– non-audit services	50	50
Costs of inventory	1,105,082	785,660
Auto-insurance premium	68,566	55,602
Employee benefit expenses	156,547	156,355
Advertising expenses	3,621	2,447
Marketing and promotion expenses	13,139	8,595
Depreciation expenses	142,505	132,700
Amortisation expenses	10,363	11,071
Transportation expenses	13,792	5,304
Rental expenses	4,156	3,742
Traffic contravention penalty and handling fee	1,414	3,169
Travelling expenses	14,006	11,539
Legal and professional expenses	7,279	5,965
Office expenses	9,783	7,717
Motor vehicle expenses	23,020	16,771
Provision for inventories	16,575	13,287
Repair and maintenance	15,683	15,631
Other taxes	10,606	9,196
Other expenses	12,869	11,915
	<u>1,630,886</u>	<u>1,258,813</u>

## 8 FINANCE COST, NET

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Finance cost:		
Cost of funding	(162,649)	(150,698)
Interest expenses on other borrowings	(9,307)	(8,967)
Interest expenses on lease liabilities	(704)	(722)
	<u>(172,660)</u>	<u>(160,387)</u>
Finance income:		
Bank interest income	480	343
Imputed interest income from deposits for borrowings	1,255	1,237
	<u>1,735</u>	<u>1,580</u>
Finance cost, net	<u>(170,925)</u>	<u>(158,807)</u>

## 9 INCOME TAX EXPENSES

The income tax expenses of the Group are analysed as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Income tax expenses		
Current income tax	20,586	12,437
Deferred income tax	(7,938)	1,202
	<u>12,648</u>	<u>13,639</u>

For the years ended 31 December 2025 and 2024, the weighted average applicable tax rates were 19% and 22% respectively. The change in weighted average applicable tax rate from prior year was mainly caused by the lower tax rate of some entities.

## 10 EARNINGS PER SHARE

	For the year ended 31 December	
	2025	2024
Profit attributable to owners of the Company ( <i>RMB'000</i> )	45,855	39,970
Weighted average number of ordinary shares in issue	1,546,875,000	1,546,875,000
Diluted impact on profit ( <i>RMB'000</i> )	–	–
Diluted profit attributable to owners of the Company ( <i>RMB'000</i> )	45,855	39,970
Potential ordinary shares with dilutive effect	90,820,462	75,911,353
Weighted average number of issued ordinary shares for calculating diluted profit per share	1,637,695,462	1,622,786,353
Earnings per share		
– Basic ( <i>RMB cents per share</i> )	2.96	2.58
– Diluted ( <i>RMB cents per share</i> )	2.80	2.46

### (i) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2025 and 2024.

The weighted average number of shares in issue for the years ended 31 December 2024 for the purpose of earnings per share computation has been retrospectively adjusted for the effect of subdivided shares on 5 December 2024.

### (ii) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2025 and 2024, the effect of share options granted under the Pre-IPO Share Option Scheme was dilutive and has been taken into account in the calculation of diluted EPS.

## 11 DIVIDEND

For the years ended 31 December 2025 and 2024, no dividend has been declared by the Company.

## 12 PROPERTY AND EQUIPMENT

	<b>Right-of use assets RMB '000</b>	<b>Building RMB '000</b>	<b>Office equipment RMB '000</b>	<b>Auto- mobiles RMB '000</b>	<b>Leasehold improvement RMB '000</b>	<b>Total RMB '000</b>
As of 31 December 2023						
Cost	61,107	4,638	10,862	634,062	29,277	739,946
Accumulated depreciation	(46,081)	(1,243)	(9,022)	(232,438)	(23,095)	(311,879)
Net book amount	<u>15,026</u>	<u>3,395</u>	<u>1,840</u>	<u>401,624</u>	<u>6,182</u>	<u>428,067</u>
For the year ended 31 December 2024						
Opening net book amount	15,026	3,395	1,840	401,624	6,182	428,067
Addition	3,950	–	775	317,559	1,028	323,312
Depreciation charge	(7,547)	(144)	(457)	(121,796)	(2,756)	(132,700)
Transfer to inventories	–	–	–	(79,957)	–	(79,957)
Disposal	(24)	–	(52)	(44,303)	(11)	(44,390)
Closing net book amount	<u>11,405</u>	<u>3,251</u>	<u>2,106</u>	<u>473,127</u>	<u>4,443</u>	<u>494,332</u>
As of 31 December 2024						
Cost	63,811	4,638	11,216	734,411	30,305	844,381
Accumulated depreciation	(52,406)	(1,387)	(9,110)	(261,284)	(25,862)	(350,049)
Net book amount	<u>11,405</u>	<u>3,251</u>	<u>2,106</u>	<u>473,127</u>	<u>4,443</u>	<u>494,332</u>
For the year ended 31 December 2025						
Opening net book amount	11,405	3,251	2,106	473,127	4,443	494,332
Addition	9,137	–	1,032	448,728	1,397	460,294
Depreciation charge	(7,320)	(145)	(540)	(132,392)	(2,108)	(142,505)
Transfer to inventories	–	–	–	(116,974)	–	(116,974)
Disposal	(179)	–	(33)	(53,630)	–	(53,842)
Exchange	(31)	–	(0)	(6)	–	(37)
Closing net book amount	<u>13,012</u>	<u>3,106</u>	<u>2,565</u>	<u>618,853</u>	<u>3,732</u>	<u>641,268</u>
As of 31 December 2025						
Cost	31,333	4,638	11,861	887,765	31,702	967,299
Accumulated depreciation	(18,321)	(1,532)	(9,296)	(268,912)	(27,970)	(326,031)
Net book amount	<u>13,012</u>	<u>3,106</u>	<u>2,565</u>	<u>618,853</u>	<u>3,732</u>	<u>641,268</u>

### 13 FINANCE LEASE RECEIVABLES

The Group provides automobile financing lease services. Details of finance lease receivables as at 31 December 2025 and 2024 are as below:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<b>RMB'000</b>
Finance lease receivables		
– Finance lease receivables, gross	<b>2,374,603</b>	2,278,400
– Unearned finance income	<b>(470,086)</b>	(455,179)
	<hr/>	<hr/>
Finance lease receivables, net	<b>1,904,517</b>	1,823,221
Less: allowance for impairment of finance lease receivables	<b>(18,208)</b>	(16,625)
	<hr/>	<hr/>
Carrying amount of finance lease receivables	<b>1,886,309</b>	1,806,596
	<hr/> <hr/>	<hr/> <hr/>
Finance lease receivables, gross		
– Within one year	<b>1,035,788</b>	999,065
– Between one and two years	<b>711,976</b>	677,661
– Between two and five years	<b>626,839</b>	601,674
	<hr/>	<hr/>
	<b>2,374,603</b>	2,278,400
	<hr/> <hr/>	<hr/> <hr/>
Finance lease receivables, net		
– Within one year	<b>796,680</b>	767,998
– Between one and two years	<b>557,361</b>	527,552
– Between two and five years	<b>550,476</b>	527,671
	<hr/>	<hr/>
	<b>1,904,517</b>	1,823,221
	<hr/> <hr/>	<hr/> <hr/>

An ageing analysis of finance lease receivables is as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Not past due	<b>1,792,720</b>	1,718,732
Past due		
Up to 1 month	<b>76,448</b>	70,064
1 to 3 months	<b>19,411</b>	20,974
3 to 6 months	<b>9,181</b>	7,578
6 to 12 months	<b>3,743</b>	3,310
Over 12 months	<b>3,014</b>	2,563
	<hr/>	<hr/>
Finance lease receivables	<b>1,904,517</b>	1,823,221
Less: allowance for impairment of finance lease receivables	<b>(18,208)</b>	(16,625)
	<hr/>	<hr/>
Carrying amount of finance lease receivables	<b><u>1,886,309</u></b>	<u>1,806,596</u>

As at 31 December 2025 and 2024, the carrying amounts of finance lease receivables are denominated in RMB and approximate their fair values at each of the reporting dates.

Movements on the Group's allowance for impairment of finance lease receivables are as follows:

	<b>For the year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
At beginning of year	<b>16,625</b>	14,299
Recovery of finance receivables previously written-off	<b>409</b>	96
Charge for the year	<b>4,746</b>	2,485
Written-off	<b>(3,572)</b>	(255)
	<hr/>	<hr/>
At end of year	<b><u>18,208</u></b>	<u>16,625</u>

## 14 TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	77,441	15,484
Less: allowance for impairment of trade receivables	<u>(1,718)</u>	<u>(716)</u>
	<u><b>75,723</b></u>	<u><b>14,768</b></u>

As of 31 December 2025 and 2024, the carrying amounts of trade receivables were primarily denominated in RMB and USD and approximate their fair values.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
RMB	30,175	14,768
USD	<u>45,548</u>	<u>—</u>
	<u><b>75,723</b></u>	<u><b>14,768</b></u>

An ageing analysis of trade receivables (net of allowance for impairment) based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Up to 3 months	71,542	12,739
3 to 6 months	3,796	1,015
Over 6 months	<u>385</u>	<u>1,014</u>
	<u><b>75,723</b></u>	<u><b>14,768</b></u>

Movements on the Group's allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>At beginning of year</b>	<b>716</b>	1,074
Charged/(credit) for the year	<b>1,206</b>	(358)
Written-off	<u>(204)</u>	<u>—</u>
<b>At end of year</b>	<u><b>1,718</b></u>	<u><b>716</b></u>

## 15 CASH AND BANK BALANCE

### (a) Cash and cash equivalents

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at licensed payment platforms ( <i>Note (i)</i> )	6,763	7,403
Cash at banks ( <i>Note (ii)</i> )	365,076	333,195
	<u>371,839</u>	<u>340,598</u>

#### Notes:

- (i) Cash at licensed payment platforms, which are denominated in RMB, are deposited with major licensed payment platforms in the PRC. The balances are unsecured and non-interest bearing.
- (ii) Cash at banks earns interest either at floating rates based on daily bank deposit rates or fixed rates determined at deposit dates. The Group's cash at banks are mostly denominated in RMB deposited with reputable banks in the PRC with insignificant credit risk. As at 31 December 2025 and 2024, the Group had cash at banks amounting to RMB353.8 million and RMB332.6 million respectively held in the PRC. These cash at banks are subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The carrying amounts of the Group's cash at licensed payment platforms and cash at banks are denominated in the following currencies:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	358,305	332,675
HKD	355	6,902
USD	11,833	1,021
UZS	1,346	–
	<u>371,839</u>	<u>340,598</u>

### (b) Restricted cash

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated statement of financial position, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Restricted cash	<u>3,900</u>	<u>–</u>

As of 31 December 2025, the Group's restricted cash was denominated in RMB and comprised of bank deposits pledged for letter of credit.

## 16 INVESTMENT OF ASSOCIATES ACCOUNTED FOR USING EQUITY METHOD

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Movement in the investment in an associate is as follows:		
<b>As at 1 January</b>	<b>48,530</b>	–
Additions	–	48,530
Share of losses of an associate	<b>(233)</b>	–
<b>As at 31 December</b>	<b>48,297</b>	<b>48,530</b>

As of 31 December 2025, the investment in an associate is as follows:

Company Name	Place of operation/ Country of incorporation	Percentage of ownership	Nature of relationship	Method of measurement
Fujian Xidun Automobile Service Co., Ltd.	PRC	49%	Associate	Equity

## 17 TRADE PAYABLES

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	42,693	76,229
Bills payable	–	4,355
	<b>42,693</b>	<b>80,584</b>

Trade payables approximate their fair values and are denominated in RMB. The average credit period taken for trade purchase is generally 30 to 90 days.

An ageing analysis of trade payables based on invoice date is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	37,125	77,936
3 to 6 months	837	471
Over 6 months	4,731	2,177
	<u>42,693</u>	<u>80,584</u>

## 18 BORROWINGS

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank borrowings, secured	155,276	110,993
Bank borrowings, unsecured	6,120	5,004
Other borrowings, secured	2,548,658	2,098,976
Other borrowings, unsecured	77,358	66,585
	<u>2,787,412</u>	<u>2,281,558</u>
Less: non-current portion	<u>(1,323,024)</u>	<u>(1,129,638)</u>
Current portion	<u>1,464,388</u>	<u>1,151,920</u>

Other borrowings represented borrowings from non-banking financial institutions and individual lenders. The borrowings were repayable as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	1,464,388	1,151,920
Between one and two years	724,240	632,234
Between two and five years	598,784	497,404
	<u>2,787,412</u>	<u>2,281,558</u>

As of 31 December 2025 and 2024, the borrowings were denominated in RMB and the carrying amounts approximate their fair values at each of the balance sheet dates.

The weighted average effective interest rates as at 31 December 2025 and 2024 are as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<i>%</i>	<i>%</i>
Bank borrowings, secured	<b>4.64</b>	5.39
Bank borrowings, unsecured	<b>4.37</b>	6.79
Other borrowings, secured	<b>6.09</b>	7.45
Other borrowings, unsecured	<b>4.69</b>	5.30
	<b><u>4.69</u></b>	<b><u>5.30</u></b>

As at 31 December 2025 and 2024, the Group's borrowings of RMB2,703.9 million and RMB2,210.0 million were secured by personal guarantee and indemnity provided by the directors and certain assets of the Group.

The overall security situation of the Group is summarised as follows:

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Property and equipment	<b>504,419</b>	376,789
Deposits for borrowings	<b>39,702</b>	57,489
Inventories	<b>93,112</b>	103,020
Finance lease receivables, gross	<b>1,782,297</b>	1,711,893
	<b><u>1,782,297</u></b>	<b><u>1,711,893</u></b>

## DEFINITIONS

“AGM”	the forthcoming annual general meeting of the Company to be held on Thursday, 18 June 2026
“Audit Committee”	the audit committee of the Board
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Chinese Mainland” or “PRC”	the People’s Republic of China excluding, for the purposes of this announcement and geographical reference only and except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company” or “the Company”	XXF Group Holdings Limited, an exempted company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 2473)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company or any one of them
“GDP”	gross domestic product
“Global Offering”	as defined in the Prospectus
“Group”, “the Group”, “our”, “we” or “us”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	listing of the Shares on the Main Board of the Stock Exchange on the Listing Date

“Listing Date”	9 November 2023, being the date from which the Shares are listed and dealings in the Shares are first permitted to take place on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 9 October 2023
“Prospectus”	the prospectus issued by the Company dated 30 October 2023
“Reporting Period”	the one-year period from 1 January 2025 to 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share Option Scheme”	the share option scheme adopted by the Company on 9 October 2023 and effective upon the Listing Date
“Share(s)”	ordinary share(s) in the share capital of the Company with the nominal value of one third Hong Kong cent (approximately HK\$0.003333333333) each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary” or “subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“XXF Group”	Xixiangfeng Finance Lease Group Co., Ltd.* (喜相逢融資租賃集團有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board of  
**XXF Group Holdings Limited**  
**Mr. HUANG Wei**  
*Chairman of the Board, chief executive officer and executive Director*

Hong Kong, 20 March 2026

*As at the date of this announcement, the executive Directors are Mr. Huang Wei, Mr. Ye Fuwei and Ms. Zhang Jinghua, the non-executive Director is Mr. Liu Wei, and the independent non-executive Directors are Mr. Wu Fei, Mr. Fung Che Wai, Anthony and Mr. Chen Shuo.*

\* *For identification purposes only*