中升集團控股有限公司
ZHONGSHENG GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 881

ZHONGSHENG GROUP 中升集團

LIFETIME PARTNER 終生夥伴

2025 INTERIM REPORT

CONTENTS

This interim report is printed on environmental paper

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Huang Yi *(Chairman)*
Mr. Li Guoqiang *(President and Chief Executive Officer)*
Mr. Zhang Zhicheng
Mr. Tang Xianfeng
Ms. Yu Ning
Ms. Zhou Xin

NON-EXECUTIVE DIRECTORS

Mr. Chan Ho Yin
Mr. Sun Yanjun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ying Wei
Mr. Chin Siu Wa Alfred
Mr. Li Yanwei
Ms. Cheng Po Chuen (appointed on 8 April 2025)
Mr. Shen Jinjun (resigned on 8 April 2025)

CORPORATE HEADQUARTERS

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Zhongshan District
Dalian
PRC

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REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Hong Kong

COMPANY SECRETARY

Ms. Yao Zhenchao

AUTHORISED REPRESENTATIVES

Mr. Huang Yi
Ms. Yao Zhenchao

AUDIT COMMITTEE

Mr. Ying Wei *(Chairman)*
Mr. Chin Siu Wa Alfred
Ms. Cheng Po Chuen (appointed on 8 April 2025)
Mr. Shen Jinjun (resigned on 8 April 2025)

REMUNERATION COMMITTEE

Mr. Chin Siu Wa Alfred *(Chairman)*
Mr. Li Guoqiang
Ms. Cheng Po Chuen (appointed on 8 April 2025)
Mr. Shen Jinjun (resigned on 8 April 2025)

NOMINATION COMMITTEE

Ms. Cheng Po Chuen *(Chairman)*
(appointed on 8 April 2025)
Mr. Shen Jinjun *(Chairman)* (resigned on 8 April 2025)
Mr. Huang Yi
Mr. Chin Siu Wa Alfred

COMPLIANCE COMMITTEE

Mr. Tang Xianfeng *(Chairman)*
Mr. Huang Yi
Mr. Li Guoqiang

RISK COMMITTEE

Mr. Zhang Zhicheng *(Chairman)*
Mr. Huang Yi

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Tang Xianfeng *(Chairman)*
Mr. Zhang Zhicheng

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
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Wanchai
Hong Kong

STOCK CODE

881

AUDITORS

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Certified Public Accountants and Registered Public Interest Entity Auditor
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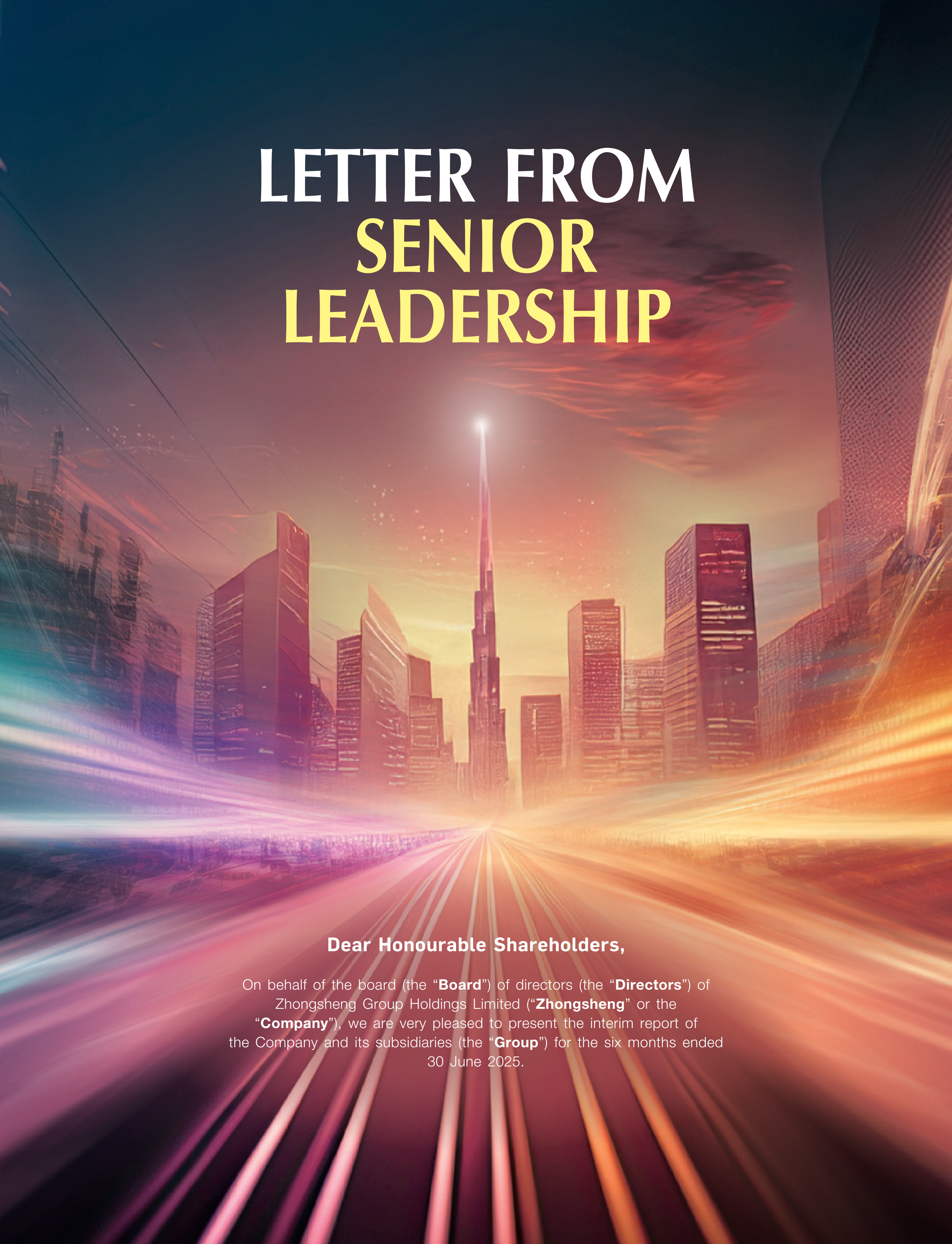
979 King's Road
Quarry Bay, Hong Kong



LETTER FROM SENIOR LEADERSHIP

Dear Honourable Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Zhongsheng Group Holdings Limited ("**Zhongsheng**" or the "**Company**"), we are very pleased to present the interim report of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025.

STRATEGY UPDATES

As we continue to be very strategically disciplined in managing our business — prioritising business density among our core cities and local market brand concentration, prioritising customer engagements, prioritising facility efficiency optimisation, we are encouraged by some market development so far in 2025, which we believe will bring long term positive impacts to the Chinese auto industry. The government has been more mindful of “Nei Juan” or involution practices that cause excessive competition and lead to unsustainable profitability in the Chinese auto industry. Relevant government agencies have issued various guidelines and state media outlets have voiced concerns with aims to temper some aggressive practices, such as long payment terms in supply chains and vicious price wars. The clampdown on “high interest rate, high commission” auto financing products by the banking regulator has also helped alleviate the downward pressure on auto retail prices.

At the industry level, we are seeing ongoing consolidation among auto dealerships creating some very attractive local market entry opportunities for us. Together with the two initiatives we officially announced, AITO in November 2024 and Audi in March 2025, we have gone through a major round of facility/outlet reshuffling in our history. Since November 2024, we have closed down a total of 37 authorised dealership stores across almost all brands we operate. During the same period, as we keep striving in increasing our local market density and brand concentration and optimising facility efficiency, we have added 57 new authorised stores and 20 collision centres, mostly newly opened, with a few acquired.

BUILDING A PREMIUM AUTO SERVICES BRAND AS TOP PRIORITY

Since we announced our pivotal strategy in June 2023, we have been extremely committed to building Zhongsheng as a premium auto services brand in China. The strategic background to our pivot to be more customer oriented has been reiterated many times in the past that the Chinese automobile market has gone from a new car (incremental) market to a car parc (existing) market with flattish annual new car sales number and close to 80% repeat buyers. With hindsight, our pivot has proven to be imperative to our business as customer base (car parc) driven after-sales services become the predominant profit contributor as auto OEMs are wrestling for new car market share at the cost of gross margins because of the advancement of new energy vehicles in China.

Despite the technical differences in powertrain, the various after-sales services an auto owner may need do not differ much between a traditional internal combustion engine vehicle or a new energy vehicle. Therefore, our strategy puts more emphasis on the premium segment of the customers rather than any specific auto brands or powertrain types. Based on our estimates, Zhongsheng is currently serving 14.6% of the total 20.10 million premium segment customers across the 32 core cities where we have operational presence.

At the end of June 2025, Zhongsheng has an active customer base of 4.54 million, representing a 15.2% growth year over year and a further 8.3% growth over the end of December 2024. Our WeChat based membership platform, Zhongsheng GO, has 3.80 million subscription members. We have established direct contacts over WeCom, the enterprise version of WeChat, with close to 10.50 million customers. Zhongsheng GO membership and WeCom contacts have been our key digitization and centralization initiatives in pivoting to a customer-oriented provider of full-fledged OEM brand-agnostic auto services.

FURTHER STRENGTHENING LOCAL MARKET DENSITY AND BRAND CONCENTRATION

We have benefited tremendously from our local market density and brand concentration in withstanding the current adverse market environment and executing our strategy in centralised brand-agnostic operations. We have, on average a total of 15 stores and collision centres in each of our 32 core cities, serving an average of 137 thousand active customers.

As we went through our biggest reshuffling of facility/outlet since November 2024, we have now over 46% of our stores (203 out of 439) being the dominating dealership operator (over 50% store count) in respective local markets. There are 89 stores that represent sole dealership of respective brands in their local markets.

Besides the potential bargaining power we may be able to exert in these local markets, such increasing operational density and local markets dominance benefits us in terms of building greater mindshare among our customers and paving ways for ongoing active customer relationships through our various brand-agnostic auto services even in the event of customers switching vehicle brands.

In the largest four core cities among our footprint, namely Chengdu, Dalian, Nanjing and Shenzhen, the total number of active customers in these four core cities grew 14.5% year on year, reaching 1.03 million in aggregate. The proportion of customers who did not purchase their vehicles from Zhongsheng but came in for regular servicing, or collision repair, or auto insurance renewal were 20%, 36% and 30% respectively in the first half of 2025.

LETTER FROM SENIOR LEADERSHIP (continued)

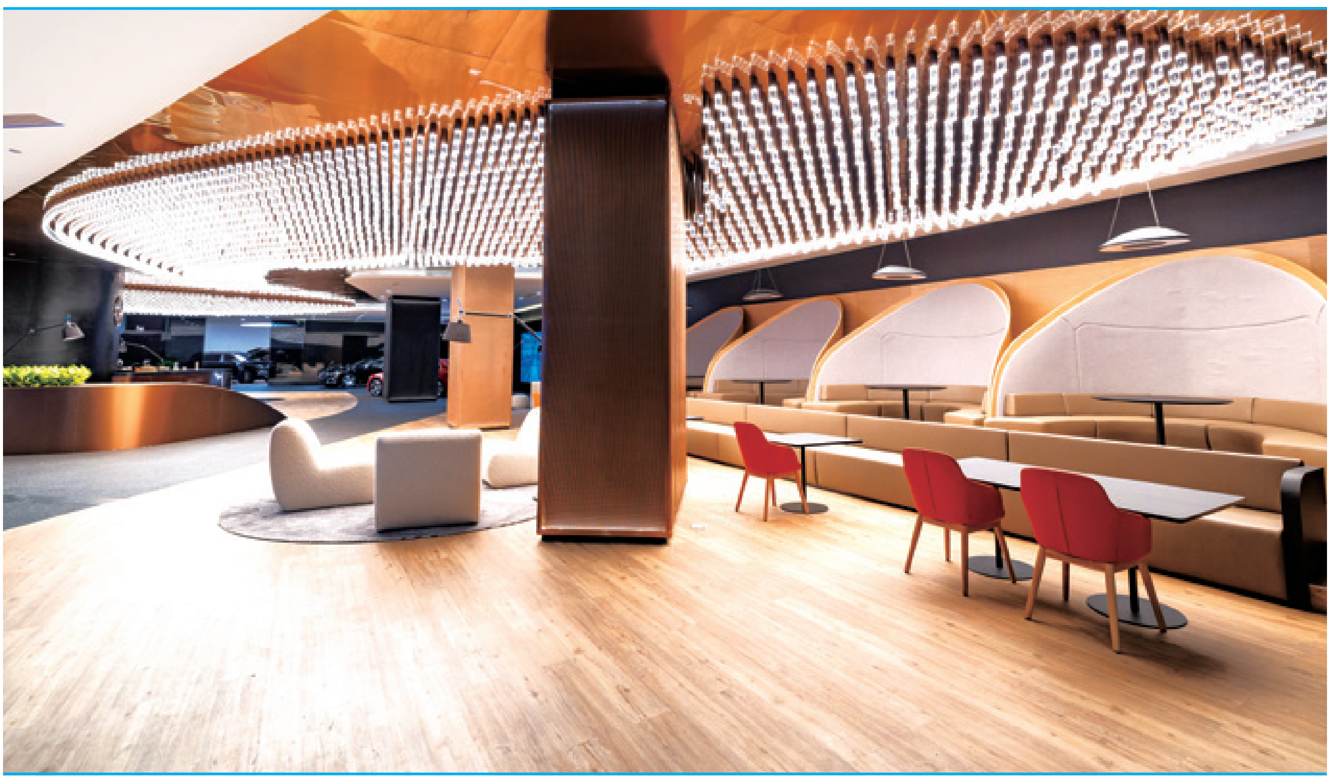
BUSINESS REVIEW AND OUTLOOK

AFTER-SALES SERVICES BUSINESS

The after-sales services segment recorded revenue of RMB11.45 billion in the first half of 2025, representing a year-over-year increase of 4.4%. Gross profit for the segment notched RMB5.44 billion for the same period, growing an 8.1% from a year ago. These strong segment financial performances are being bolstered by 4.00 million after-sales services visits among our latest active customer base of 4.54 million, representing year-over-year increases of 1.7% and 15.2% respectively.

Since November 2024, we have gone through a major round of facility/outlet reshuffling in our history, which includes reconfiguring facilities to house multiple operations, converting dealership stores into dedicated Zhongsheng-branded collision centres, swapping operations across facilities, etc. Over 20% of our facilities/outlets experienced changes. We added a total of 57 stores and another 20 collision centres, while there were 37 stores closed down. 48 of these newly added stores are premium brands among which there are 36 AITO stores, 1 HIMA store, 1 Mercedes-Benz store, 3 Lexus stores, 1 Audi store and 6 Volvo stores.

These changes are aiming to optimise our operational efficiencies in terms of increasing business scale while incurring minimal corresponding investments and expenses. As a result of these changes, our active customer base popped by 15.2% on a year-over-year basis in contrast to the moderate after-sales visits growth of 1.7% as operational disruption caused by reshuffling and the closing down of some mass brand stores that used to contribute disproportionately more in terms of after-sales visits. Our same-store after-sales visits growth for the first half of 2025 was 4.5%. Same-store after-sales revenue increased by RMB813 million, which grew 7.9% on a year-over-year basis. Newly added facilities contributed RMB331 million to after-sales revenue, partially offsetting the RMB663 million after-sales revenue in the first half of 2024 attributed by the 37 stores closed down during the reshuffling. The net after-sales revenue incremental was RMB481 million or 4.4% over the same period last year.



Entering the second half of 2025, ongoing facility/outlet reshuffling returns to a normalised level. Newly added stores/facilities will continue their ramp-up and there are another 19 to become operational in the pipeline, including 11 Audi stores, 2 AITO stores, 2 Volvo stores, among others. Some of our premium brand stores' after-sales revenue more than doubled in the first half as a result of market consolidation as local competitors exited the business. The most representative examples are our Jaguar Land Rover store in Shenyang and our Volvo stores in Zhengzhou, both of which have become sole dealership in their local markets in the past 12 months. We expect to continue grabbing local market share in after-sales business and therefore revenue growth, especially in the premium segment as market consolidation continues.

We brokered 0.99 million auto insurance renewals in the first half, registering a year-over-year increase of 10.6%. Our total number of auto insurance policies brokered reached 1.20 million including new car insurance brokered, representing a year-over-year increase of 8.6%.

LETTER FROM SENIOR LEADERSHIP (continued)

NEW AUTOMOBILE BUSINESS

We sold around 229 thousand of new cars in the first half of 2025, down about 4 thousand units or 1.7% from a year ago. AITO brand contributed for the first time in our operations by adding 11 thousand units during the reported period offsetting some of the volume loss in other brands as our brand mix changes. The proportion of premium brands by units was lifted to 62.3% correspondingly in alignment with our strategic premium positioning.

The new car distribution business has been repeatedly tested since 2024 when new car margin entered the negative territory and operating cashflows were under strain due to widening gaps between inventory costs and retail transaction prices. In the past 18 months, our cumulative average transaction price per vehicle dropped by about RMB33 thousand or 12.5% in the first half of 2025 compared to that of 2023 full year average. OEMs in response have stepped up special compensations which in aggregate amounted to about RMB19 thousand per vehicle or 7.0% in the first half of 2025, allaying some pressure on gross margins and more importantly cashflows. Nevertheless, it has become unquestionable that to fundamentally reverse the disruptive negative new car margin, OEMs will have to drive more competitive new product offerings catering to local Chinese market attributes and rebalance and consolidate their existing dealership networks to match long term sustainable demand levels.

While there is little sign of new car margin improvement in the first half of 2025, we remain confident that new car margin for the full year will show signs of improvement. As we further ramp up our AITO operations, our overall new car sales mix could further be optimised, supporting new car margin recovery. AITO branded new car sales helped lifted our overall new car sales gross margin by 0.6 percentage point in the first half of 2025. Our growing local market density and brand concentration, with over 46% of our stores dominating respective local markets, will help us better withstand market volatility in the future. Furthermore, major OEMs we work with have already entered into their next major new product cycle, spearheaded by Toyota, whose competitive new product offerings have reaped fruits in both volume and price in the first half of 2025 (more on this in the Market Review section). Increasing government oversight on taming excessive competition (counter measures on “Nei Juan”) and further consolidation among dealers may potentially rachet up the momentum of price and margin recovery as well.

As at the latest practicable date, Zhongsheng has 439 dealership stores in the country. Toyota and Mercedes-Benz are still the two biggest OEMs we work with. We are the largest operator of Toyota and Lexus brands in China with 107 stores and 58 stores respectively. We operate 108 Mercedes-Benz stores in China, being the second largest in the country. There are also 36 AITO stores, 1 HIMA store, 26 Audi stores, 25 Volvo stores, 23 BMW stores and 14 Jaguar Land Rover stores in our premium brands portfolio.

PRE-OWNED AUTOMOBILE BUSINESS

We sold around 111 thousand units of pre-owned automobiles in the first half of 2025, representing a year-over-year increase of 9.6%. However, the pre-owned automobile segment revenue was down by 27.0% to RMB6.02 billion. The sharp drop in revenue per vehicle of 33.4% year-over-year was caused by the trade-in policies issued by various local governments trying to stimulate consumption demand. While these stimulus policies did bolster a more resilient new car market, they stifled the pre-owned automobile market. Trade-in vehicles usually comprise the majority of our pre-owned automobile inventories. The strong push by the local governments on trade-in subsidies to consumers has led to significantly more aged vehicles traded to us, which is reflected in the precipitating average revenue per vehicle. Close to 80% of the pre-owned automobiles we transacted were 6 years old or above in the first half of 2025, an almost 10-percentage-point surge compared to a year ago. Price competition in new car market put further strain on the pre-owned automobile business. Average aggregate profit per vehicle was squeezed to less than RMB3 thousand correspondingly and the aggregate profit for the segment was about RMB300 million, representing a year over year decrease of 60.2%. The bigger contraction in profitability was mainly due to the limited retail value of the more aged trade-in vehicles.

While we believe the pre-owned automobile business has tremendous value in the long run and Zhongsheng is poised to seize the opportunity with its large active customer base and broad business networks, we expect muted growth in terms of profit contribution from the segment in the near term, attributed to the prolonged price competition in the new car market and government subsidies in trade-in vehicles. Nevertheless, pre-owned automobile business remains a key component to our other business segments, especially new car sales. Our stringent management in the business and the high turnover wholesale nature of most of our pre-owned automobile inventories create satiable profit safety margin for the business.

MARKET REVIEW

2025 has so far been a very tumultuous period compounded by both unsettling international trade frictions with tariff wars and export bans, and domestic consumption demand struggles. The monthly consumer price index (CPI) stayed in the marginal negative territory for most of the first half and recorded a contraction of 0.1% year-on-year for the first half. As continued effort in consumer market stimulus, local governments kept providing subsidies in various forms to support general consumer consumption, ranging from major household item purchases to foot traffic driven dining and recreational activity vouchers.

The sales volume growth of Chinese new passenger vehicles registered continued the strong momentum from the year before. Spurred by the ongoing trade-in policies introduced by the central and local governments, total new car sales volume reached 10.72 million units based on auto insurance registration, representing a year-on-year increase of 0.78 million units or 7.9%. However, the corresponding retail sales value of new cars in China was nearly flat year-over-year as average unit transaction price further trended downward. According to third-party data, new car sales volumes for transaction price between RMB100–250 thousand, and below RMB100 thousand surged by 0.39 million and 0.83 million units respectively, while sales volume for transaction price above RMB250 thousand declined by 0.44 million units. “Nei Juan” or involution practices causing excessive competition among auto OEMs in China, coupled with sapped consumer confidence, have further driven down the average transaction price of passenger vehicles in the first half of 2025, while profit across industrial value chain is consequently being squeezed. State media outlets have voiced concerns in recent months calling for measures to counter “Nei Juan”. In recent months, relevant government agencies have also exerted regulatory control. For example, the State Administration for Market Regulation has conducted symposiums and delivered guidance to various players in online platforms, photovoltaics and auto industries.

Toyota and Volkswagen, two major traditional mid-to-high-end brands, recorded new car sales volume growth of 7.7% and 0.5% respectively (based on the insurance registration volume), reversing their three-year sales decline. With a more advanced electrical/electronic architecture on their new vehicle platforms and by working with local software suppliers, these two OEMs have both launched new vehicle models that can provide more robust smart cabin and autonomous driving features that are comparable to most of the new energy vehicles in the market. To better navigate the Chinese auto market dynamics, both OEMs have supplemented their new model launches with more innovative sales and marketing strategies, including “best and final” pricing and social media campaigns. We believe the relatively strong performances of these two OEMs in terms of market share reflect their strong brand reputation and customer loyalty. From Chinese consumers’ perspective, when these traditional OEMs’ products catch up on the software side, their products are seen a lot more competitive as their other product attributes become more stellar, especially in terms of safety and reliability. A lot of the novelty features brought by the Chinese OEMs during the hype of the new energy vehicle transition in the past few years have proven to be more of marketing gimmicks rather than what Chinese consumers really need.

LETTER FROM SENIOR LEADERSHIP (continued)

Among the traditional luxury brands, Lexus has managed to maintain an annual sales volume at 180 thousand units' level amid fierce competition in recent years while other traditional luxury brands are shedding volume. In the first half of 2025 and based on auto insurance registration data, Lexus sales volume grew 7.1% year-over-year, demonstrating another strong period of tight collaboration and thus mutual benefits between the OEM and its dealers. The major German luxury brands, given their much higher volume base, have been actively adjusting their product mix. Mercedes-Benz sales volume dropped by 14.5% or about 51 thousand units to 300 thousand units in the first half compared to a year ago. Roughly 37 thousand units decline came from entry level models including A-Class, GLA and C-Class, and another around 10 thousand units decrease were from the EQ series, which are in the process of being succeeded by newer generation of EV products. BMW and Audi followed a similar pattern, volume dropping 19.5% and 15.0% year-over-year to 293 thousand units and 280 thousand units respectively. Major movers were 3 Series/i3 (down by 16 thousand units), X1/iX1 (down by 19 thousand units), X3/iX3 (down by 34 thousand units) and A4L (down by 17 thousand units). Based on public information, the brand-new Audi A5L and Mercedes CLA to be launched in China in the second half of 2025 will open the curtains of a serial product launches by the major German luxury brands in the Chinese market all based on their next-generation platforms equipped with software from local Chinese suppliers.

Last but not least, we are delighted to see AITO, which we added into our brand portfolio at the end of last year, delivering 11 thousand units in the first half of this year. AITO was chosen because of its successful premium positioning and new energy vehicle focus. To our reassurance, in the transaction price range above RMB300 thousand, AITO sales volume increased nearly 80% year-on-year in the first half of 2025 thanks to its successful launches of M9 facelift in March and brand-new M8 model in April.

With ongoing consolidation at the dealership level in the Chinese auto market, there are more and more cases where auto owners are left stranded because of the exit of authorised dealers in their respective local markets. In the auto after-sales business, they have become great opportunities for leading dealership groups like Zhongsheng to grasp opportunities of market consolidation by picking up these customers. In pursuant to Zhongsheng's local market density and concentration among its core cities, we may consider opportunities similar to our announced collaboration with Audi earlier this year, where we may gain meaningful access to certain local markets with more favorable terms and conditions than usual. As part of the collaboration, there will be 11 new Audi stores to be operational in the second half of 2025, all in local markets where we see great customer base assets.

The growth of pre-owned automobile sales was benign in the first half of the year. According to data from the China Automobile Dealers Association, pre-owned automobile transaction volume increased by 2.0% year-on-year during the period. At the same time, pre-owned automobiles transaction prices are lurching at low levels because of new car market price competition and trade-in policy induced supply-side disruption. It is anticipated that as the market order for new cars gradually normalises, the pre-owned automobile market will usher in restorative and healthy recovery in growth.

APPRECIATION

On behalf of the Board, we extend our sincere appreciation to all our staff and the management team for their exceptional dedication, relentless efforts, and unwavering commitment to standing with the Company through challenges and successes. We also express our heartfelt gratitude to our esteemed shareholders and partners for their consistent trust and steadfast support.

Huang Yi	**Li Guoqiang**
Chairman	*President and Chief Executive Officer*

Hong Kong, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following table sets forth the comparative figures for the six months ended 30 June 2025 and the six months ended 30 June 2024:

	Unaudited For the six months ended 30 June 2025	For the six months ended 30 June 2024
	(Renminbi in millions, unless specified)	
Revenue	**77,322.1**	82,421.4
Cost of sales and services provided	**(73,112.8)**	(77,495.2)
Gross profit	**4,209.3**	4,926.2
Other income and gains, net	**2,229.0**	2,367.5
Selling and distribution expenses	**(3,434.2)**	(3,447.5)
Administrative expenses	**(1,099.0)**	(1,090.5)
Profit from operations	**1,905.1**	2,755.7
Finance costs	**(681.4)**	(792.2)
Share of (losses)/profits of joint ventures and associates	**(2.7)**	0.9
Profit before tax	**1,221.0**	1,964.4
Income tax expense	**(296.9)**	(464.4)
Profit for the year	**924.1**	1,500.0
Attributable to:		
Owners of the parent	**1,011.4**	1,579.6
Non-controlling interests	**(87.3)**	(79.6)
	924.1	1,500.0

REVENUE

Revenue for the six months ended 30 June 2025 was RMB77,322.1 million, representing a decrease of RMB5,099.3 million or 6.2% as compared to the six months ended 30 June 2024. The following table sets forth the Group's revenue by different business segments for the six months ended 30 June 2025 and the six months ended 30 June 2024:

	Unaudited **For the six months ended 30 June 2025**	For the six months ended 30 June 2024	Year-on-year change
	(Renminbi in millions, unless specified)		
New automobile sales	**57,931.0**	60,812.0	(4.7)%
Pre-owned automobile sales	**6,014.6**	8,240.3	(27.0)%
After-sales services	**11,445.3**	10,964.1	4.4%
Accessories and others	**1,931.2**	2,405.0	(19.7)%
Total revenue	**77,322.1**	82,421.4	(6.2)%

- Revenue from new automobile sales for the six months ended 30 June 2025 amounted to RMB57,931.0 million, representing a decrease of RMB2,881.0 million or 4.7% as compared to the six months ended 30 June 2024, primarily due to the decline in the sales volume of new automobile and average selling price of new automobile during the period.

- Revenue from pre-owned automobile sales for the six months ended 30 June 2025 amounted to RMB6,014.6 million, representing a decrease of RMB2,225.7 million or 27.0% as compared to the six months ended 30 June 2024, primarily due to the decline in the average selling price of pre-owned automobiles.

- Revenue from after-sales services (maintenance, warranty and collision) for the six months ended 30 June 2025 amounted to RMB11,445.3 million, representing an increase of RMB481.2 million or 4.4% as compared to the six months ended 30 June 2024, which was primarily due to the increase in the number of visits for after-sales services during the period and the increase in average value per unit.

- Revenue from accessories and others for the six months ended 30 June 2025 amounted to RMB1,931.2 million, representing a decrease of RMB473.8 million or 19.7% as compared to the six months ended 30 June 2024, primarily due to the decrease in the volume of maintenance package transactions.

New automobile sales business accounted for a substantial portion of the Group's revenue, representing 74.9% (for the six months ended 30 June 2024: 73.8%) of the total revenue for the six months ended 30 June 2025. Pre-owned automobile sales accounted for 7.8% of the total revenue for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 10.0%). Accessories and after-sales services business accounted for 17.3% of the total revenue for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 16.2%). During the six months ended 30 June 2025, almost all of the Group's revenue was derived from business located in the PRC.

In terms of revenue from new automobile sales, Mercedes-Benz is the Group's top selling brand, with revenue from the sales of which representing 35.1% of the Group's total revenue from new automobile sales (for the six months ended 30 June 2024: 40.5%).

COST OF SALES AND SERVICES PROVIDED

Cost of sales and services for the six months ended 30 June 2025 amounted to RMB73,112.8 million, representing a decrease of RMB4,382.4 million or 5.7% as compared to the six months ended 30 June 2024, primarily due to the decline in new automobile sales volume and the increase in rebates and subsidies from OEMs, which offset new automobile costs, resulting in a decrease in new automobile costs. At the same time, the average purchase price of pre-owned automobiles also declined.

GROSS PROFIT

The Group's gross profit for the six months ended 30 June 2025 amounted to RMB4,209.3 million, representing a decrease of RMB716.9 million or 14.6% as compared to the six months ended 30 June 2024. The following table sets out the Group's gross profit by different business segments for the six months ended 30 June 2025 and the six months ended 30 June 2024:

	Unaudited For the six months ended 30 June 2025	For the six months ended 30 June 2024	Year-on-year change
	(Renminbi in millions, unless specified)		
New automobile sales	**(2,387.8)**	(1,990.1)	20.0%
Pre-owned automobile sales	**257.0**	618.0	(58.4)%
After-sales services	**5,440.5**	5,035.0	8.1%
Accessories and others	**899.6**	1,263.3	(28.8)%
Total gross profit	**4,209.3**	4,926.2	(14.6)%

- Gross loss from new automobile sales business for the six months ended 30 June 2025 amounted to RMB2,387.8 million, representing an increase of RMB397.7 million or 20.0% as compared to the six months ended 30 June 2024, primarily due to the decline in new automobile sales volume for the period, and the increase of gross loss for new automobile sales at the dealership end as a result of the increasing competition in the domestic new automobile market and the decrease in the average selling price of new automobiles for the period.

- Gross profit from pre-owned automobile sales for the six months ended 30 June 2025 amounted to RMB257.0 million, representing a decrease of RMB361.0 million or 58.4% as compared to the six months ended 30 June 2024, primarily due to the decline in the unit value of pre-owned automobiles during the period, which compressed profit margins.

- Gross profit from after-sales services (maintenance, warranty and collision) for the six months ended 30 June 2025 amounted to RMB5,440.5 million, representing an increase of RMB405.5 million or 8.1% as compared to the six months ended 30 June 2024, primarily due to the increase in the number of visits for after-sales services during the period and the increase in average value per unit, and the slight increase in gross profit margin due to improvement of the cost structure.

- Gross profit from accessories and others for the six months ended 30 June 2025 amounted to RMB899.6 million, representing a decrease of RMB363.7 million or 28.8% as compared to the six months ended 30 June 2024, primarily due to the decrease in the volume of maintenance package transactions and the decline in the gross profit margin of accessories.

The Group's gross profit margin for the six months ended 30 June 2025 was 5.4% (the six months ended 30 June 2024: 6.0%).

OTHER INCOME AND GAINS, NET

The other income and gains mainly consisted of commission income, interest income, rental income and other gains and losses, etc. The other income and gains, net, for the six months ended 30 June 2025 amounted to RMB2,229.0 million, representing a decrease of RMB138.5 million or 5.9% as compared to the six months ended 30 June 2024.

Among which, the commission income (commission from automobile insurance, automobile financing and automobile registration services, etc.) for the six months ended 30 June 2025 amounted to RMB1,845.1 million, representing a decrease of RMB96.5 million or 5.0% as compared to the six months ended 30 June 2024, primarily due to the decline in the sales volume of new automobiles and revenue of new automobiles for the period.

The interest income for the six months ended 30 June 2025 amounted to RMB301.8 million, representing an increase of RMB77.5 million or 34.6% as compared to the six months ended 30 June 2024, primarily due to the increase in average cash balances during the period.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the six months ended 30 June 2025 amounted to RMB3,434.2 million, representing a decrease of RMB13.3 million or 0.4% as compared to the six months ended 30 June 2024, which remained stable.

ADMINISTRATIVE EXPENSES

Administrative expenses for the six months ended 30 June 2025 amounted to RMB1,099.0 million, representing an increase of RMB8.5 million or 0.8% as compared to the six months ended 30 June 2024, which remained stable.

PROFIT FROM OPERATIONS

The profit from operations for the six months ended 30 June 2025 amounted to RMB1,905.1 million, representing a decrease of RMB850.7 million or 30.9% as compared to the six months ended 30 June 2024. Such change was primarily due to the increase in gross loss from new automobiles sales and the decline in gross profit from pre-owned automobiles sales mentioned above. The operating profit margin for the six months ended 30 June 2025 was 2.5% (for the six months ended 30 June 2024: 3.3%).

FINANCE COSTS

Finance costs for the six months ended 30 June 2025 amounted to RMB681.4 million, representing a decrease of RMB110.8 million or 14.0% as compared to the six months ended 30 June 2024, primarily due to the decline in financing rates.

SHARE OF (LOSSES)/PROFITS OF JOINT VENTURES AND ASSOCIATES

The share of losses of joint ventures and associates for the six months ended 30 June 2025 amounted to RMB2.7 million, as compared to the share of profits of joint ventures and associates for the six months ended 30 June 2024 of RMB0.9 million.

INCOME TAX EXPENSE

Income tax for the six months ended 30 June 2025 amounted to RMB296.9 million, representing a decrease of RMB167.5 million or 36.1% as compared to the six months ended 30 June 2024, primarily due to the decline in profit from operations for the period.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The profit attributable to owners of the parent for the six months ended 30 June 2025 amounted to RMB1,011.4 million, representing a decrease of RMB568.2 million or 36.0% as compared to the six months ended 30 June 2024.

LIQUIDITY AND FINANCIAL RESOURCES

CASH FLOW

The Group primarily uses cash to pay for new automobiles, pre-owned automobiles, spare parts and automobile accessories, to repay its indebtedness, to fund its working capital and normal operating expenses and to newly establish, acquire and rebuild outlets. The Group finances its liquidity requirements mainly through a combination of cash flows generated from its operating activities, bank loans and other borrowings and other funds raised from the capital markets and currently expects that future liquidity will continue to be satisfied mainly by the foregoing.

The cash position of the Group as at 30 June 2025 and 31 December 2024 was as follows:

	Unaudited 30 June 2025	Audited 31 December 2024
	(Renminbi in millions, unless specified)	
Cash and cash equivalents	**12,859.3**	18,687.5
Cash in transit	**123.7**	60.0
Time deposits and pledged bank deposits	**7,054.2**	4,256.5
Total cash	**20,037.2**	23,004.0

As at 30 June 2025, the cash balance of the Group was RMB20,037.2 million, representing a decrease of RMB2,966.8 million in cash balance as compared to that as at 31 December 2024, which was mainly attributable to the cash flows used in financing activities.

For the six months ended 30 June 2025, the Group generated free cash flow of RMB3,973.0 million, which was the net cash flow from operating activities of RMB5,948.4 million, partially offset by the Group's net cash outflow from capital expenditures of RMB1,281.5 million and lease payments of RMB693.9 million.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets out the comparative figures for the six months ended 30 June 2025 and the six months ended 30 June 2024:

	Unaudited	
	For the six months ended 30 June 2025	For the six months ended 30 June 2024
	(Renminbi in millions, unless specified)	
Net cash generated from operating activities	**5,948.4**	2,925.6
Net cash used in investing activities	**(941.0)**	(433.3)
Net cash used in financing activities	**(10,830.2)**	(942.4)
Net (decrease)/increase in cash and cash equivalents	**(5,822.8)**	1,549.8
Cash and cash equivalents at beginning of each period	**18,687.5**	15,612.0
Effect of foreign exchange rate changes, net	**(5.4)**	(15.4)
Cash and cash equivalents at end of each period	**12,859.3**	17,146.4

CASH FLOW GENERATED FROM OPERATING ACTIVITIES

For the six months ended 30 June 2025, the net cash generated from operating activities by the Group amounted to RMB5,948.4 million, representing an increase of RMB3,022.8 million as compared to that for the six months ended 30 June 2024, primarily due to the release of working capital as a result of the decrease in inventories and the increase in trade and bills payables.

CASH FLOW USED IN INVESTING ACTIVITIES

For the six months ended 30 June 2025, the net cash used in investing activities by the Group amounted to RMB941.0 million, primarily used for the acquisitions of property, plant and equipment (fleet).

CASH FLOW USED IN FINANCING ACTIVITIES

For the six months ended 30 June 2025, the net cash used in financing activities by the Group amounted to RMB10,830.2 million, primarily used for the repayment of bank loans, redemption of convertible bonds, payment of lease and financing interest, increase of time deposits and others.

BANK LOANS AND OTHER BORROWINGS

As at 30 June 2025, the Group's bank loans and other borrowings amounted to RMB28,601.6 million (31 December 2024: RMB32,039.2 million), and its convertible bonds liability portion amounted to nil (31 December 2024: RMB3,356.2 million). The decrease in the Group's bank loans and other borrowings during the six months ended 30 June 2025 was primarily due to the decrease in inventory financing scale as a result of reduced inventory, while the Group continued to optimise its inventory financing channel structure. The annual interest rates of the bank loans and other borrowings ranged from 1.0% to 6.0%.

CAPITAL EXPENDITURES AND INVESTMENT

The Group's capital expenditures comprised of expenditures on property, plant and equipment (other than motor vehicles), land use rights and business acquisition. For the six months ended 30 June 2025, the Group's total capital expenditures amounted to RMB818.7 million (for the six months ended 30 June 2024: RMB618.7 million). Save as disclosed above, the Group did not make any significant investments during the six months ended 30 June 2025.

INVENTORY ANALYSIS

The Group's inventories primarily consisted of new automobiles, pre-owned automobiles, spare parts and automobile accessories. Generally, each of the operated outlets of the Group individually manages the planning and orders for new automobiles and spare parts. To leverage scale advantage and centralisation efficiency, the Group also coordinates and aggregates orders for pre-owned automobiles, automobile accessories and other automobile-related products through its dealership network and centralised platform. The Group manages its quotas and inventory levels through its information technology systems, including an Enterprise Resource Planning (ERP) system.

The Group's inventories decreased from RMB18,476.9 million as at 31 December 2024 to RMB17,019.6 million as at 30 June 2025, primarily due to the Group's adjustment and optimisation of its inventory structure.

The following table sets forth the average inventory turnover days of the Group for the periods indicated:

	For the six months ended 30 June	
	2025	2024
Average inventory turnover days	**38.3**	36.2

The inventory turnover days of the Group showed an increase during the six months ended 30 June 2025 as compared to the six months ended 30 June 2024, which was mainly because the Group adjusted the level of its inventory to adapt to market changes. During the six months ended 30 June 2025, the Group had taken effective measures in managing and reducing inventory level, and the Group's inventory mix will gradually optimise.

INTEREST RATE RISK AND FOREIGN EXCHANGE RATE RISK

As at 30 June 2025, the Group did not use any derivatives to hedge interest rate risk. The operations of the Group are mainly carried out in the PRC with most transactions settled in RMB. Most cash and bank deposits of the Group are denominated in RMB. In general, the Group's bank loans and other borrowings were denominated in RMB, United States dollars and Hong Kong dollars, and the liability component of convertible bonds were denominated in Hong Kong dollars. The Group has used derivative financial instruments related to cross-currency interest rate swaps to hedge its foreign currency exposure. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

EMPLOYEE AND REMUNERATION POLICY

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. The Group values its human resources and recognises the importance of attracting and retaining qualified staff for its continuing success.

As at 30 June 2025, the Group had 28,943 employees (31 December 2024: 26,357). The Group strives to offer a harmonious, efficient and productive working environment, a diversified range of training programmes as well as an attractive remuneration package to its employees. Remuneration packages are set at levels to ensure comparability and competitiveness with other companies in the industry and market competing for a similar talent pool. The Group endeavours to motivate its staff with performance-based remuneration and reward its staff who had outstanding performances with cash bonuses, honorary awards or a combination of all the above to further align the interests of the employees and the Company, to attract talented individuals and to create long-term incentives for its staff.

PLEDGE OF THE GROUP'S ASSETS

The Group pledged its assets as securities for bank and other loan and banking facilities which were used to finance daily business operations. As at 30 June 2025, the pledged assets of the Group amounted to RMB13.2 billion (31 December 2024: RMB12.2 billion).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 June 2025, the Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group did not have any detailed future plans for material investments or capital assets.

GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group was 42.1% (31 December 2024: 42.5%), which was calculated from net debt divided by the sum of net debt and total equity.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
REVENUE	4(a)	**77,322,084**	82,421,409
Cost of sales and services provided		**(73,112,804)**	(77,495,184)
Gross profit		**4,209,280**	4,926,225
Other income and gains, net	4(b)	**2,229,015**	2,367,526
Selling and distribution costs		**(3,434,209)**	(3,447,486)
Administrative expenses		**(1,099,038)**	(1,090,505)
Profit from operations		**1,905,048**	2,755,760
Finance costs	6	**(681,412)**	(792,249)
Share of (losses)/profits of:			
Joint ventures		**(2,673)**	(1,197)
Associates		**9**	2,135
Profit before tax	5	**1,220,972**	1,964,449
Income tax expense	7	**(296,903)**	(464,422)
Profit for the period		**924,069**	1,500,027
Attributable to:			
Owners of the parent		**1,011,351**	1,579,552
Non-controlling interests		**(87,282)**	(79,525)
		924,069	1,500,027
Earnings per share attributable to ordinary equity holders of the parent			
Basic			
— For profit for the period (RMB)	9	**0.427**	0.662
Diluted			
— For profit for the period (RMB)	9	**0.427**	0.662

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Profit for the period	**924,069**	1,500,027
Other comprehensive loss		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(60,630)**	(39,436)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(60,630)**	(39,436)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(81,257)**	(65,759)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(81,257)**	(65,759)
Other comprehensive loss for the period, net of tax	**(141,887)**	(105,195)
Total comprehensive income for the period	**782,182**	1,394,832
Attributable to:		
Owners of the parent	**869,464**	1,474,357
Non-controlling interests	**(87,282)**	(79,525)
	782,182	1,394,832

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**17,627,208**	17,323,828
Right-of-use assets		**5,182,083**	5,266,645
Land use rights		**3,378,013**	3,448,389
Prepayments		**342,407**	342,764
Intangible assets		**9,079,380**	9,238,214
Goodwill		**8,316,434**	8,272,614
Investments in joint ventures		**51,181**	53,854
Investments in associates		**2,480**	2,471
Derivative financial instruments		**—**	20,674
Debt investments at amortised cost		**—**	73,153
Deferred tax assets		**486,354**	548,214
Total non-current assets		**44,465,540**	44,590,820
CURRENT ASSETS			
Inventories	10	**17,019,577**	18,476,861
Trade receivables	11	**4,660,900**	4,653,569
Prepayments, other receivables and other assets		**21,635,254**	19,312,792
Amounts due from related parties	20(b)(i)	**7,750**	7,712
Financial assets at fair value through profit or loss		**104,751**	124,669
Term deposits and pledged bank deposits		**7,054,189**	4,256,545
Cash in transit		**123,696**	60,039
Cash and cash equivalents		**12,859,286**	18,687,542
Total current assets		**63,465,403**	65,579,729
CURRENT LIABILITIES			
Bank loans and other borrowings	12	**14,707,974**	16,965,321
Trade and bills payables	13	**16,294,264**	12,607,800
Other payables and accruals		**4,586,802**	4,238,461
Lease liabilities		**713,393**	689,047
Amounts due to related parties	20(b)(ii)	**3,221**	6,731
Income tax payable		**2,322,614**	2,153,207
Dividends payable		**2,000**	2,000
Convertible Bonds	14	**—**	3,356,212
Total current liabilities		**38,630,268**	40,018,779
Net current assets		**24,835,135**	25,560,950
Total assets less current liabilities		**69,300,675**	70,151,770

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2025

	Notes	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**3,115,034**	3,429,179
Lease liabilities		**4,533,997**	4,730,926
Bank loans and other borrowings	12	**13,893,636**	15,073,848
Derivative financial instruments		**81,768**	—
Total non-current liabilities		**21,624,435**	23,233,953
Net assets		**47,676,240**	46,917,817
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	**207**	207
Treasury shares		**(193,649)**	(193,649)
Reserves		**47,869,213**	47,022,883
		47,675,771	46,829,441
Non-controlling interests		**469**	88,376
Total equity		**47,676,240**	46,917,817

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Unaudited													
	Attributable to owners of the parent													
	Share capital RMB'000	Share premium RMB'000	Share Option Reserve RMB'000	Treasury shares RMB'000	Equity component of convertible bonds RMB'000	Discretionary reserve fund RMB'000	Statutory reserve RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	207	4,827,943	49,391	–	20,884	37,110	4,408,661	(1,386,176)	(2,127,183)	(961,426)	40,927,885	45,797,296	249,280	46,046,576
Profit for the year	–	–	–	–	–	–	–	–	–	–	1,579,552	1,579,552	(79,525)	1,500,027
Other comprehensive loss for the year:														
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	(105,195)	–	(105,195)	–	(105,195)
Total comprehensive income for the year	–	–	–	–	–	–	–	–	–	(105,195)	1,579,552	1,474,357	(79,525)	1,394,832
Repurchase of shares	–	–	–	(33,121)	–	–	–	–	–	–	–	(33,121)	–	(33,121)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(3,964)	(3,964)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(15,992)	(15,992)	–	(15,992)
Final 2023 dividend declared	–	(1,734,665)	–	–	–	–	–	–	–	–	–	(1,734,665)	–	(1,734,665)
At 30 June 2024	207	3,093,278	49,391	(33,121)	20,884	37,110	4,408,661	(1,386,176)	(2,127,183)	(1,066,621)	42,491,445	45,487,875	165,791	45,653,666
At 1 January 2025	**207**	**3,093,278**	**49,391**	**(193,649)**	**20,884**	**37,110**	**4,579,317**	**(1,386,176)**	**(2,127,183)**	**(1,197,163)**	**43,953,425**	**46,829,441**	**88,376**	**46,917,817**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,011,351**	**1,011,351**	**(87,282)**	**924,069**
Other comprehensive loss for the year:														
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(141,887)**	**–**	**(141,887)**	**–**	**(141,887)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(141,887)**	**1,011,351**	**869,464**	**(87,282)**	**782,182**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,250)**	**(2,250)**	**(625)**	**(2,875)**
Redemption of 2025 convertible bonds	**–**	**–**	**–**	**–**	**(20,884)**	**–**	**–**	**–**	**–**	**–**	**–**	**(20,884)**	**–**	**(20,884)**
At 30 June 2025	**207**	**3,093,278**	**49,391**	**(193,649)**	**–**	**37,110**	**4,579,317**	**(1,386,176)**	**(2,127,183)**	**(1,339,050)**	**44,962,526**	**47,675,771**	**469**	**47,676,240**

* These reserve accounts comprise the consolidated reserves of RMB 47,869,213,000 (2024:RMB47,022,883,000).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Operating activities			
Profit before tax		**1,220,972**	1,964,449
Adjustments for:			
Share of losses/(profits) of joint ventures and associates		**2,664**	(938)
Depreciation and impairment of property, plant and equipment	5	**867,930**	1,022,091
Depreciation of right-of-use assets	5	**442,878**	393,382
Amortisation of land use rights	5	**58,183**	57,506
Amortisation of intangible assets	5	**196,655**	201,922
Impairment of trade receivables	5	**(4,182)**	(11,675)
Interest income	4(b)	**(301,848)**	(224,321)
Net (gain)/loss on disposal of items of property, plant and equipment	4(b)	**(38,715)**	7,498
Net gain on disposal of intangible assets	4(b)	**(162)**	(394)
Gain on termination of lease	4(b)	**—**	(2,761)
Finance costs	6	**681,412**	792,249
Fair value losses/(gains), net:			
— Listed equity investments held for trading	4(b)	**23,347**	(9,511)
— Funds	4(b)	**—**	264
Interest income from debt investments at amortised cost	4(b)	**(1,209)**	(1,827)
Dividends income from listed equity investment	4(b)	**(1,491)**	(1,487)
Write-down of inventories to net realisable value	5	**44,991**	13,006
Losses on disposal of subsidiaries	5	**3,782**	17,244
		3,195,207	4,216,697
Increase in cash in transit		**(63,107)**	(231,034)
Decrease in trade receivables		**5,368**	143,743
Increase in prepayments, other receivables and other assets		**(2,188,318)**	(548,211)
Decrease/(increase) in inventories		**1,465,685**	(2,009,353)
Increase in trade and bills payables		**3,679,469**	2,203,538
Increase/(decrease) in other payables and accruals		**245,574**	(125,085)
(Increase)/decrease in amounts due from related parties — trade related		**(38)**	22,705
(Decrease)/increase in amounts due to related parties — trade related		**(3,510)**	291
Cash generated from operations		**6,336,330**	3,673,291
Tax paid		**(387,962)**	(747,708)
Net cash generated from operating activities		**5,948,368**	2,925,583

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2025

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Investing activities		
Purchase of items of property, plant and equipment	**(1,604,966)**	(1,238,252)
Proceeds from disposal of items of property, plant and equipment	**405,161**	662,164
Purchase of land use rights	**(76,497)**	(117,092)
Purchase of intangible assets	**(5,356)**	(3,379)
Proceeds from disposal of intangible assets	**166**	—
Proceeds from disposal of debt investments at amortised cost	**73,153**	—
Prepayments for the potential acquisitions of equity interests from third parties	**(2,047)**	(1,500)
Acquisitions of subsidiaries, net of cash acquired	**(51,467)**	19
Decrease in prepayments, other receivables and other assets	**2,200**	37,860
Interest received	**301,848**	224,321
Disposal of subsidiaries, net of cash	**15,321**	1,079
Dividends received from listed equity investments	**1,491**	1,487
Net cash used in investing activities	**(940,993)**	(433,293)
Financing activities		
Proceeds from bank loans and other borrowings	**44,278,047**	51,861,550
Repayments of bank loans and other borrowings	**(47,738,971)**	(51,694,222)
(Increase)/decrease in pledged bank deposits	**(2,797,644)**	164,246
Lease payments	**(693,897)**	(532,891)
Repurchase of shares	**—**	(33,121)
Redemption of convertible bonds	**(2,823,798)**	—
Increase in deposits to entities controlled by suppliers for borrowings	**—**	(39,248)
Interest paid for bank loans and other borrowings	**(522,917)**	(652,770)
Interest paid for convertible bonds	**(528,162)**	—
Dividends paid to the non-controlling shareholders	**(2,875)**	(15,992)
Net cash used in financing activities	**(10,830,217)**	(942,448)
Net (decrease)/increase in cash and cash equivalents	**(5,822,842)**	1,549,842
Cash and cash equivalents at beginning of each period	**18,687,542**	15,611,984
Effect of foreign exchange rate changes, net	**(5,414)**	(15,391)
Cash and cash equivalents at end of each period	**12,859,286**	17,146,435

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. GENERAL INFORMATION

Zhongsheng Group Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in the sale and service of motor vehicles in Chinese Mainland.

The Company was incorporated on 23 June 2008 as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office of the Company is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The Company has established a principal place of business which is located at Rooms 1803–09, 18th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

In the opinion of the directors of the Company (the "**Directors**"), the ultimate Controlling Shareholders of the Company are Mr. Huang Yi and Mr. Li Guoqiang.

The interim condensed consolidated financial information for the six months ended 30 June 2025 have been presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial information was approved for issue on 28 August 2025. These interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable. The amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

30 June 2025

3. OPERATING SEGMENT INFORMATION

The Group is engaged in the principal business of sale and service of motor vehicles. For management purposes, the Group operates in one business unit based on its products and has one reportable segment which is the sale of motor vehicles and the provision of related services.

No operating segments have been aggregated to form the above reportable operating segment.

INFORMATION ABOUT GEOGRAPHICAL AREA

Since over 90% of the Group's revenue and operating profit were generated from the sale and service of motor vehicles in Chinese Mainland and over 90% of the Group's non-current assets other than deferred tax assets were located in Chinese Mainland, no geographical segment information is presented in accordance with HKFRS 8 *Operating Segment*.

INFORMATION ABOUT MAJOR CUSTOMERS

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the six months ended 30 June 2025, no major customers segment information is presented in accordance with HKFRS 8 *Operating Segments*.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue and other income and gains is as follows:

(a) REVENUE

	Unaudited	
	For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Revenue from contracts with customers		
Disaggregated revenue information		
Type of goods or services		
Sale of motor vehicles	**63,945,559**	69,052,326
Accessories and after-sales services	**13,376,525**	13,369,083
Total	**77,322,084**	82,421,409
Geographical markets		
Chinese Mainland	**77,322,084**	82,421,409
Timing of revenue recognition		
At a point in time	**77,322,084**	82,421,409

4. REVENUE, OTHER INCOME AND GAINS, NET (continued)

An analysis of revenue and other income and gains is as follows: (continued)

(b) OTHER INCOME AND GAINS, NET

	Unaudited **For the six months ended 30 June 2025** **RMB'000**	For the six months ended 30 June 2024 RMB'000
Commission income	**1,845,060**	1,941,569
Rental income	**45,495**	16,787
Government grants	**1,150**	65,897
Interest income	**301,848**	224,321
Net gains/(losses) on disposal of items of property, plant and equipment	**38,715**	(7,498)
Net gains on disposal of intangible assets	**162**	394
Net gains on lease termination	**—**	2,761
Losses on disposal of subsidiaries	**(3,782)**	(17,244)
Interest income from debt investments at amortised cost	**1,209**	1,827
Fair value (losses)/gains, net:		
Financial assets at fair value through profit or loss		
—listed equity investments	**(23,347)**	9,511
—funds	**—**	(264)
Dividend income from listed equity investments	**1,491**	1,487
Others	**21,014**	127,978
Total	**2,229,015**	2,367,526

5. PROFIT BEFORE TAX

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

	Unaudited	
	For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Employee benefit expense (including directors' and chief executive officer's remuneration)		
Wages and salaries	**2,126,352**	1,876,388
Pension scheme contributions (defined contribution scheme)	**479,276**	535,018
Other welfare	**191,919**	233,242
	2,797,547	2,644,648
Cost of inventories sold	**70,827,726**	75,762,131
Depreciation and impairment of property, plant and equipment	**867,930**	1,022,091
Depreciation of right-of-use assets	**442,878**	393,382
Amortisation of land use rights	**58,183**	57,506
Amortisation of intangible assets	**196,655**	201,922
Promotion and advertisement	**495,938**	210,961
Office expenses	**145,882**	185,793
Lease payments not included in the measurement of lease liabilities	**199,572**	253,427
Logistics expenses	**188,913**	215,160
Impairment of trade receivables	**(4,182)**	(11,675)
Write-down of inventories to net realizable value	**44,991**	13,006
Net (gains)/losses on disposal of items of property, plant and equipment	**(38,715)**	7,498
Net gains on disposal of intangible assets	**(162)**	(394)
Net gains on lease termination	**—**	(2,761)
Dividend income from listed equity investments	**(1,491)**	(1,487)
Interest income from debt investments at amortised cost through profit or loss	**(1,209)**	(1,827)
Losses on disposal of subsidiaries	**3,782**	17,244
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss		
— listed equity investments	**23,347**	(9,511)
— funds	**—**	264

6. FINANCE COSTS

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Interest expense on bank borrowings	**381,664**	561,868
Interest expense on convertible bonds	**21,399**	54,146
Interest expense on other borrowings	**149,530**	53,198
Interest expense on lease liabilities	**159,944**	160,404
Less: Interest capitalised	**(31,125)**	(37,367)
Total	**681,412**	792,249

7. INCOME TAX

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Current Chinese Mainland corporate income tax	**541,654**	358,736
Deferred tax	**(244,751)**	105,686
Total	**296,903**	464,422

8. DIVIDENDS

The Directors of the Company proposed not to declare any interim dividend for the six months ended 30 June 2025.

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

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,366,993,863 (six months ended 30 June 2024: 2,385,668,363) in issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

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

The calculations of basic and diluted earnings per share are based on:

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Earnings		
Profit attributable to equity holders of the parent used in the basic earnings per share calculation	**1,011,351**	1,579,552
Interest on convertible bonds	**21,399**	54,146
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**1,032,750**	1,633,698
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,366,993,863**	2,385,668,363
Effect of dilution — weighted average number of ordinary shares: Convertible bonds	**55,460,648**	69,391,381
Weighted average number of ordinary shares used in diluted earnings per share calculation	**2,422,454,511**	2,455,059,744
Earnings per share		
Basic	**0.427**	0.662
Diluted	**0.427**	0.662

10. INVENTORIES

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Motor vehicles	14,923,220	16,311,581
Spare parts and others	2,207,823	2,231,755
	17,131,043	18,543,336
Less: provision for inventories	111,466	66,475
Total	17,019,577	18,476,861

11. TRADE RECEIVABLES

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade receivables	4,736,285	4,733,136
Impairment	(75,385)	(79,567)
Net carrying amount	4,660,900	4,653,569

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. On 30 June 2025, the Group had certain concentrations of credit risk as 20.4% (31 December 2024: 37.2%) of the Group's trade receivables were due from the Group's five largest customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at each end of reporting period (based on the invoice date) is as follows:

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 3 months	4,399,628	4,545,090
More than 3 months but less than 1 year	253,810	105,073
Over 1 year	7,462	3,406
Total	4,660,900	4,653,569

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

30 June 2025

12. BANK LOANS AND OTHER BORROWINGS

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Bank loans and overdrafts repayable:		
— within one year or on demand	11,799,632	13,827,155
— in the second year	5,529,109	3,593,988
— in the third to fifth years	594,893	2,572,424
	17,923,634	19,993,567
Other borrowings repayable		
— within one year	2,908,342	3,138,166
— in the third to fifth years	5,248,841	6,393,754
	8,157,183	9,531,920
Syndicated term loans		
— in the second year	—	2,513,682
— in the third to fifth years	2,520,793	—
	2,520,793	2,513,682
Total bank loans and other borrowings	28,601,610	32,039,169
Less: Portion classified as current liabilities	14,707,974	16,965,321
Long-term portion	13,893,636	15,073,848

13. TRADE AND BILLS PAYABLES

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Trade payables	3,953,363	2,907,697
Bills payable	12,340,901	9,700,103
Trade and bills payables	16,294,264	12,607,800

The trade and bills payables are non-interest-bearing.

13. TRADE AND BILLS PAYABLES (continued)

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

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 3 months	15,568,223	11,864,667
3 to 6 months	672,458	635,130
6 to 12 months	1,860	95,224
Over 12 months	51,723	12,779
Total	16,294,264	12,607,800

14. CONVERTIBLE BONDS

On 21 May 2020, the Company issued zero coupon convertible bonds due 2025 with a nominal value of HK$4,560,000,000 (the "**2025 Convertible Bonds**"). The bonds are convertible at the option of the bondholders into ordinary shares at any time on or after 1 July 2020 until and including 11 May 2025 at a conversion price of HK$45.61 per share. By the end of 31 December 2023, the Company has redeemed principal amounts of HK$1,436,000,000 of the bonds. In light of the payment of a final dividend of HK$1.09 per share for the year ended 31 December 2022 and a final dividend of HK$0.797 per share for the year ended 31 December 2023, the conversion price of the 2025 Convertible Bonds was adjusted from HK$45.61 to HK$45.02 per share with effect from 29 June 2023 and further to HK$43.88 per share with effect from 4 July 2024, respectively. Any convertible bonds not converted has redeemed on 21 May 2025 at 117.49% of their principal amount. There was no conversion of the 2025 convertible bonds during the period.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

14. CONVERTIBLE BONDS (continued)

The convertible bonds issued during the period have been split into the liability and equity components as follows:

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Nominal value of 2025 Convertible Bonds	4,169,664	4,169,664
Equity component	(30,760)	(30,760)
Direct transaction costs attributable to the liability component	(37,239)	(37,239)
Liability component at the issuance date	4,101,665	4,101,665
Interest expense	645,188	623,789
Interest paid	(528,162)	—
Redemption of convertible bonds	(4,242,695)	(1,418,897)
Exchange realignment	24,004	49,655
Liability component at the end of the period	—	3,356,212

15. SHARE CAPITAL

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Authorised:		
1,000,000,000,000 shares of HK$0.0001 each (HK$'000)	100,000	100,000
Issued and fully paid:		
2,385,668,363 (2024: 2,385,668,363) ordinary shares (HK$'000)	239	239
Equivalent to RMB'000	207	207

16. SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Scheme**") for the purposes of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the employee, management member or director of the Company, or any of the Company's subsidiaries and third-party service providers. The Scheme was conditionally approved by a resolution of the shareholders on 9 February 2010 and adopted by a resolution of the Board on the same day. The Scheme expired on 25 March 2020. No further options can be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to exercise any subsisting options granted prior to the expiry of the Share Option Scheme or otherwise as handled in accordance with the provisions of the Share Option Scheme.

The share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

16. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Scheme during the period:

	Unaudited			
	30 June 2025		30 June 2024	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 January	**22.60**	**5,500**	22.60	5,500
At 30 June	**22.60**	**5,500**	22.60	5,500

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

	30 June 2025	
Number of options '000	**Exercise price** HK$ per share	**Exercise period**
5,500	22.60	26 April 2019 to 25 April 2028 (both dates inclusive)

The fair value of the share options granted was HK$29,068,000 (HK$5.29 each). On 30 October 2023, the Company cancelled the 5,500,000 Share Options under the Share Option Scheme. No equity-settled share option expense has been recognised by the Group in the statement of profit or loss during this period (six months ended 30 June 2024: Nil).

The fair value of these share options granted determined using the Binominal Option Pricing Model. The significant inputs into the model were the exercise price of HK$22.60 at the grant date, volatility of 33.94%, dividend yield of 3.00% and an annual risk-free interest rate of 2.22%.

The validity period of the options is 10 years. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 5,500,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company results in the issue of 5,500,000 additional ordinary shares of the Company and additional share capital of HK$550 (before issue expenses).

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits.

17. BUSINESS COMBINATION

As part of the Group's plan to expand its motor vehicle sales and service business in Chinese Mainland, the Group acquired 100% of the equity interests of Beijing Zhongsheng Jiefeng Automobile Sales and Service Co., Ltd., Wuhan Zhongsheng Lexus Automobile Sales and Service Co., Ltd. and Shaoxing Zhongsheng Lexus Automobile Sales and Service Co., Ltd. which are engaged in the motor vehicle sales and service business in Chinese Mainland, from a third parties on 1 January 2025 and 30 June 2025 at total considerations of RMB19,230,000, RMB30,000,000 and RMB30,000,000. The purchase consideration for the acquisition was in the form of cash, and RMB30,000,000 have not been paid by the end of June 2025.

Company Name	**Acquired equity interests** %
Beijing Zhongsheng Jiefeng Automobile Sales and Service Co., Ltd. (北京中升捷豐汽車銷售服務有限公司)	100%
Wuhan Zhongsheng Lexus Automobile Sales and Service Co., Ltd. (武漢中升雷克薩斯汽車銷售服務有限公司)	100%
Shaoxing Zhongsheng Lexus Automobile Sales and Service Co., Ltd. (紹興中升雷克薩斯汽車銷售服務有限公司)	100%

The acquisition had the following effect on the Group's assets and liabilities on the acquisition date:

	Recognised fair values on acquisition date RMB'000
Property, plant and equipment	72,205
Right-of-use assets	25,460
Intangible assets*	32,600
Inventories	53,392
Trade receivable	8,517
Prepayments, other receivables and other assets	51,129
Cash in transit	550
Cash and cash equivalents	27,763
Trade and bills payables	(6,995)
Other payables and accruals	(169,182)
Bank borrowings	(23,365)
Deferred tax liabilities*	(8,150)
Lease liabilities	(28,514)
Total identifiable net assets at fair value	35,410
Goodwill on acquisition*	43,820
Total purchase consideration	79,230

17. BUSINESS COMBINATION (continued)

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	Recognised fair values on acquisition date RMB'000
Cash consideration paid	(79,230)
Cash and cash equivalents acquired	27,763
Total net cash outflow	(51,467)

Since the acquisition, the acquired business contributed RMB195,067,000 to the Group's revenue and RMB850,000 of profit to the consolidated profit for the six months ended 30 June 2025.

* The Group engaged an independent appraiser to assist with the identification and determination of fair values to be assigned to the assets and liabilities of the acquired company as disclosed in note 17. However, the valuation was not finalised and hence the initial accounting for the business combination of the company was incomplete as of the date of this announcement. Therefore, these amounts recognised in the Group's interim financial statements for the six months ended 30 June 2025 in relation to the acquisition of the company was on a provisional basis.

18. CONTINGENT LIABILITIES

As at 30 June 2025, neither the Group nor the Company had any significant contingent liabilities.

19. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Buildings	**14,237**	35,905

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

30 June 2025

20. RELATED PARTY TRANSACTIONS AND BALANCES

(a) TRANSACTIONS WITH RELATED PARTIES

The following transactions were carried out with related parties during the six months ended 30 June 2025:

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
(i) Sales of goods to a joint venture:		
— Xiamen Zhongsheng Toyota Automobile Sales & Services Co., Ltd. ("**Xiamen Zhongsheng**")	**20,000**	79,859
(ii) Purchase of goods or services from joint ventures:		
—Xiamen Zhongsheng	**26,337**	56,964
—Shanghai Zhongsheng Hehai	**11,199**	5
—TAC Automobile Accessories Trading (Shanghai) Co., Ltd. ("**TAC**")	**1**	7,552
	37,537	64,521
Purchase of goods from an associate:		
— Shanghai Zhongsheng Yongtai	**796**	4,609
(iii) Repayment of borrowing from an associate:		
— Shanghai Zhongsheng Yongtai	**–**	7,000
(iv) Interest income from an associate:		
— Shanghai Zhongsheng Yongtai	**–**	253

20. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) BALANCES WITH RELATED PARTIES

The Group had the following significant balances with its related parties as at 30 June 2025:

	(Unaudited) 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
(i) Due from related parties:		
Trade related		
Joint ventures		
— Xiamen Zhongsheng	**7,400**	7,562
— Shanghai Zhongsheng Hehai	**350**	150
Total	**7,750**	7,712
(ii) Due to related parties:		
Trade related		
Joint ventures		
— Xiamen Zhongsheng	**411**	354
— Zhongsheng Tacti	**80**	80
— TAC	**2**	—
— Zhongsheng Hehai	**2,728**	5,885
	3,221	6,319
An associate		
— Zhongsheng Yongtai	**—**	412

On 9 August 2023, the Group borrowed a loan of RMB11,000,000 to Zhongzheng Yongtai, and received repayment of RMB7,000,000 from Zhongzheng Yongtai on 25 March 2024. The interest rate was in line with the benchmark interest rate prescribed by the People's Bank of China. Early repayment is allowed.

Apart from the above-mentioned other borrowing to Zhongsheng Yongtai, the amounts due to related parties are unsecured, interest-free and has no fixed terms of repayment.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

30 June 2025

20. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP:

	Unaudited For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000
Short term employee benefits	**30,518**	30,120
Post-employee benefits	**210**	190
Total compensation paid to key management personnel	**30,728**	30,310

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	**104,751**	124,669	**104,751**	124,669
Financial assets at fair value through other comprehensive income	**—**	20,674	**—**	20,674
Total	**104,751**	145,343	**104,751**	145,343

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial liabilities				
Financial liabilities at fair value through other comprehensive income	**81,768**	—	**81,768**	—

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:
As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	**Significant observable inputs (Level 2) RMB'000 (Unaudited)**	**Significant unobservable inputs (Level 3) RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Financial assets at fair value through profit or loss:				
Listed equity investments, at fair value (i)	**104,751**	**—**	**—**	**104,751**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets at fair value through profit or loss:				
Listed equity investments, at fair value (i)	124,669	—	—	124,669
Financial assets at fair value through other comprehensive income:				
Cross-currency interest rate swaps	—	20,674	—	20,674

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

FAIR VALUE HIERARCHY (continued)

Liabilities measured at fair value:

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial liabilities at fair value through other comprehensive income:				
Cross-currency interest rate swaps	–	81,768	–	81,768

The Group did not have any financial liabilities measured at fair value as at 31 December 2024.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 June 2024: Nil).

Note:

(i) The fair values of listed equity investments and the funds issued by financial institutions are based on quoted market prices.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

INTERESTS AND SHORT POSITIONS IN THE COMPANY'S SHARES

Name of Directors	Capacity/Nature of Interest	Total Number of Ordinary Shares	Approximate Percentage of Shareholding (%) (Note 1)
Mr. Huang Yi	Interest of controlled corporation, founder of a discretionary trust, agreement to acquire interests, treasury shares and beneficial owner	1,184,817,374 (Long position) (Note 2)	49.66
Mr. Li Guoqiang	Interest of controlled corporation, founder of a discretionary trust, agreement to acquire interests, treasury shares and beneficial owner	1,184,817,374 (Long position) (Note 2)	49.66
Mr. Zhang Zhicheng	Beneficial owner	5,500,000 (Long position) (Note 3)	0.23
Ms. Zhou Xin	Beneficial owner and interest of spouse	426,500 (Long position) (Note 4)	0.02
Mr. Sun Yanjun	Beneficial owner	30,000 (Long position)	0.00
Mr. Chin Siu Wa Alfred	Beneficial owner	100,000 (Long position)	0.00
Mr. Li Yanwei	Beneficial owner	71,000 (Long position)	0.00

Notes:

1. The approximate percentage of shareholding is calculated based on 2,385,668,363 shares of the Company in issue (including the treasury shares held by the Company) as at 30 June 2025.

2. These interests include the 18,674,500 treasury shares held by the Company as at 30 June 2025 as the Director controls over one-third of the voting power at general meetings of the Company. The Director is taken to have an interest in such treasury shares by virtue of the SFO.

3. These interests represent options granted to the Director as beneficial owner under the Share Option Scheme.

4. These interests comprise 336,500 shares of the Company held by the Director and 90,000 shares of the Company held by her spouse.

INTERESTS IN THE COMPANY'S DEBENTURES

Name of Director	Nature of Interest	Currency of Debenture	Amount of Debenture Held	Amount of Debenture in Same Class in Issue	Type of Debenture
Mr. Huang Yi	Beneficial owner and founder of a discretionary trust	US$	20,000,000	157,834,000	3% bonds due 2026
Mr. Li Guoqiang	Beneficial owner	US$	10,000,000	157,834,000	3% bonds due 2026

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following are the persons (other than the Directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Shareholder	Capacity/Nature of Interest	Total Number of Ordinary Shares	Approximate Percentage of Shareholding (%) (Note 1)
Blue Natural Development Ltd. (Note 2)	Beneficial owner and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66
Light Yield Ltd. (Note 4)	Beneficial owner, interest of controlled corporation and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66
Vest Sun Ltd. (Note 5)	Interest of controlled corporation and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66
Mountain Bright Limited (Note 6)	Beneficial owner and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66

Name of Shareholder	Capacity/Nature of Interest	Total Number of Ordinary Shares	Approximate Percentage of Shareholding (%) (Note 1)
UBS TC (Jersey) Ltd.	Trustee and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66
Vintage Star Limited (Note 7)	Beneficial owner and agreement to acquire interests	1,184,817,374 (Long position) (Note 3)	49.66
Jardine Matheson Holdings Limited	Interest of controlled corporation	505,816,116 (Long position)	21.20
Jardine Strategic Limited	Interest of controlled corporation	505,816,116 (Long position)	21.20
JMH Investments Limited	Interest of controlled corporation	505,816,116 (Long position)	21.20
JSH Investment Holdings Limited	Beneficial owner	505,816,116 (Long position)	21.20

Notes:

1. The approximate percentage of shareholding is calculated based on 2,385,668,363 shares of the Company in issue (including the treasury shares held by the Company) as at 30 June 2025.

2. Blue Natural Development Ltd. is owned by Light Yield Ltd. (62.3%) and Vest Sun Ltd. (37.7%). Mr. Huang Yi and Mr. Li Guoqiang are directors of Blue Natural Development Ltd.

3. These interests include the 18,674,500 treasury shares held by the Company as at 30 June 2025 as the substantial shareholder controls over one-third of the voting power at general meetings of the Company. The substantial shareholder is taken to have an interest in such treasury shares by virtue of the SFO.

4. Light Yield Ltd. is wholly-owned by Mr. Huang Yi, who is also the sole director of Light Yield Ltd.

5. Vest Sun Ltd. is wholly-owned by Mr. Li Guoqiang, who is also the sole director of Vest Sun Ltd.

6. Mountain Bright Limited is wholly-owned by UBS TC (Jersey) Ltd. as trustee of a trust settlement for Mr. Huang Yi (the settlor of the trust) and his family.

7. Vintage Star Limited is wholly-owned by UBS TC (Jersey) Ltd. as trustee of a trust settlement for Mr. Li Guoqiang (the settlor of the trust) and his family.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONVERTIBLE BONDS

2025 CONVERTIBLE BONDS

On 12 May 2020, the Company, Merrill Lynch (Asia Pacific) Limited and Morgan Stanley & Co. International plc (the "**2025 Convertible Bond Managers**") entered into a bond subscription agreement, according to which the Company agreed to issue, and the 2025 Convertible Bond Managers conditionally agreed to subscribe and pay for (or to procure subscribers to subscribe and pay for) zero coupon convertible bonds due 2025 in an aggregate principal amount of HK$4,560 million (the "**2025 Convertible Bonds**").

The 2025 Convertible Bonds are convertible into share(s) of the Company (the "**Share(s)**") at an initial conversion price of HK$45.61 per Share at the option of the holder thereof, at any time on or after 1 July 2020 up to the close of business on the tenth day prior to the maturity date, being a date falling on or about 21 May 2025. The closing price per Share was HK$34.80 as quoted on the Stock Exchange on 12 May 2020 (being the date on which the terms of the subscription of the 2025 Convertible Bonds were fixed). The net price of each Share was approximately HK$45.20. The issue of the 2025 Convertible Bonds in the aggregate amount of HK$4,560 million was completed on 21 May 2020. To the best of the Directors' knowledge, the 2025 Convertible Bonds were offered and sold by the 2025 Convertible Bond Managers to no less than six independent placees (who are independent individuals, corporate and/or institutional investors).

The Directors considered that the issue of the 2025 Convertible Bonds allowed the Company to refinance its existing debt and to extend its debt maturity profile.

Pursuant to the terms and conditions of the 2025 Convertible Bonds, certain holders of the 2025 Convertible Bonds served notices of redemption on the Company, requiring the Company to redeem an outstanding principal amount of HK$1,436,000,000 of the 2025 Convertible Bonds at 110.15% of their principal amount on 21 May 2023, representing approximately 31.49% of the principal amount of the 2025 Convertible Bonds. Immediately after the early redemption, such redeemed 2025 Convertible Bonds were cancelled and the principal amount of the outstanding 2025 Convertible Bonds was HK$3,124,000,000.

Pursuant to the terms and conditions of the 2025 Convertible Bonds, in light of the payment of a final dividend of HK$1.09 per Share for the year ended 31 December 2022 and a final dividend of HK$0.797 per Share for the year ended 31 December 2023, the conversion price of the 2025 Convertible Bonds was adjusted from HK$45.61 to HK$45.02 per Share with effect from 29 June 2023 and further to HK$43.88 per Share with effect from 4 July 2024, respectively.

On 21 May 2025, the Company redeemed and cancelled the outstanding 2025 Convertible Bonds in the aggregate amount of HK$3,124,000,000 at 117.49% of its principal amount. On 21 May 2025, the Company completed the redemption of all outstanding 2025 Convertible Bond. As at the date of this interim report, there are no outstanding 2025 Convertible Bonds in issue.

Details of the 2025 Convertible Bonds are set out in note 14 to the financial statements.

Please refer to the announcements of the Company dated 12, 13, 14, 21, 22 and 25 May 2020, 26 April 2023 and 19 June 2023 and 21 June 2024, respectively, for further details on the 2025 Convertible Bonds.

As at 30 June 2025, the net proceeds (after deduction of commission and expenses) from the issue of the 2025 Convertible Bonds had been fully utilised according to the intentions previously disclosed by the Company, with (1) approximately HK$4,246.18 million having been used to fund the repurchase of existing convertible bonds of the Company, and (2) approximately HK$275.06 million having been used for offshore working capital purpose.

BONDS

2026 BONDS

On 6 January 2021, the Company and Merrill Lynch (Asia Pacific) Limited, Mizuho Securities Asia Limited, CCB International Capital Limited, MUFG Securities Asia Limited and Morgan Stanley & Co. International plc (the "**2026 Bond Managers**") entered into a bond subscription agreement, according to which the Company agreed to issue, and the 2026 Bond Managers conditionally agreed to subscribe and pay for (or to procure subscribers to subscribe and pay for) the 3.00% bonds due 2026 in an aggregate principal amount of US$450 million (the "**2026 Bonds**"). The maturity date of the 2026 Bonds is 13 January 2026.

In July 2024, the Company made an offer to purchase for cash the 2026 Bonds at a purchase price of US$966 per US$1,000 principal amount of the 2026 Bonds, plus accrued interest, from certain holders of the 2026 Bonds (the "**Offer**"). The aggregate principal amount of the 2026 Bonds validly tendered pursuant to the Offer amounted to US$292,166,000. All of the validly tendered 2026 Bonds were accepted, purchased and cancelled by the Company on 1 August 2024. Following the settlement of the Offer and cancellation of the 2026 Bonds purchased pursuant to the Offer, the outstanding aggregate principal amount of the 2026 Bonds is US$157,834,000 as at 1 August 2024.

On 28 July 2025, the Company informed the trustee and the bondholders of the 2026 Bonds that it would redeem the outstanding 2026 Bonds in whole on 27 August 2025. On 27 August 2025, the Company redeemed and cancelled all of the outstanding 2026 Bonds. As at the date of this interim report, there are no outstanding 2026 Bonds in issue.

Please refer to the announcements of the Company dated 4, 7, 13 and 14 January 2021, 22 and 30 July and 1 August 2024 and 28 July and 27 August 2025, respectively, for further details on the 2026 Bonds.

2028 BONDS

On 23 July 2024, the Company and Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Morgan Stanley & Co. International plc, MUFG Securities Asia Limited, Mizuho Securities Asia Limited, J.P. Morgan Securities (Asia Pacific) Limited and China CITIC Bank International Limited (the "**2028 Bond Managers**") entered into a bond subscription agreement, according to which the Company agreed to issue, and the 2028 Bond Managers conditionally agreed to subscribe and pay for (or to procure subscribers to subscribe and pay for) the 5.98% bonds due January 2028 in an aggregate principal amount of US$600 million (the "**2028 Bonds**"). The maturity date of the 2028 Bonds is 30 January 2028, on which the Company is scheduled to redeem each 2028 Bond at its principal amount.

Please refer to the announcements of the Company dated 22, 24, 30 and 31 July 2024, respectively, for further details on the 2028 Bonds.

PANDA BONDS

On 20 May 2024, the Company made an application (the "**Application**") to the National Association of Financial Market Institutional Investors (the "**Association**") for registration of debt financing instruments in the aggregate amount of not more than RMB5 billion (the "**Panda Bonds**") to be issued in one or multiple tranches as and when appropriate within two years from the date of receipt of the notice of acceptance of the registration of the Panda Bonds from the Association. The Application was approved by the Association on 19 July 2024.

The issue of the first tranche of the Panda Bonds was completed on 1 August 2024. Based on the bookbuilding and placement results, the total issue size of the first tranche of the Panda Bonds was RMB1 billion, with a coupon rate of 3.5% and a maturity of three years.

Please refer to the announcements of the Company dated 20 May, 24 July and 1 August 2024, respectively, for further details on the Panda Bonds.

SHARE OPTION SCHEME

The Share Option Scheme (as defined in the Company's prospectus dated 16 March 2010) was conditionally approved by a resolution of the shareholders of the Company (the "**Shareholders**") on 9 February 2010 and adopted by a resolution of the Board on the same day. The Share Option Scheme expired on 25 March 2020. No further options can be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to exercise any subsisting options granted prior to the expiry of the Share Option Scheme or otherwise as handled in accordance with the provisions of the Share Option Scheme.

Details of the outstanding options to subscribe for Shares pursuant to the Share Option Scheme and the movement during the six months ended 30 June 2025 are set out below:

			Number of Share Options				
Name of Grantees	Date of grant	Exercise price per share	Outstanding as at 31 December 2024	Granted during the Period	Exercised during the period	Lapsed/ Cancelled during the period	Outstanding as at 30 June 2025
Mr. Zhang Zhicheng — Executive Director	26 April 2018	HK$22.60	5,500,000(Note)	—	—	—	5,500,000
Total							5,500,000

Note: On 26 April 2018, the Company offered to grant share options (the "**Share Options**") to Mr. Zhang Zhicheng under the Share Option Scheme, which entitle him to subscribe for 5,500,000 new Shares. The Share Options were fully vested on 26 April 2019. The Share Options are exercisable from 26 April 2019 to 25 April 2028 (both dates inclusive) at a price of HK$22.60 per Share. The closing price of the Shares immediately before 26 April 2018 is HK$22.35 per Share.

Further details of the Share Options are set out in note 16 to the financial statements. The Binomial Option Pricing Model is one of the commonly used models to estimate the fair value of an option which can be exercised before the expiry of the option period. The value of an option varies with different variables of certain subjective assumptions.

Any change in variables so adopted may materially affect the estimation of the fair value of an option.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits.

During the six months ended 30 June 2025, no options had been granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme. As at 30 June 2025, the total number of Shares that may be issued under the Share Option Scheme was 5,500,000 Shares, representing approximately 0.23% of the issued share capital of the Company (excluding treasury shares) as at the date of this interim report, and approximately 0.23% of the weighted average number of Shares in issue during the six months ended 30 June 2025.

CONNECTED TRANSACTIONS

There was no connected transaction entered into by the Group during the six months ended 30 June 2025 that is required to be disclosed under the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

There have not been any significant events affecting the Group after 30 June 2025.

DIVISION OF RESPONSIBILITY BETWEEN THE BOARD AND THE MANAGEMENT

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Directors make decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

DELEGATION OF MANAGEMENT FUNCTION

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The day-to-day management, administration and operations of the Company are delegated to the chief executive officer and the senior management. The delegated functions and work tasks are periodically reviewed. The Board's approval is needed prior to entering into any significant transactions by the abovementioned officers.

CHANGES IN DIRECTORS' INFORMATION

Save as disclosed in this interim report, no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. Throughout the six months ended 30 June 2025 and up to the date of this interim report, the Company has been in compliance with the code provisions set out in the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025 and up to the date of this interim report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the amount of public float as approved by the Stock Exchange and as permitted under the Listing Rules as at the date of this interim report.

EQUITY-LINKED AGREEMENT

The Company did not enter into any equity-linked agreement during the six months ended 30 June 2025. Save for the Share Option Scheme, no equity-linked agreements existed during the six months ended 30 June 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

As at 30 June 2025 and up to the date of this interim report, 18,674,500 Shares repurchased are held by the Company as treasury shares, and none of such treasury shares has been sold by the Company. Subject to compliance with the Listing Rules, the Company may consider using the treasury shares for future resales, transfers or cancellation.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, being Mr. Ying Wei, Mr. Chin Siu Wa Alfred and Ms. Cheng Po Chuen.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control and risk management systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025. The Audit Committee considers that the interim financial results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been made.

During the six months ended 30 June 2025, the Audit Committee held one meeting to review the annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of internal control and risk management systems and internal audit function, appointment of external auditors and relevant scope of works and arrangements for employees to raise concerns about possible improprieties. The Board, as supported by the Audit Committee as well as the management's report and the internal audit findings, considered that the risk management and internal control systems are effective and adequate.

INTERIM DIVIDEND

The Board proposed not to declare any interim dividend for the six months ended 30 June 2025.

CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENTAL POLICY

With a view to ensuring continuous compliance with applicable environmental laws and other rules and regulatory requirements in the PRC, it is the policy of the Group to reduce waste and save energy in the operation process and promote an environmentally friendly culture through carrying out environmental communication, establishing a green supply chain and launching green offices, promoting environmental projects for public welfare, implementing sustainable development, and putting into practice the concept of environmental protection for corporate citizens.

During the six months ended 30 June 2025, the Group has adopted a number of measures to reduce emissions in daily operations, and has implemented energy efficiency initiatives. For instance, the Group has improved emission monitoring equipment and sewage treatment to reduce exhaust and pollutant emissions for environmental protection and energy conservation while safeguarding employees' health. The Group uses new energy vehicles for routine business trips and business receptions, and the employees of the Group are encouraged to use public transportation and replace business travel and long-distance face-to-face meetings with telephone or video conferences where practicable, in order to reduce carbon emissions from transportation.

COMMUNITY CONTRIBUTION

The Group is committed to fulfilling its corporate social responsibility and commitments, serving the community and creating a positive impact with practical and concrete actions. Across its national dealership network, the Group offers employment opportunities for local residents and persons with disability, contributing to the development of local communities. The Group has also arranged their employees to take their spare time to care for the elderlies and organised activities for the elderlies at nursing home and the disabled.

By order of the Board
Zhongsheng Group Holdings Limited
Huang Yi
Chairman

Hong Kong
28 August 2025