



**Embrace Changes for Growth
Unite Strength for the Future**

**2025
Annual Results**



Table of Contents

01 | Results Overview

02 | Financial Review

03 | Business Review

04 | Outlook

05 | Appendix



01

Results Overview



Results Overview

(RMB mn)	2024	2025	Change
New car sales volume (units)	485,307	497,316	2.5%
Pre-owned car sales volume (units)	226,231	221,213	(2.2)%
After-sales services visits ('000 units)	8,048	8,067	0.2%
Number of dealership stores	423	453	30
thereof: Traditional brands stores	403	413	10
New energy vehicle brands stores	20	40	20
Number of collision centers	34	46	12
Total Revenue	168,124	164,403	(2.2)%
thereof: New car sales	125,326	125,878	0.4%
After-sales services	22,001	22,911	4.1%
Total Gross profit	10,672	8,838	(17.2)%
thereof: New car sales	(3,208)	(3,709)	15.6%
<i>New car margin</i>	(2.6)%	(2.9)%	(30)bps
After-sales services	10,216	11,050	8.2%
<i>After-sales services margin</i>	46.4%	48.2%	180bps
Commission Income	4,200	2,574	(38.7)%
Impairment of Goodwill and Intangible Assets	100	2,291	
Profit/(Loss) Attributable to Owners of the Parent	3,212	(1,673)	



02

Financial Review



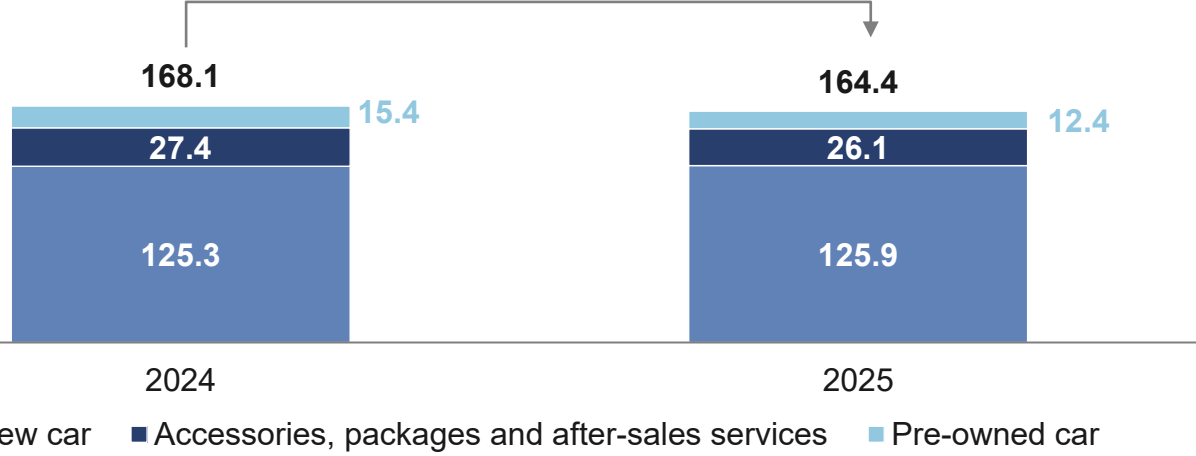


Revenue Breakdown

Total Revenue

(RMB bn)

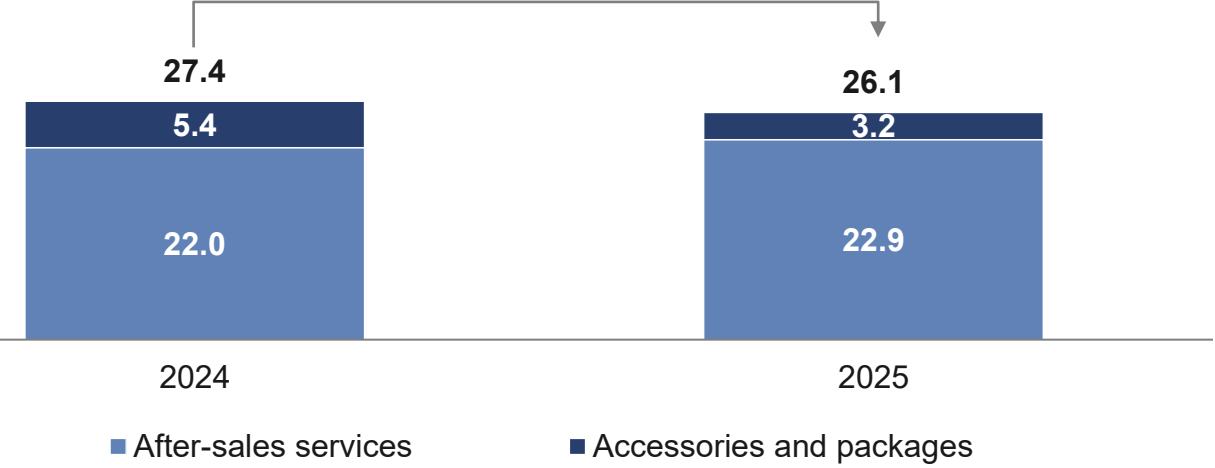
Change: (2.2)%



Accessories, Maintenance Packages and After-sales Services Revenue

(RMB bn)

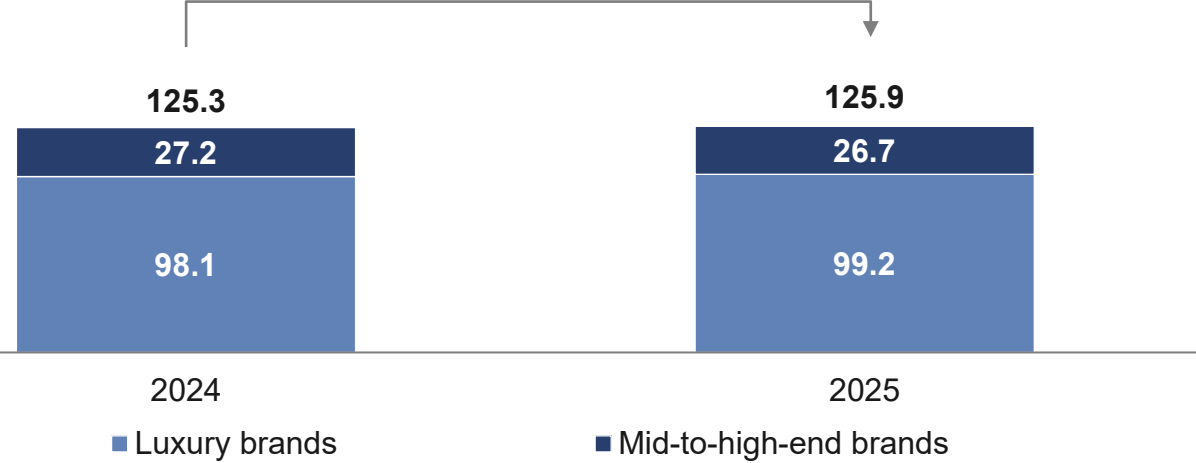
Change: (4.7)%



New Car Revenue

(RMB bn)

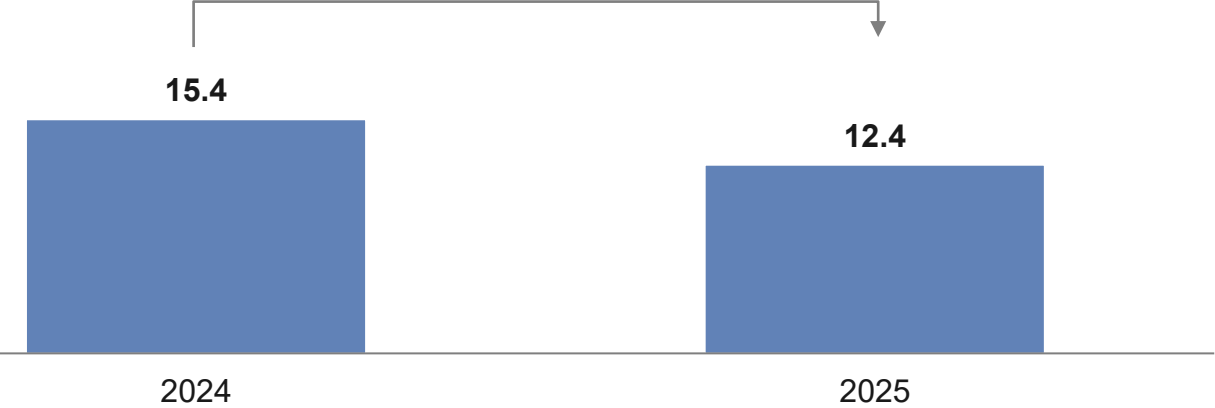
Change: 0.4%



Pre-owned Car Revenue

(RMB bn)

Change: (19.4)%



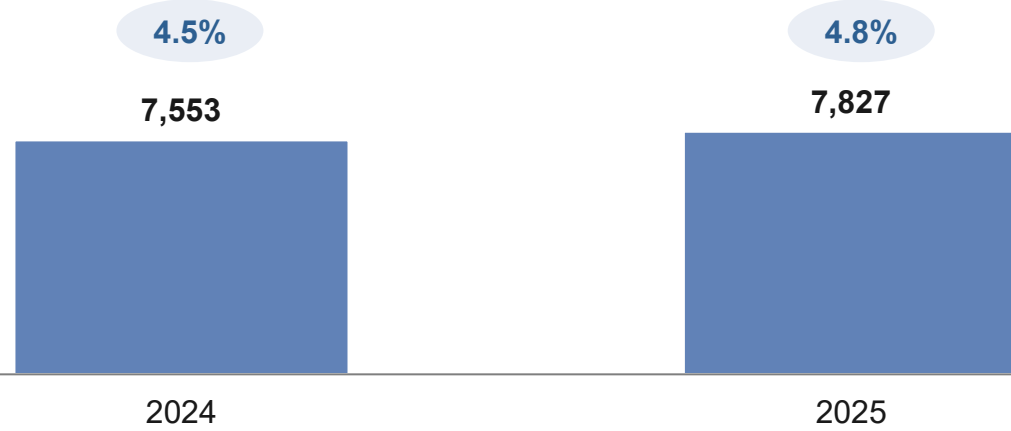


Operational Expenses

Selling and Distribution Expenses

(RMB mn)

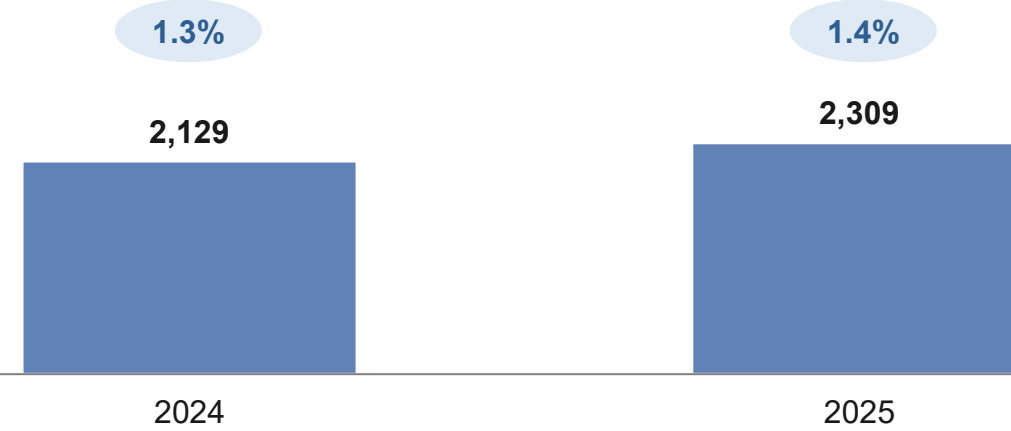
As % of revenue



Administrative Expenses

(RMB mn)

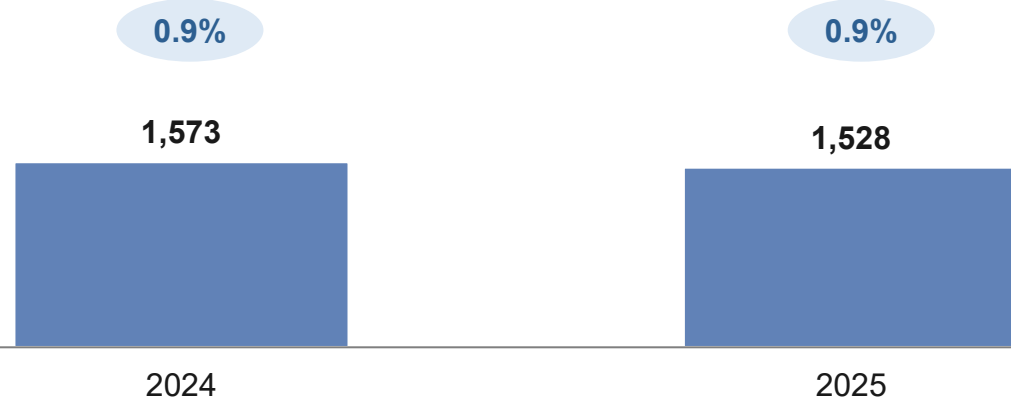
As % of revenue



Finance Costs

(RMB mn)

As % of revenue



Absorption Ratio¹

(%)



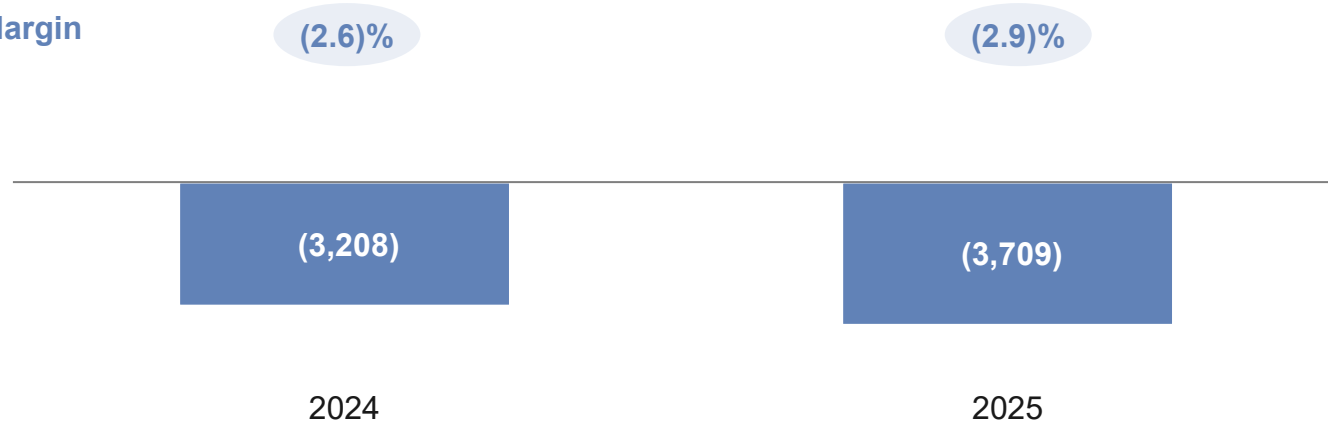


Aggregate Profit Breakdown

New Car Gross Profit

(RMB mn)

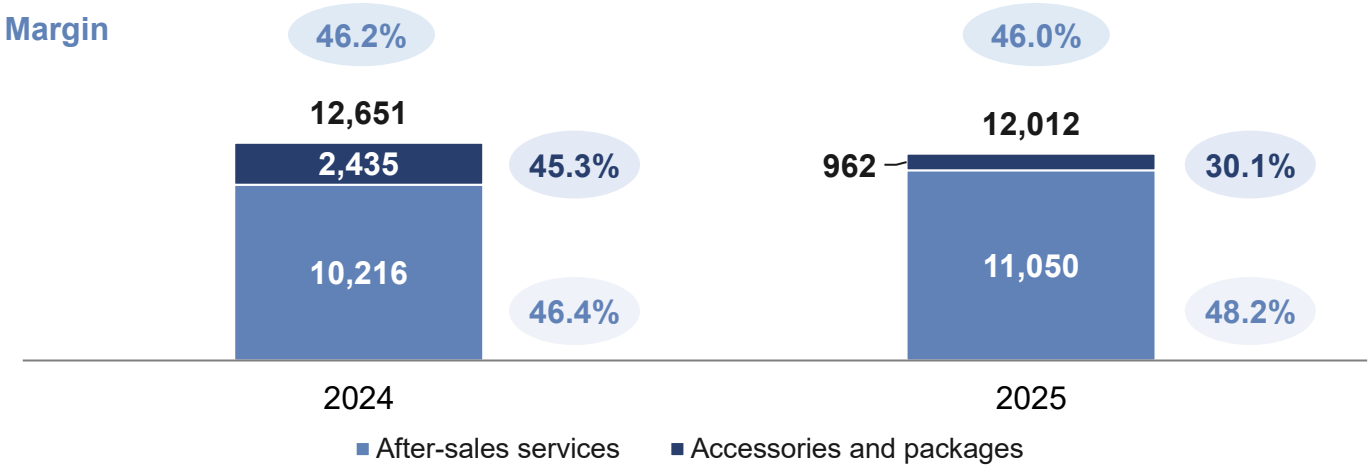
Margin



Accessories, Packages and After-sales Services Gross Profit

(RMB mn)

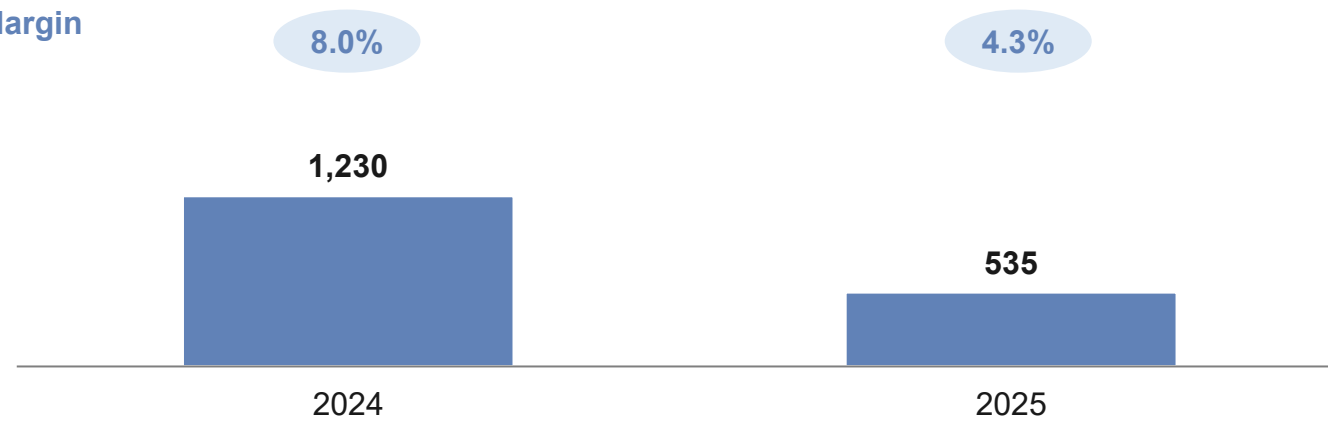
Margin



Pre-owned Car Gross Profit

(RMB mn)

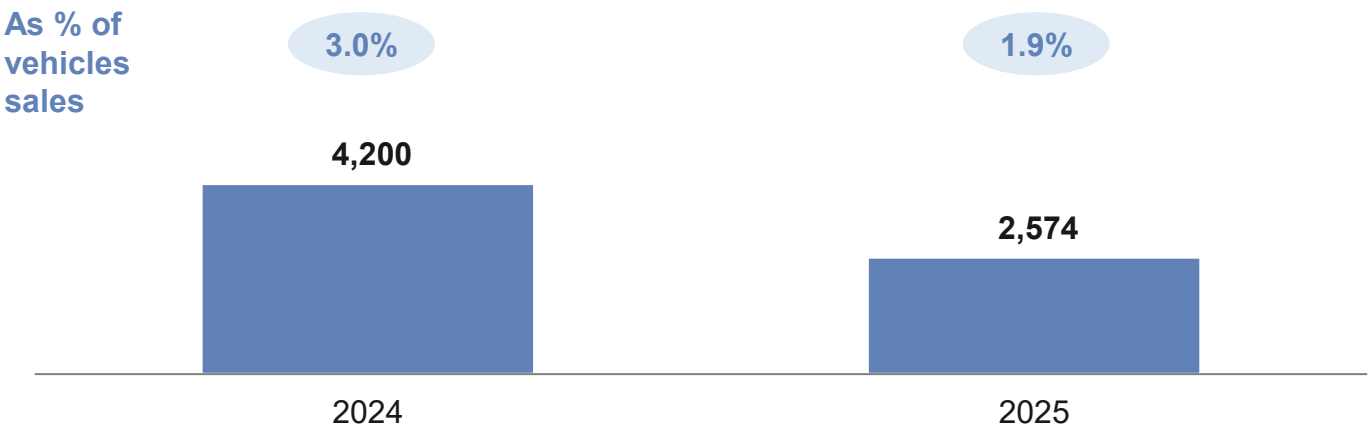
Margin



Commission Income

(RMB mn)

As % of vehicles sales

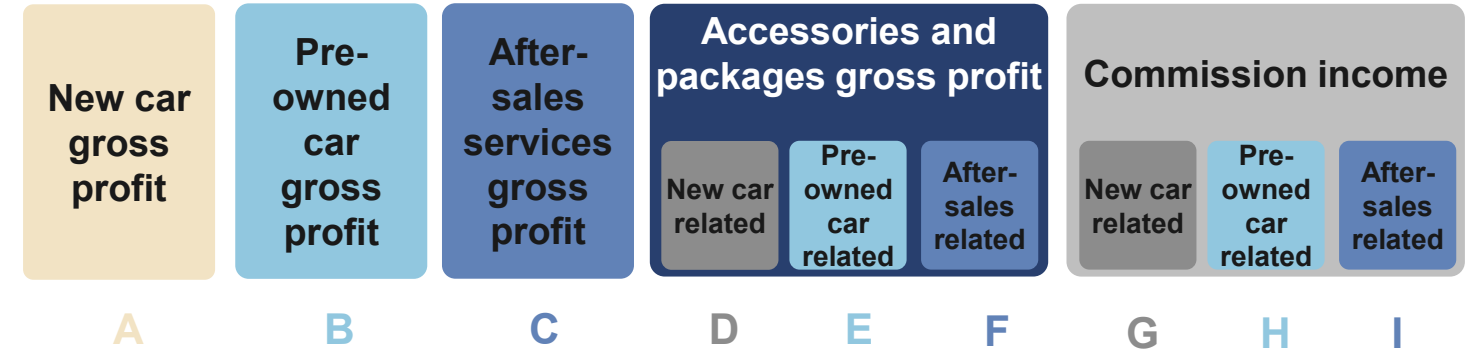
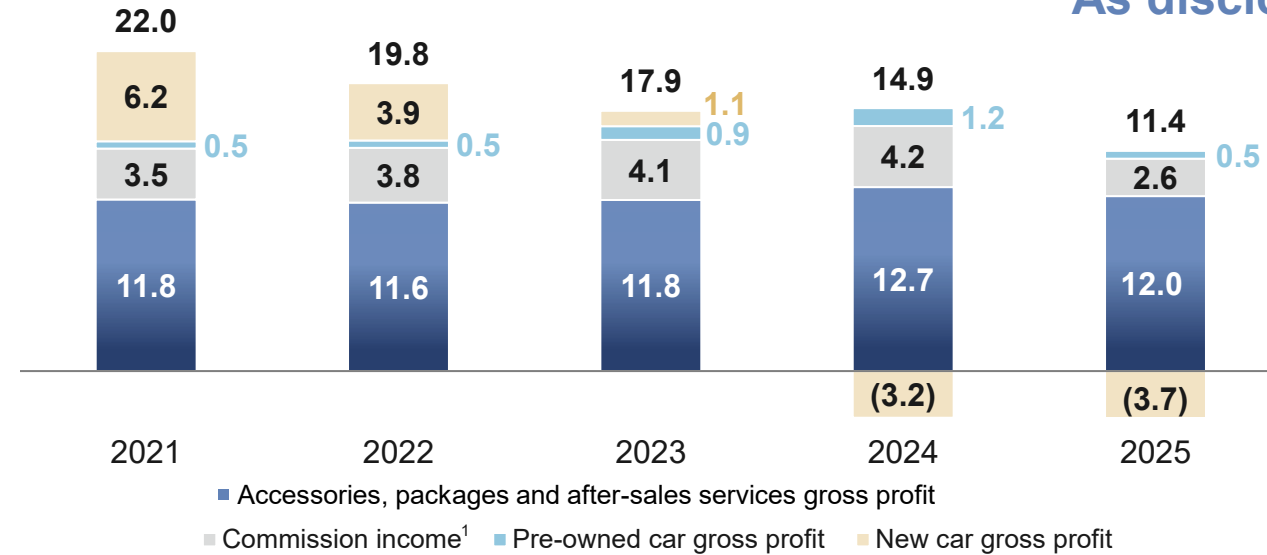




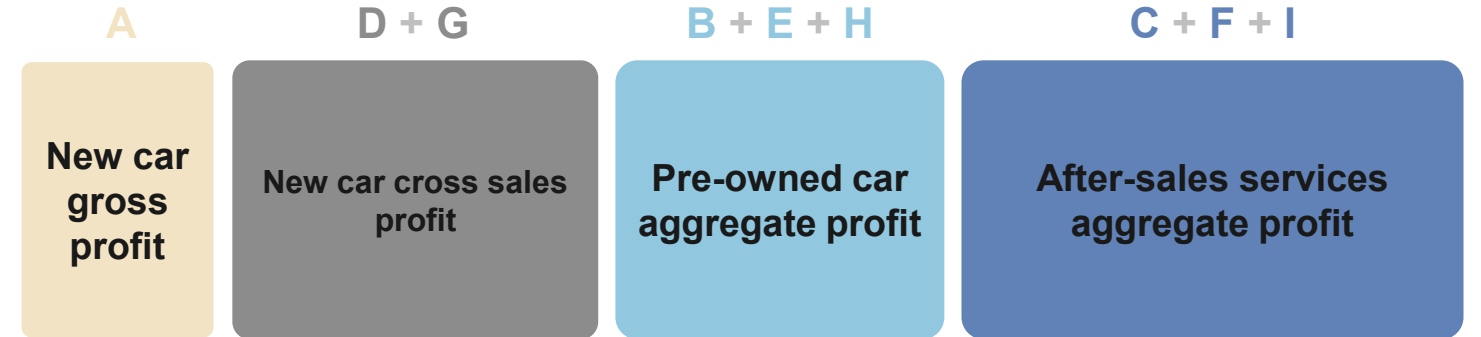
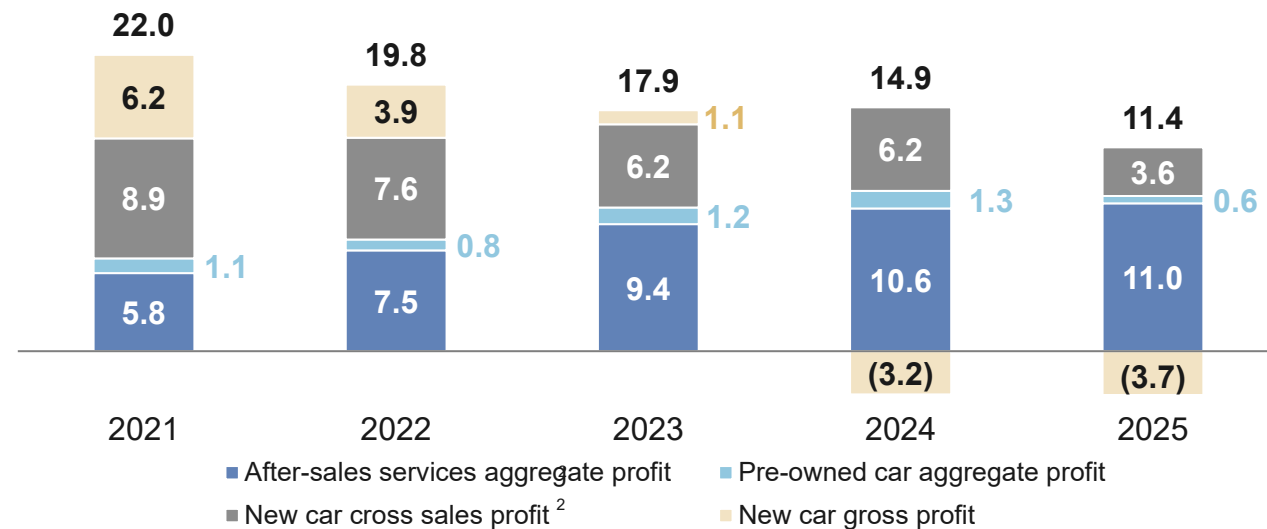
Aggregate Profit (Gross Profit + Commission Income) Reconciliation

(RMB bn)

As disclosed in financial reports



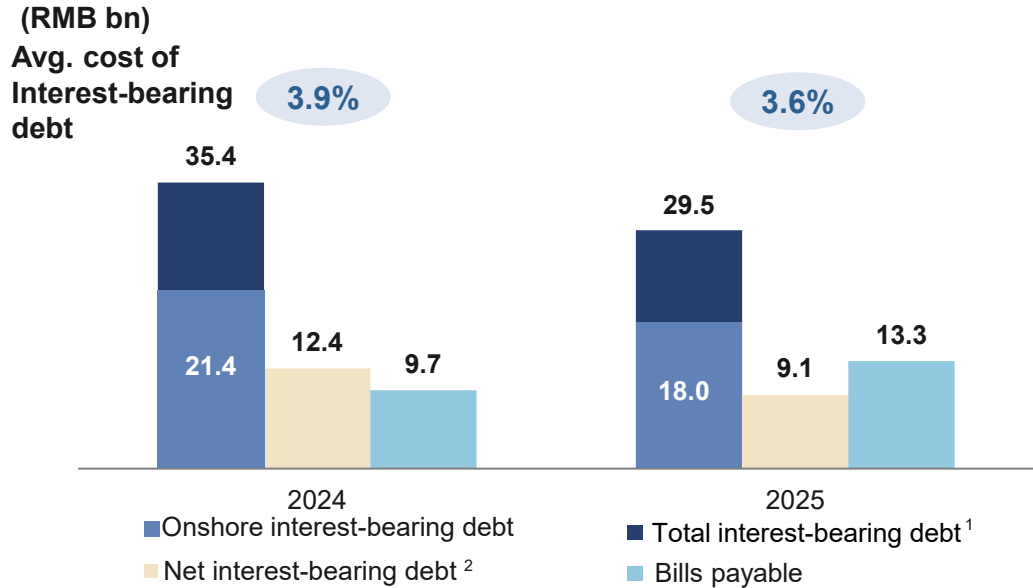
Reconciled to reflect business segments



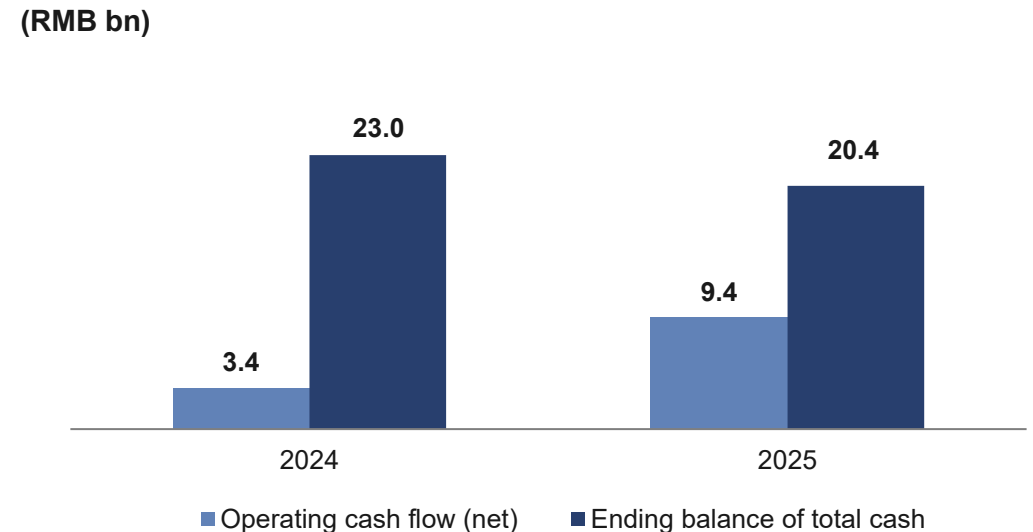


Interest-bearing Debt and Liquidity

Debt Breakdown by Type

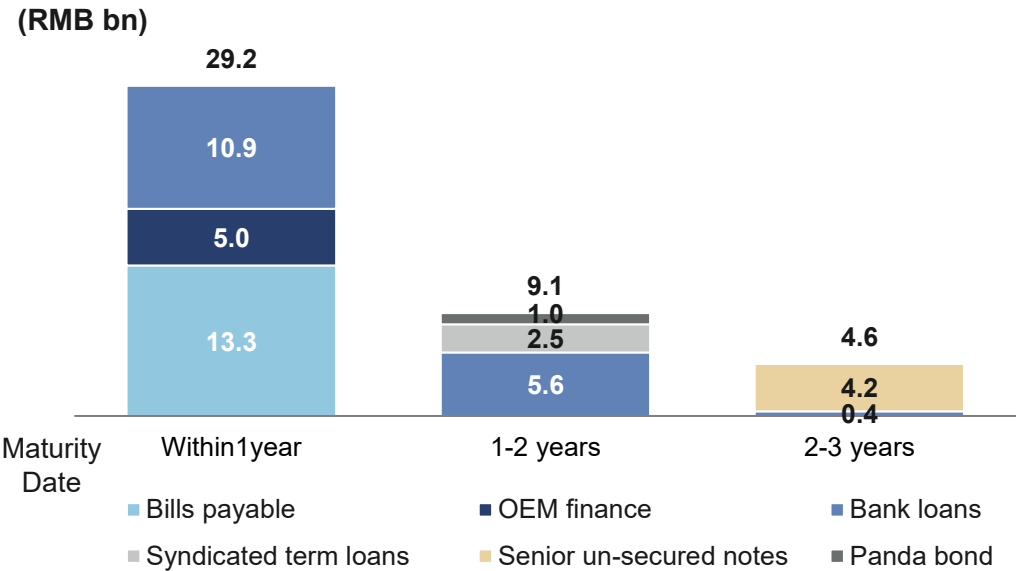


Operating Cash Flow & Cash Reserve

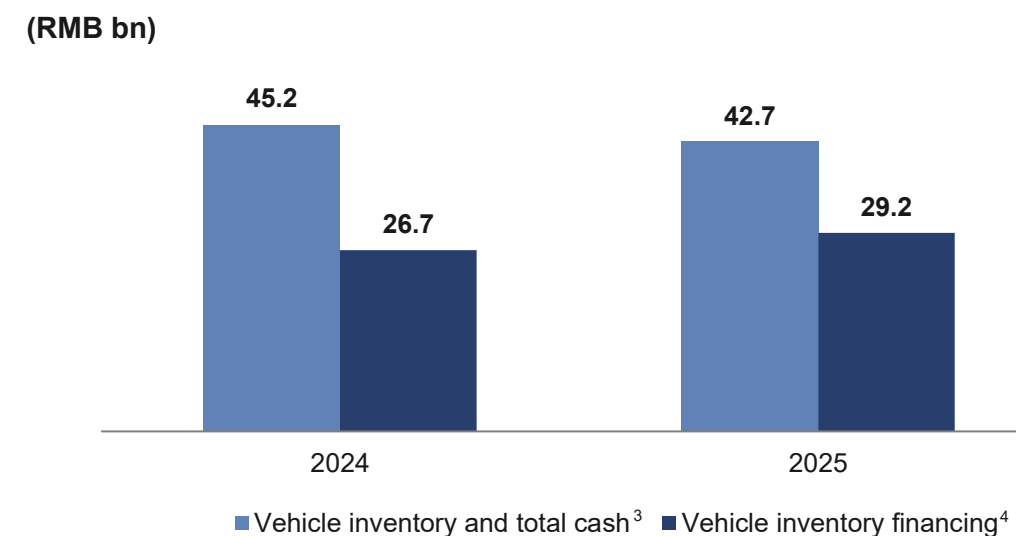


¹ Total interesting-bearing debt including Bank loans and other borrowing (Bank loans, OEM financing, Syndicated term loans, Senior un-secured notes, Panda bond) and convertible bond; ² Net interest-bearing debt= Total interest-bearing debt – Ending balance of total cash. Ending balance of total cash including Cash and cash equivalents, Cash in transit, Time deposits and pledged bank deposits; ³ Vehicle inventory=Motor vehicles inventory (including VAT)+Prepayments to OEMs; ⁴ Vehicle inventory financing=Bills payable + OEM financing + Bank loans due within one year

Debt Breakdown by Maturity



Inventory Financing & Cash Funds



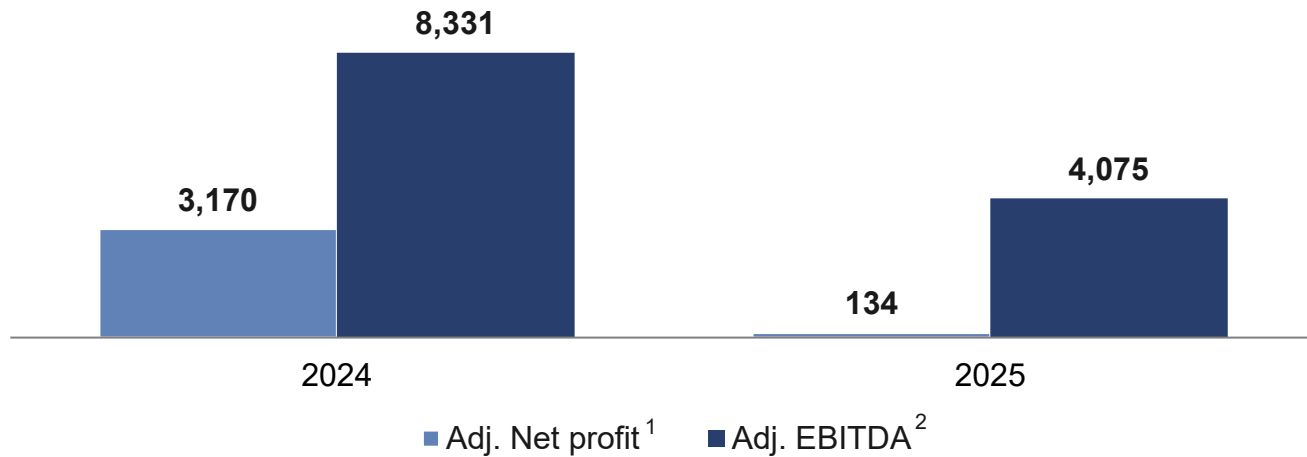
- **Diverse and accessible funding sources** through proactive and effective liabilities management to continuously **improve debt structure and liquidity**
- Successfully tapped diversified onshore and offshore refinancing channels, and consolidated debt repayment capacity:
 - May 2025: repayment of **HK\$3,124mn Convertible Bond**
 - Aug 2025: early redemption of **the remaining US\$158mn senior unsecured notes** (due Jan 2026)
- **Healthy operating cash inflow, with strong cash balance and sufficient liquidity**
- **Strong liquidity and solvency.** Highly liquid vehicle inventory and sufficient cash balance **cover almost all** short-term and long-term borrowings and debts



Other Financial Metrics

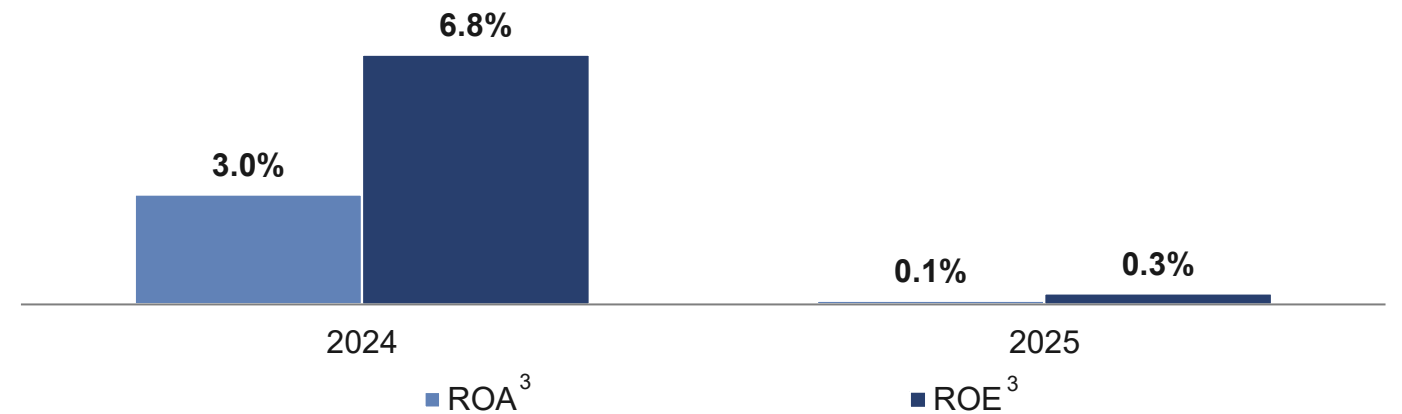
Adj. Profitability

(RMB mn)



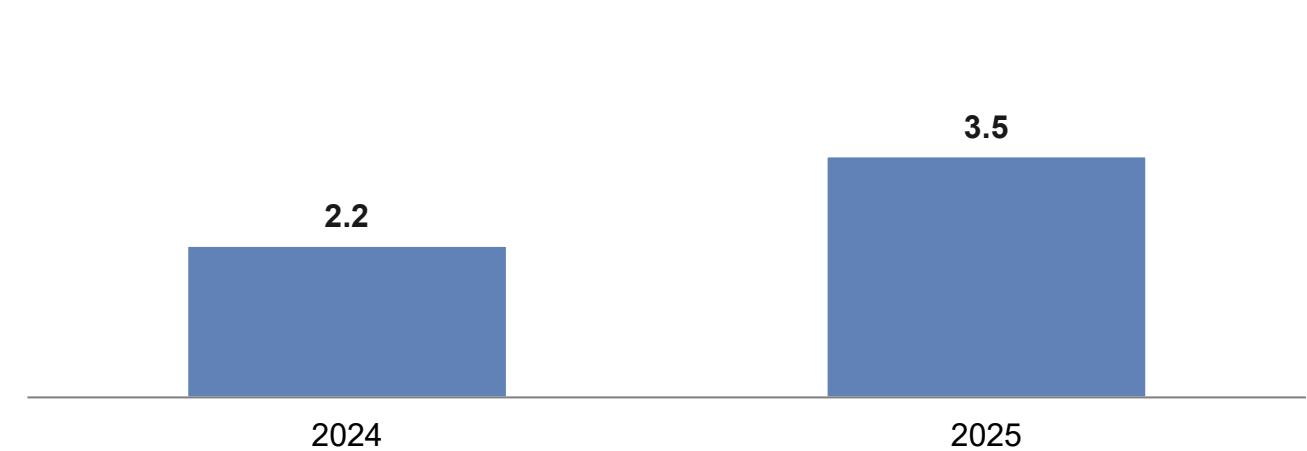
Adj. ROA and ROE

(%)



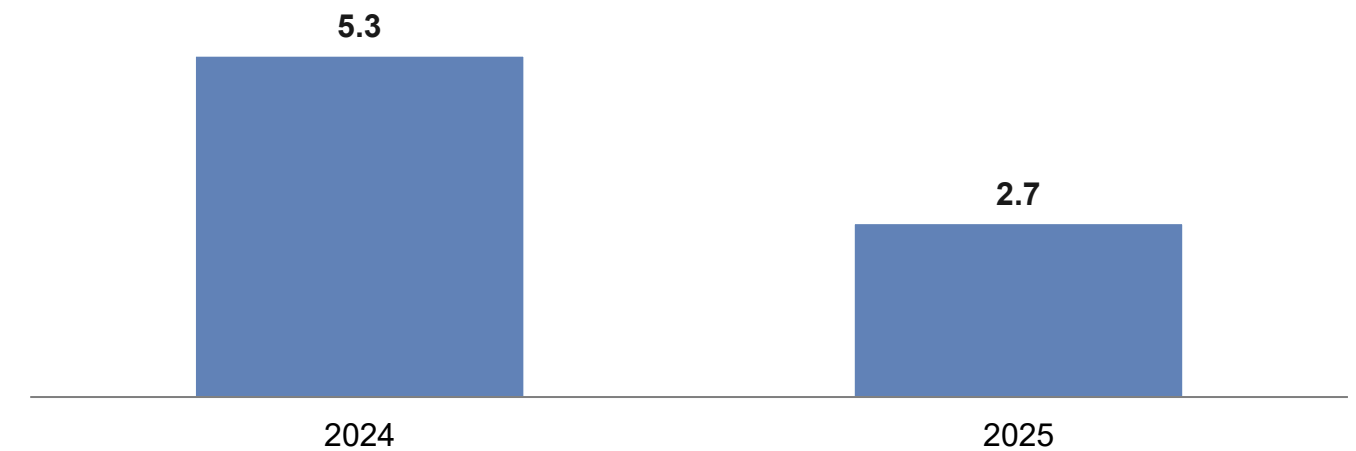
Net Debt⁴ / Adj. EBITDA

(x)



Adj. Interest Coverage⁵

(x)



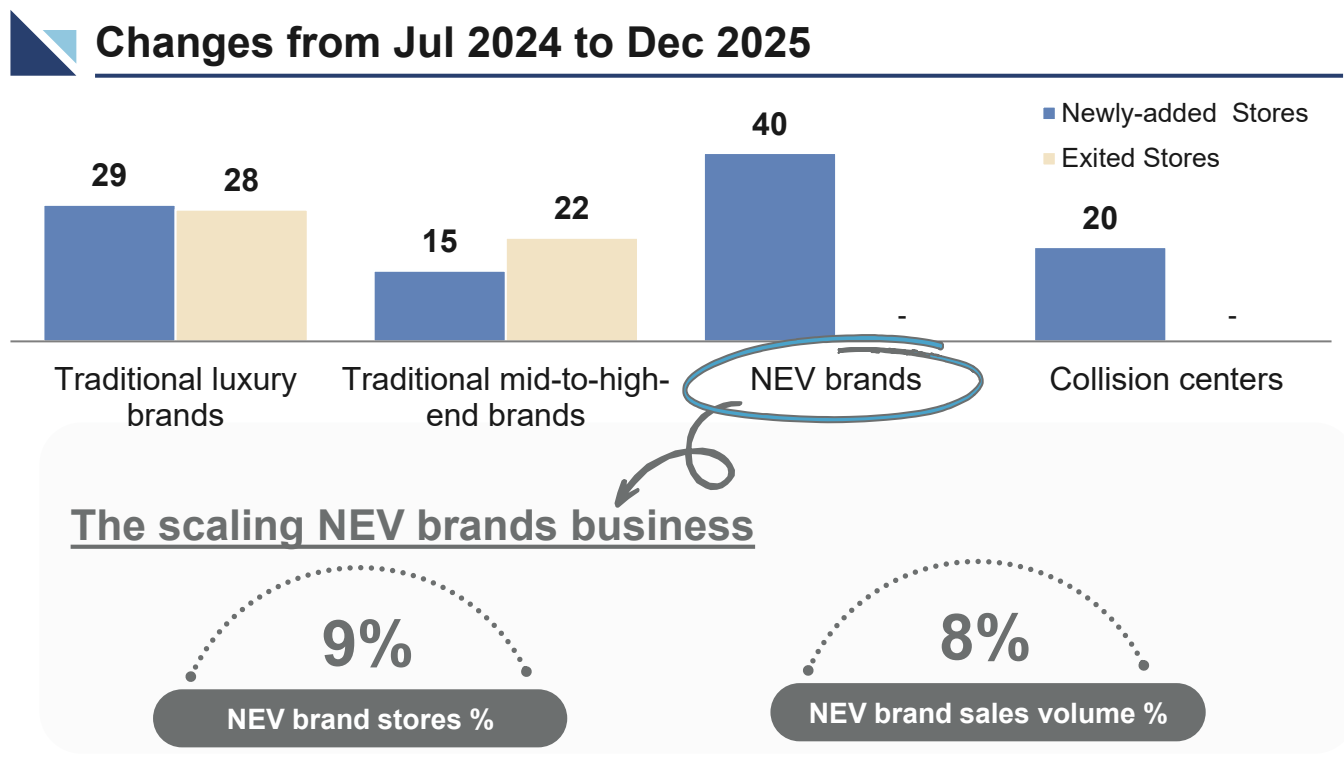
03

Business Review





Network Structure Optimization



Major Dealer Network Reshuffling

- ✓ Over the past 18 months, the Company added **104** stores and collision centers, and exited **50** stores
- ✓ Exiting, merging, suspending or transferring stores for traditional brands, which are of low operating quality or under saturated competitive landscape, for better operating efficiency
- ✓ Local density in core cities further increased to **15** stores per city on average
- ✓ Enhanced local markets dominance, with **101** stores being **sole local dealership stores**
- ✓ **40** NEV brand stores out of 453 stores, with sales volume ramping up

Corresponding Goodwill and Intangible Assets Impairments

(RMB mn)	Impairments
Goodwill impairments	1,261
Intangible Assets Impairments	1,030
Total Impairments	2,291
Reversal of deferred income tax liabilities	(258)
Net Impact	2,033

One-off Non-Recurring Gains and Losses

- ✓ Comprehensive store operational review led to impairments of goodwill and intangible assets for exited and transferred stores

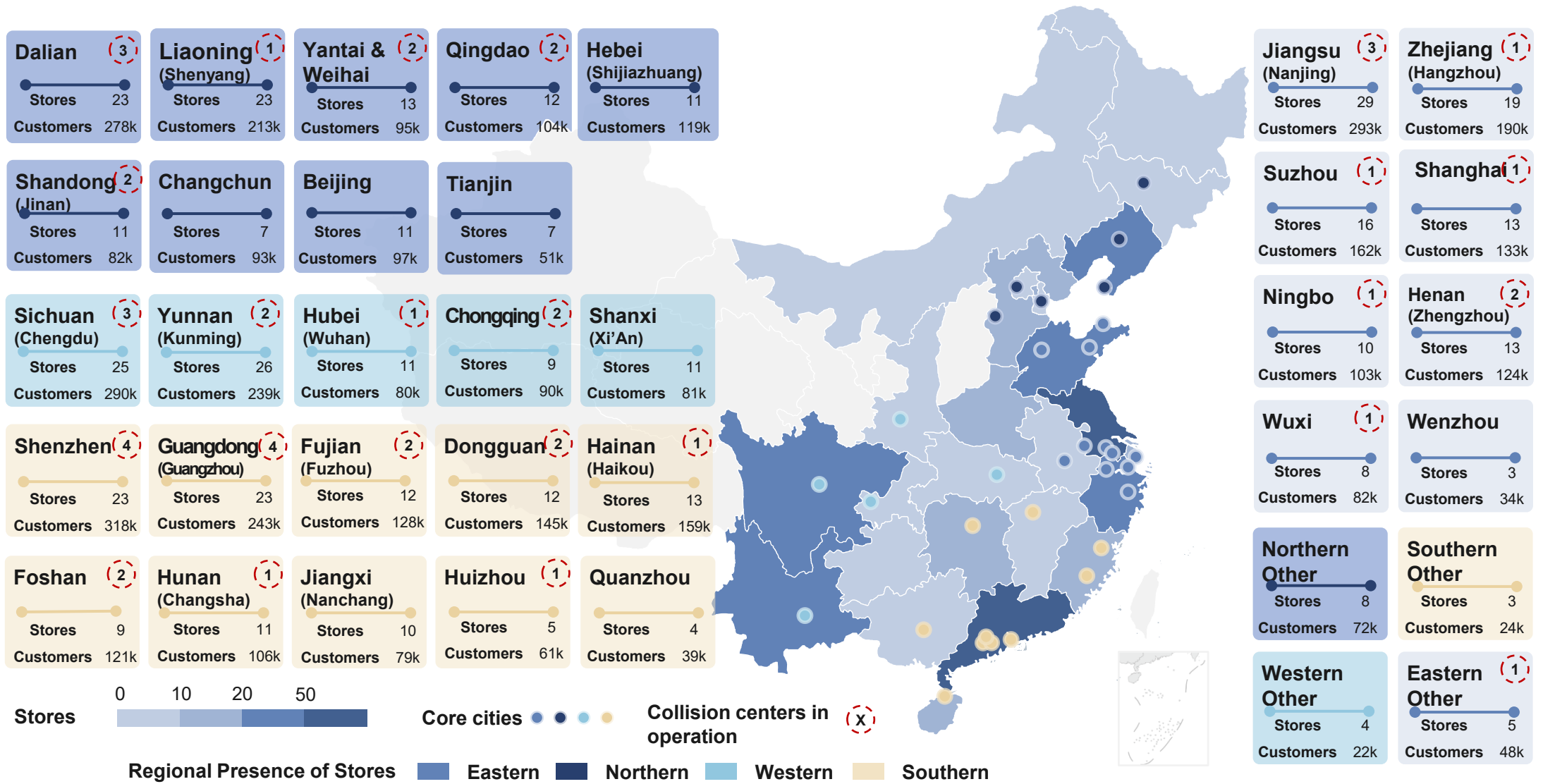


Store Network by Core City

32 Core Cities

453 Stores in total¹

46 Collision centers in operation¹

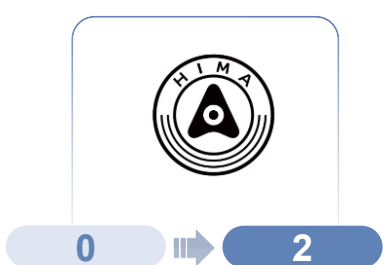
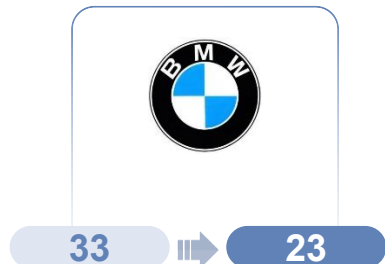
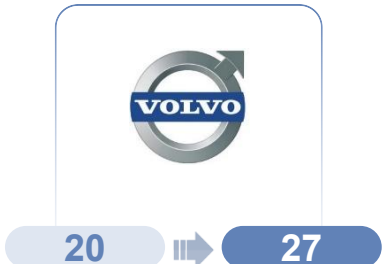
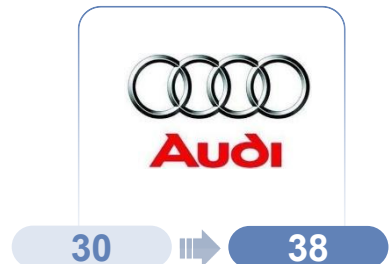
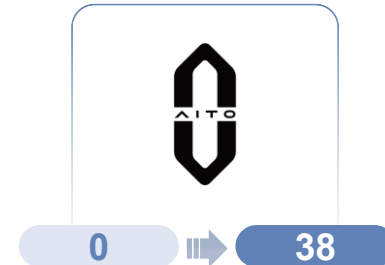




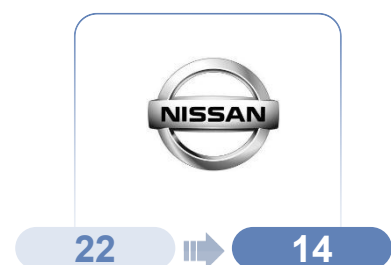
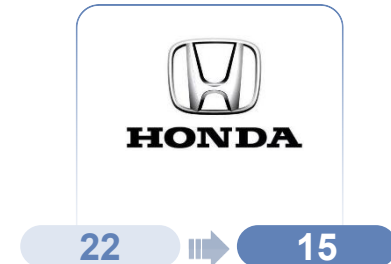
Store Network by Brand

453 Dealership Stores as of the end of 2025

Luxury Brands – 310 dealership stores



Mid-to-high-end Brands – 143 dealership stores¹



Number as of June 2024

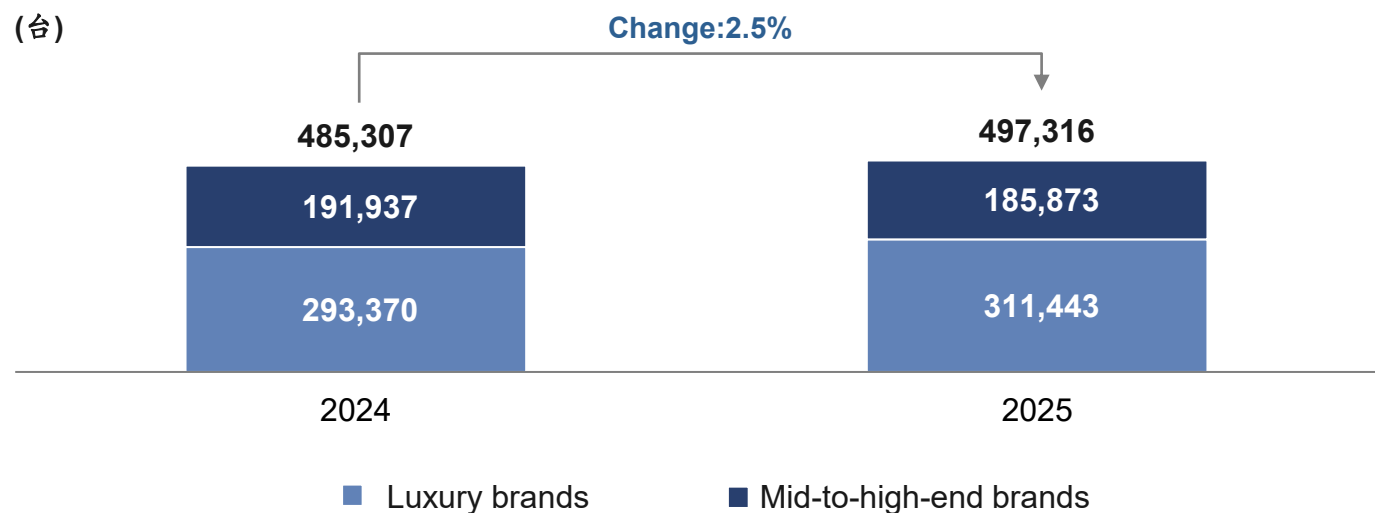
Number as of the end of 2025

¹ Other mid-to-high-end brands include Volkswagen (1 store)

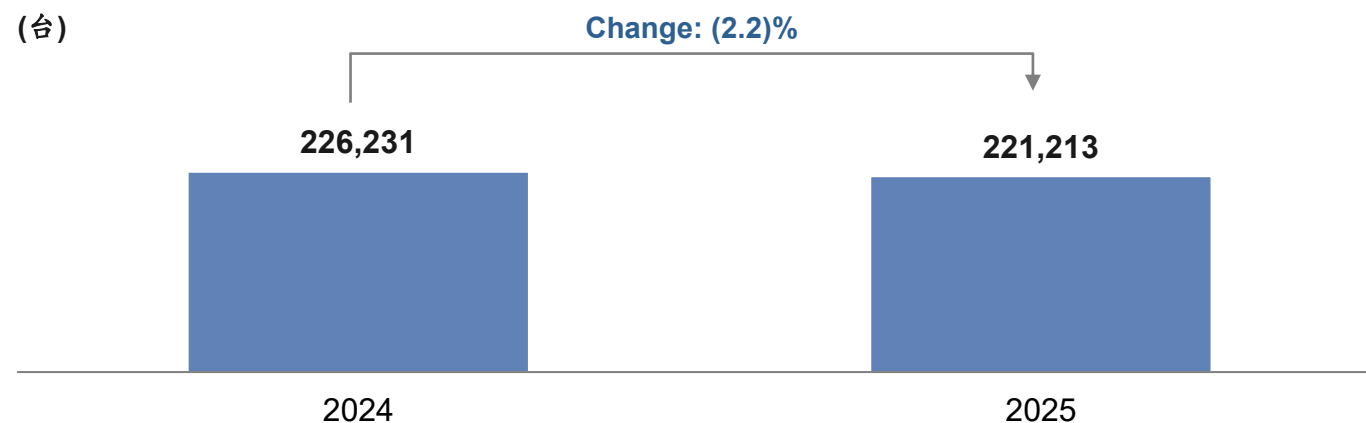


Vehicle Sales Breakdown

New Car Sales Volume



Pre-owned Car Sales Volume



New Car Sales Volume by Brand

Brands	2024	2025
Mercedes-Benz	27.6%	23.0%
Lexus	11.9%	12.1%
AITO	-	8.2%
Audi	7.3%	6.8%
BMW	7.9%	6.4%
Toyota	31.1%	31.9%
Others	14.2%	11.6%
Luxury Brands%	60.5%	62.6%

New Car Sales by Brand

Brands	2024	2025
Mercedes-Benz	40.0%	31.5%
Lexus	13.1%	13.5%
AITO	-	11.7%
Audi	9.3%	6.9%
BMW	7.2%	6.3%
Toyota	18.3%	18.9%
Others	12.1%	11.2%
Luxury Brands%	78.3%	78.8%



New Car Sales Gross Margin Remained Negative

New Car Profitability

(RMB mn)	2024	2025	Change
New car gross profit	(3,208)	(3,709)	(501)
New car cross sales profit	6,244	3,612	(2,632)
New car gross profit margin (GP2)	(2.6)%	(2.9)%	(30)bps
New car aggregate profit margin (GP3)	2.4%	(0.1)%	(250)bps



New Car Sales Remain Gross Loss While Likely to Bottom Out

- ✓ **Price inversion** between procurement prices and actual selling prices has been prevailing among traditional brands. Back-loaded OEM subsidies fail to make up dealers' transaction losses, leading to sustained negative gross margin
- ✓ Slowdown in new car gross profit decline with **bottoming-out** signs appear
- ✓ **NEV** brands enjoyed higher gross profit than traditional brands, lifting new car gross margin by 0.9pps in 2025, making up some of the gross loss



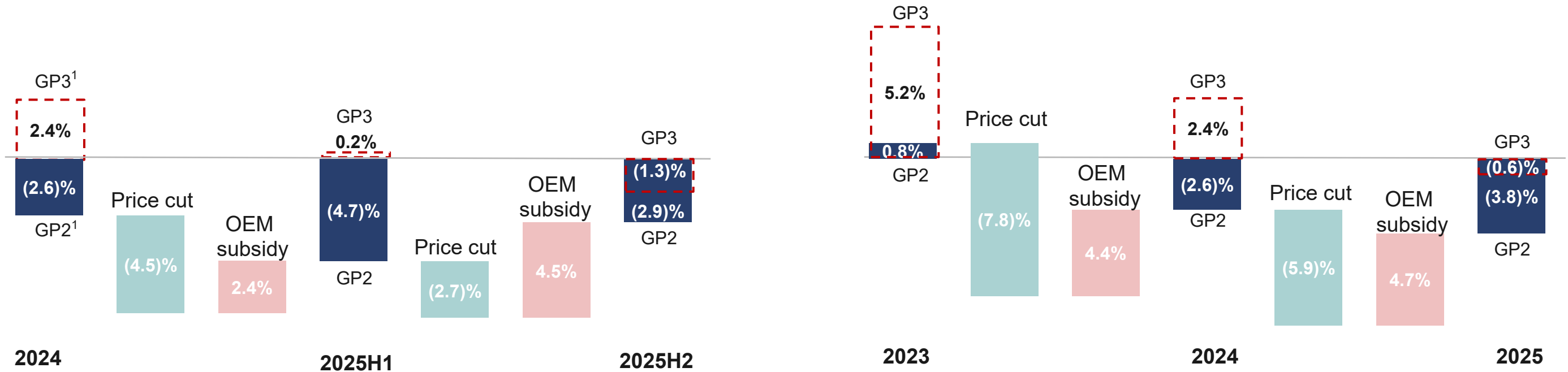
Structural Changes on New Car Aggregate Profit Pave Path to Long-term Sustainable Development in the Industry

- ✓ Commission income declined significantly in 2H2025 due to regulations on interest rates charged for auto financing and commission rates to dealers
- ✓ As a result, the penetration ratio and commission yields of financing products **reduced and normalized**



Traditional Brands New Car Profitability

Traditional Brands New Car Profit Margin Bridge (non-NEV brands only)



The discontinuation of “high interest, high rebate” financing products caused a sharp decline in commission income (GP3) in 2025H2, though at the same time, alleviated aggressive price-cutting practices

Overall OEM subsidies in 2025 fail to compensate the aggregate negative impacts on new car profitability (GP3), from both price declines and normalized financing products rebates, leading to unprecedented negative GP3

¹ GP2 is new car gross profit; GP3 is new car gross profit plus new car cross sales profit, which is new car aggregate profit



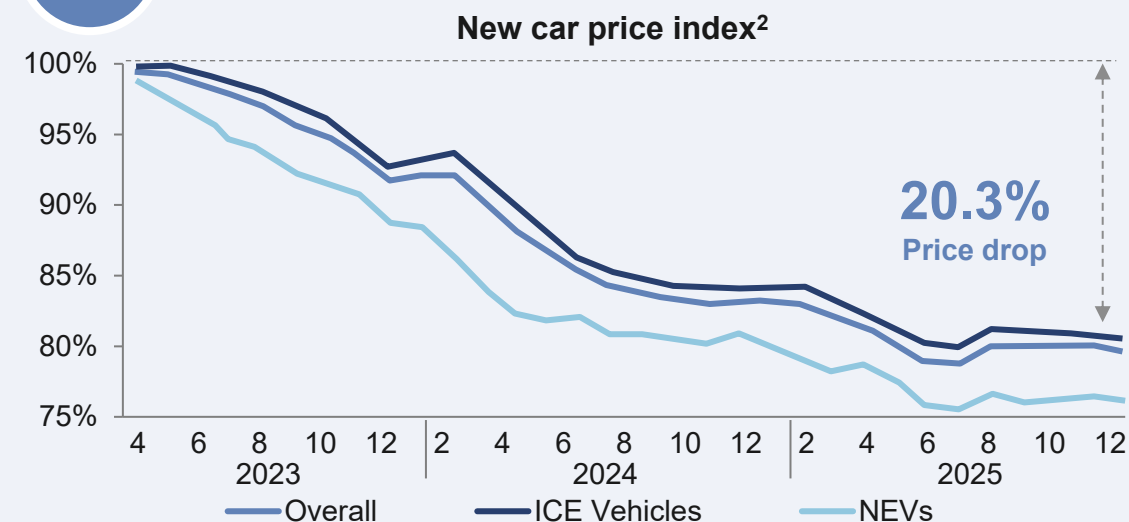
Pre-owned Car Business Profit Weakened

Pre-owned Car Sales

	2024	2025	Change
Pre-owned car gross profit (RMB mn)	1,230	535	(695)
ASP of pre-owned cars ¹ (RMB'000)	68	56	(17.6)%
Aggregate profit per pre-owned car (RMB'000)	5.7	2.5	(56.5)%
% of retail sales volume	22.7%	23.7%	100bps
Number of pre-owned car retail centers	7	9	2



Pre-owned Car Sales Price Under Pressure Amid New Car Price Competition



Upbeat on Strong Long-term Potential in Prospect of Potential Supply Increase

- ✓ Exacerbated fluctuations in pre-owned car residual value and therefore squeezed profitability due to new car price competition
- ✓ Consumption stimulus policies led to increased market supply of higher aged pre-owned cars with lower residual value, thus a decline in pre-owned car transaction prices
- ✓ The market is not ripe for a significant expansion of pre-owned car business
- ✓ Pre-owned car business still holds long-term opportunity under the trend of aging passenger vehicles and growing car parc



Solid Growth in After-sales Service Business

After-sales Services (Maintenance, Warranty and Collision)

(RMB mn)	2024	2025	Change
Number of active customers ('000)	4,194	4,598	9.6%
After-sales visits ('000)	8,048	8,067	0.2%
Number of insurance policies brokered ('000)	2,409	2,685	11.5%
After-sales service revenue	22,001	22,911	4.1%
After-sales gross profit	10,216	11,050	8.2%
After-sales gross profit margin	46.4%	48.2%	180bps



Structural Optimization in After-sales Service Business Generating Steady Gross Profit Growth

- ✓ Remarkable achievements from customer operation with further growth in active customer base
- ✓ Warranty visits (with low yield and low margin) decreased by 20%, while collision repair visits (with high yield and high margin) increased by ~10%, driving **structural optimization** in after-sales visits
- ✓ CRM centers deliver more insurance sales, stabilized new car insurance and **high-quality growth** in policy renewals
- ✓ Gross margin of after-sales services **structurally improved** with growth visibility



Continuously Building Zhongsheng Customer Ecosystem

Zhongsheng Go Online Membership Platform



Points system offers curated products and brand peripherals, unlocking the supply chain potential



Massive data of consumption behavior data captures customer needs, providing insights for vehicle sales & after-sales services



Boost customers engagement, increase stickiness, and drive spending conversion

Zhongsheng Go Subscribers

Platform DAU

3.50mn

4.07mn

44k

2024

2025

2025

Centralized CRM Center



Breaks brand/store silos, manages city-level customer resources, preventing churn from store/staff changes.



WeCom for efficient communication, delivering timely, standardized services to enhance experience



Integrates group resources, effectively reduces CRM costs and improves staff efficiency

WeCom Customers

Avg. policies renewal per staff

8.31mn

11.61mn

30%

2024

2025

After vs Before ¹ the launch of CRM center

New Media Operation System



Professional new media system taps and converts lead value, driving precise traffic to offline sales & services.



Multi-platform traffic acquisition to better align with consumers' vehicles consumption behavior



Operates by region/brand to share expertise and achieve resource interoperability

New media coverage

New media lead-to-sale conversion rate

45k+

25.70mn+

1.3%

New media accounts

New media followers

2025



The 3 customer operation systems have achieved online-offline resource integration, enabling Zhongsheng to deliver customer-centric, full-lifecycle, and omni-channel customer operations

04


Outlook





New Car Business – Challenges Remained among Traditional Brands

Traditional OEMs are proactively alleviating dealers' pressures on profit and cash flow

 Lower manufacturer's suggested retail price (MSRP) for most models to streamline dealers' procurement costs, reducing upfront funding pressure

Since 2026:



10%-25%
Reduction in MSRP for **80%** of models sold



Mercedes-Benz

10%-12%
Reduction in MSRP for **75%** of models sold



11%/24%
Q5L/A6L MSRP reduction from transition to new models



Entering into a major new product cycle



Most brands are about to enter into a major new product cycle

- ✓ All new platform design
- ✓ Both ICEs and NEVs with **smart cabin and autonomous driving features**
- ✓ Actively collaborating with domestic software suppliers to provide **localized products**



Initial successes from some international OEMs

- ✓ Toyota **bZ3X** delivered **80,000+ units** in its first year, and **topped in sales volume** among joint-venture NEV brands for 5 consecutive months
- ✓ **A5L**, Audi's first PPC luxury ICE model, has become a new benchmark in luxury B+ segment, thanks to advanced design and intelligent driving tech from Evomotion and **Huawei Qiankun**



Accelerated consolidation among dealers



~15%

Number of Benz and BMW networks reduction since 2025

Zhongsheng's new car market share in 32 core cities

	2024	2025
Mercedes-Benz	30%	33%
Lexus	53%	53%
Audi	22%	20%
BMW	19%	25%
Volvo	39%	58%
Toyota	24%	25%
AITO	-	22%



New Car Business – Optimizing Traditional Brand Network and Expanding NEV Business



Adjust procurement and sales plan based on the profitability of brands and car models, and timely **stop procurement and sales** of loss-making models



Dynamically set quarterly sales targets with OEMs



Plan to exit and transfer **50-150** underperforming stores



Optimize traditional brands



Expand into more NEV brands

GEELY Ecosystem

HUAWEI Ecosystem

Other high-quality NEV brands





Continued Growth in After-sales Services

中升维修服务中心



..... Strategic evolvement of collision centers: Optimize small-scale centers, focus on core cities, and expand large-scale independent centers



..... Expand customer base through brand-agnostic operations and stimulate dormant customers via CRM centers and membership platforms



..... Drive sustained after-sales visits through high-quality services and brand-agnostic operations; actively solicit collision repair visits



..... Capture new brand after-sales market opportunities by entering stores with massive existing customer bases



..... Actively promote transparent process to deliver more practical and cost-effective after-sales services for customers



Leaner Management, Lower Cost, Higher Efficiency

Enhance Premises Utilization Efficiency



Fully leverage existing premises to develop new brand facilities through splitting, sharing or reuse

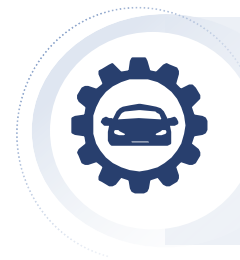


Convert customer reception areas of collision centers to new car sales showrooms to extract more value of the premises

Optimize Management Processes, Focus on Core Businesses



Streamline store operations and promote flat management



Optimize business structure and focus on core businesses of vehicle sales and after-sales services, and outsource non-core businesses as appropriate



Optimize labor cost by reassigning staff from traditional brands to new brands, and reducing redundancies through shared functional roles

05

Appendix





Financial Highlights

(RMB mn)	2024	2025
Cash and cash equivalent	18,688	15,421
Time deposits	924	-
Pledged bank deposits	3,332	4,937
Cash in transit	60	80
Cash, cash equivalent and cash in transit	23,004	20,438
Cash flow from operating activities	3,439	9,405
(-) Capex ¹	826	2,305
(-) Lease payments	1,058	1,170
Free cash flow	1,555	5,930
Profit/(Loss) before tax	4,103	(2,058)
(+) Finance costs	1,573	1,528
(-) Interest income	323	485
(+) Depreciation & amortization	2,878	2,799
EBITDA	8,231	1,784
(+) Long-term assets impairment	100	2,291
Adj. EBITDA	8,331	4,075
Dividends paid	1,735	1,468
Repurchase of shares	194	-
Cash to shareholders	1,929	1,468