بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيم

In the name of Allah, The Most Gracious, The Most Merciful

24th May 2024 | 15 Dhu'l-Q. 1445 AH

SHARIAH STATUS FOR INITIAL PUBLIC OFFERING (IPO) OF AUTOSTREETS DEVELOPMENT LIMITED (2443)

We, Sharlife Sdn Bhd, a Registered Shariah Advisers (Corporation) under the Securities Commission Malaysia, focusing on Islamic Capital Market products, alternative assets as well as Islamic Social Finance, we hereby acknowledge as follows:

- Name: **Autostreets Development Limited**
- Stock Code: **2443**
- IPO: Global Offering
- Exchange: Hong Kong Exchange
- Financial Statement Year Ended: 2023

We have conducted a comprehensive Shariah Screening of **Autostreets Development Limited** to determine the Shariah Status of its IPO. Due to the absence of a localized Shariah Screening Methodology in the region, we have adopted the Shariah Screening Methodology of the Shariah Advisory Council of the Securities Commission Malaysia which adopts a two-tier quantitative approach, which applies the business activity benchmarks and financial ratio benchmarks.

Based on our assessment conducted on the publicly available prospectus and to the best of our knowledge, we are of the opinion that the IPO of **Autostreets Development Limited (2443)** is **Non-Compliance with Shariah.**

Details of our assessment can be reviewed in **Appendix I.**

والله أعلمُ

Issued by,
Sharlife Sdn. Bhd.

Ustaz Arham Merican
Shariah Officer

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APPENDIX I

Business Activity Benchmark Assessment

The contribution of Shariah non-compliant (SNC) activities to the Group revenue before taxation of the company will be computed and compared against the relevant business activity benchmarks.

Autostreets Development Limited is a leading used vehicle transaction service provider in China, connecting buyers and sellers through online and offline auctions. With a focus on standardization and efficiency, the company offers end-to-end solutions for 4S (vehicle sales, spare parts, after-sales service, and customer feedback) dealership stores and Professional Buyers in the rapidly growing Chinese used vehicle market.

Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Result
Used vehicle auction commission and service fees	287,202	0	0.00%	Consist of commission that charge to used vehicle buyers and service fees charge to used vehicle buyers for certain post-auction services	Passed
Used vehicle value-added services	73,814	0	0.00%	Represent used car value-added services to upstream dealership groups and OEMs and 4S dealership stores	Passed
Arrangement for sale of used vehicles	63,567	0	0.00%	Represent the difference between the payment made for consumer trade-in vehicles and the sale price of the same vehicles	Passed
Exhibition related services	54,770	0	0.00%	Represent service fees charge to dealership groups and original equipment manufacturer (OEMs) that participate in automotive exhibitions	Passed
Other services	12,615	0	0.00%	Transfer services and GPS installation services for new vehicles	Passed
TOTAL	**491,968**	**0**	**0.00%**	**Used vehicle service provider**	**Passed**

Non-Operating Revenue

Segment	Segment Revenue (RMB '000)	SNC Revenue	% SNC	Description	Result
Interest income from assistant funds to business partners	9,028	0	0.00%	N/A	Passed
Government grants	8,000	0	0.00%	N/A	Passed
Rental services	1,696	0	0.00%	N/A	Passed
Penalty from customers	3,915	0	0.00%	N/A	Passed
Bank interest income	1,608	1,608	100.0%	Subject to 5% benchmark	Failed
Gain on termination of items of right-of-use assets	84	0	0.00%	N/A	Passed
Others	1,297	1,297	100.0%	Including gain and loss resulted from foreign exchange and gain from the disposal of certain fixed assets.	Failed
TOTAL	**25,628**	**2,905**	**8.82%**	-	**Failed**

Revenue Classification	SNC Revenue
SNC Operating Revenue	0
SNC Non-operating Revenue	2,905
Total SNC Revenue	2,905
Total Revenue (Gross)	517,596
% SNC Revenue	0.56%
STATUS	**PASSED**

Financial Ratio Benchmark Assessment

Cash over total assets: Cash in Conventional Account or any prohibited Financial Instrument

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Cash and cash equivalents	935,441	1,146,724	82.0%	Subject to 33% benchmark	Over 33% limit
Financial assets at fair value through profit or loss	3,500				
Long-term time deposits at banks	1,000				
TOTAL	**939,941**				**FAILED**

Debt over total assets: Interest-Bearing Debt

Segment	Segment Amount (RMB '000)	Total Assets	% Ratio	Description	Result
Interest-bearing bank borrowings	69,500	1,146,724	12.0%	Subject to 33% benchmark	Within 33% limit
Lease liabilities	68,464				
TOTAL	**137,964**				**PASSED**

IPO Shariah Status

Segment		Status
Business Activity Benchmark		**PASSED**
Financial Ratio Benchmark	Cash	**FAILED**
	Debt	**PASSED**
Result		**FAILED**

Disclosure

This research is free to our clients and is grounded in presently available public information that we deem reliable. It is crucial to note that this research does not constitute an offer to sell or a solicitation of an offer to buy any security, particularly in jurisdictions where such actions would be considered illegal. Furthermore, it does not serve as a personalized recommendation and does not consider the individual investment objectives, financial situations, or needs of specific clients.

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