

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



德銀天下股份有限公司
DEEWIN TIANXIA CO.,LTD

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2418)

2024 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Deewin Tianxia Co., Ltd. (the “**Company**”) hereby announces the unaudited results announcement of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024. This announcement, containing the full text of 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in relation to the information to accompany preliminary announcement of interim results and has been reviewed by the audit committee under the Board of the Company.

2024 interim report of the Company will be published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.deewintx.com) in due course.

By order of the Board of Directors
Deewin Tianxia Co., Ltd
德銀天下股份有限公司
Guo Wancai
Chairman

Xi'an, the PRC
29 August 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Guo Wancai as Chairman and non-executive Director, Mr. Wang Runliang and Mr. Wang Wenqi as executive Directors, Mr. Tian Qiang, Mr. Zhao Chengjun and Ms. Feng Min as non-executive Directors, and Mr. Li Gang, Mr. Ip Wing Wai and Mr. Yu Qiang as independent non-executive Directors.

Contents

| | |
|---|----|
| Corporate Information | 2 |
| Business Overview and Outlook | 4 |
| Management Discussion and Analysis | 14 |
| Corporate Governance and Other Information | 24 |
| Interim Condensed Consolidated Statements of Comprehensive Income | 31 |
| Interim Condensed Consolidated Statements of Financial Position | 32 |
| Interim Condensed Consolidated Statements of Changes in Equity | 34 |
| Interim Condensed Consolidated Statements of Cash Flows | 35 |
| Notes to the Interim Condensed Consolidated Financial Information | 36 |
| Definition | 74 |





Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Runliang

Mr. Wang Wenqi

Non-executive Directors

Mr. Guo Wancai (*Chairman*)

Mr. Tian Qiang

Mr. Zhao Chengjun

Ms. Feng Min

Independent Non-executive Directors

Mr. Li Gang

Mr. Ip Wing Wai

Mr. Yu Qiang

Supervisors

Mr. Ji Jianguo (appointed on 30 May 2024)

Mr. Zhang Shaojie

Mr. Qin Xiaohui

AUDIT COMMITTEE

Mr. Ip Wing Wai (*Chairperson*)

Mr. Li Gang

Mr. Yu Qiang

REMUNERATION COMMITTEE

Mr. Li Gang (*Chairperson*)

Mr. Yu Qiang

Mr. Ip Wing Wai

NOMINATION COMMITTEE

Mr. Guo Wancai (*Chairperson*)

Mr. Li Gang

Mr. Yu Qiang

JOINT COMPANY SECRETARIES

Mr. Liu Lulu

Ms. Chan Yin Wah (appointed on 30 May 2024)

AUTHORIZED REPRESENTATIVES

Mr. Wang Runliang

Ms. Chan Yin Wah (appointed on 30 May 2024)

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

16th Floor, Unit 1

Building 1, Jingwei International Centre

29 West Section of Xijin Road

Jingwei New City

Economic and Technological Development Zone

Xi'an City, Shaanxi

The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17/F, Hopewell Centre

183 Queen's Road East

Wan Chai

Hong Kong

LEGAL ADVISOR

Jingtian & Gongcheng LLP

(As to Hong Kong law)

Beijing Jia Yuan Law Offices

(As to PRC Law)



INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd. (Xi'an Branch)
China Merchants Bank Building
No. 1 Gaoxin Er Road
Xi'an City, Shaanxi Province
The PRC

China Minsheng Banking Corporation Limited (Xi'an Branch)
Taihua Jinmao International No. 5 Building
No. 16 Fenghui South Road
Gaoxin District
Xi'an City, Shaanxi Province
The PRC

STOCK CODE

2418

COMPANY'S WEBSITE

www.deewintx.com



Business Overview and Outlook

BUSINESS OVERVIEW

Our Group focuses on providing various value-added services, including logistics and supply chain service, supply chain financial service, IoV and data service, to players along the commercial vehicle industry chain.

In the first half of 2024, the Group recorded revenue of approximately RMB1,295.7 million, representing a year-on-year decrease of 14.7%; net profit of approximately RMB115.6 million, representing a year-on-year increase of 5.2%.

Logistics and Supply Chain Service Sector

In the first half of 2024, our business of logistics and supply chain service mainly included commercial vehicle manufacturing supply chain business, automobile sales business and aftermarket product business. Our major customers are components suppliers, commercial vehicle manufacturers, commercial vehicle sales dealers, logistics companies and commercial vehicle end users.

In terms of supply chain service, we provide supply chain management and “integrated logistics” services in relation to commercial vehicle components. Through seamless integration with the manufacturing plan of commercial vehicle manufacturers, we streamlined redundant processes and achieved a lower logistics cost while maintaining service quality. For the six months ended 30 June 2024, we provided automobile manufacturing supply chain service for the production of approximately 70.4 thousand commercial vehicles, and provided automobile logistics service in relation to approximately 28.5 thousand commercial vehicles.

Leveraging our network, we provide logistics service to independent customers such as raw material suppliers, energy companies and express courier service providers. In order to further expand our industry advantages in third party logistics service, we continued to diversify our customer base while exploring and developing cooperation with more independent customers through the expansion and development of our third party logistics service in relation to raw materials (such as coal and ore), commodities and express couriers. For the six months ended 30 June 2024, the revenue from logistics service to independent customers was approximately RMB485.0 million.

In terms of automobile sales business, we took automobile sales as the entry point, and moved to offer a full range of automobile solutions to customers. We realised a sale of 362 automobiles and recorded a revenue of approximately RMB115.0 million for the six months ended 30 June 2024.

In terms of aftermarket product business, we engaged in aftermarket product business that mainly covered the sales of (i) tyres, (ii) lubricants, and (iii) other commercial automobile-related products, such as carbamide and components. For the six months ended 30 June 2024, these businesses achieved a revenue of approximately RMB38.3 million in total.

Supply Chain Financial Service Sector

Our supply chain financial service sector mainly comprises of finance lease business and factoring business.

We engage in finance lease business through our wholly-owned subsidiary Deewin Financial Leasing. We specialise in providing sale and leaseback service to our customers. For the six months ended 30 June 2024, newly invested funds in finance lease business reached RMB2,862.0 million, the number of newly effective finance lease agreements was 5,275 in total, and the total number of customers we served was 4,910.



We conduct our factoring business through our wholly-owned subsidiary Deewin Factoring. For the six months ended 30 June 2024, newly invested funds in factoring business reached RMB1,622.0 million.

We have further expanded our sources of funding through diversified funding channels. For the six months ended 30 June 2024, Deewin Financial Leasing issued 2 batches of asset-backed securities (ABS), with an aggregate principal amount of RMB1,280.0 million.

Set out below are further details of the business model and performance of the supply chain financial service sector during the Reporting Period:

(i) Customer profiles

Finance lease business: As at 30 June 2024, our finance lease business has served customers located in about 25 provinces, municipalities and autonomous regions in the PRC.

Factoring business: As at 30 June 2024, our factoring business has served customers located in about 21 provinces, municipalities and autonomous regions in the PRC.

(ii) Details of credit approval processes

Finance lease business: We have established a comprehensive customer due diligence and credit review system. The credit assessment department will conduct a further due diligence investigation against the background of the commercial vehicles leasing project and creditworthiness of our customers, and compile due diligence and risk assessment reports. We will also produce credit assessment reports based on the credit assessment results provided by independent third parties in the following manner: (a) for all customers who are natural persons, we will obtain credit assessment data from various big-data platforms managed by independent third parties with a letter of authorisation issued by such customer for conducting information query; and (b) for all customers who are legal persons, we will obtain credit assessment information through open information platforms managed by independent third parties. The customer's application and relevant due diligence materials will then be circulated for internal assessment and approval.

Factoring business: We have established a comprehensive customer due diligence and credit assessment system. We will conduct a due diligence and credit assessment on our customers. Further operational and financial information of our customers and the buyer will be collected to assess their operation quality, business authenticity and credit level. We will also obtain credit assessment reports from independent third parties when assessing Logistics Factoring projects. Upon completion of the investigation against our customer and the buyer, the factoring application will then be processed internally for final assessment and approval and a credit limit to be granted to our customer will be determined.

(iii) Number of lessees/borrowers

Finance lease business: As of 30 June 2024, we had a total of 5,275 new finance lease agreements cumulatively, and served a total of 4,910 customers.

Factoring business: As of 30 June 2024, we had a total of 422 new factoring agreements cumulatively, and served a total of 203 customers.



Business Overview and Outlook

(iv) The major terms of the loans

Finance lease business: A summary of the key terms of the finance lease agreement is set out below (demonstrated by those under a core commercial automobile finance lease transaction):

- Term: the term of our leasing agreements generally varies from two to three years;
- Commercial vehicle under lease: a detailed list of commercial automobile for leasing is appended to the finance lease agreement;
- Ownership of commercial automobile under lease: during the lease term, we have the ownership of leased commercial automobile, whereas our customer enjoys the right to possess, use and generate income from the leased commercial automobile subject to the terms and conditions of the finance lease agreement. The lessee shall not transfer, sub-lease, lend or otherwise dispose of the leased commercial automobile without our consent, and must take appropriate actions to take proper care of the leased commercial automobile;
- Installation: generally, it is required to install Tianxingjian IoV System or other approved satellite positioning devices on leased commercial vehicles;
- Rent, fees and security deposit:
 - regular lease payment by lessee;
 - fees for late repayment and insurance; and
 - security deposit;
- Information on mortgages: The mortgages under the finance lease agreement are generally leased property, which mainly includes commercial vehicles (such as trucks, tractor-trailers, special purpose vehicles, etc.), as well as other machinery and equipment;
- Default provision: if lessee fails to pay any instalment of rent or fails to perform any of its obligation specified in the finance lease agreements, we shall have the right to demand prompt payment in full or in part of the loan receivables from the finance lease business, and the lessor, when necessary, may take measures to cover damages, including restitution and disposal of commercial vehicles and legal actions;
- Dispute resolution: the finance lease agreement shall be interpreted in accordance with the laws of the PRC, and if any dispute arises, it shall be heard by the people's court of the PRC at the place where the contract is signed or the place where the parties are domiciled or the place where the contract is performed; and
- Completion: after full settlement of all interest and principal payables or compensation settled.



Factoring business: A summary of the key terms of our factoring agreement is set out below:

- Term: one to twelve months in general;
- Major arrangements:
 - the customer transfers the ownership of the trade receivables to us, and we provide the customer with the factoring services;
 - we have the right to demand payment of the trade receivables from the buyer;
 - we have the right to demand the customer to repay the outstanding balance of the financing provided to such customer, together with any unpaid interest and related fees owed to us, according to the conditions set out in the agreement; and
 - for most of our factoring transactions, we have the right to notify the buyer of such factoring arrangement between us and the customer at the outset before we provide the financing to the customer;
- Ownership of the accounts receivable: the ownership of the trade receivables will be transferred from the customer to us upon the commencement of the factoring agreements;
- Factoring financing: we determine (i) a credit limit (which is subject to review periodically) for each customer, which is determined by the risk review committee, (ii) whether the credit limit will be fixed or revolving (typically revolving in nature), and (iii) the availability period of the credit limit for each customer;
- Factoring fees: factoring fees comprise interest and administrative fees. The consolidated effective annualized interest rate of the total factoring fee ("**Consolidated Effective Annualized Interest Rate**") is primarily determined based on a project-by-project risk-pricing principle, after taking into account the Company's cost and other related expenses. Such Consolidated Effective Annualized Interest Rate equals to the sum of administrative fee (which needs to be converted into annualized rate according to the financing term and charged in a lump sum prior to lending) and the annual interest rate (which is charged on a monthly basis):
 - interest is usually paid in installments, but may also be paid upfront, or at the end of the financing period; and
 - administrative fees are usually paid in full by the customer to us before we provide the customer with the financing;
- Default provision: if the customer or the buyer fails to perform certain obligations specified in the agreement, we shall have the right to demand for default interest and/or unconditional repurchase of the outstanding trade receivables by our customer, and/or to terminate the provision of the financing to the customer;



Business Overview and Outlook

- Dispute resolution: the factoring agreements shall be interpreted in accordance with the laws of the PRC, and if any dispute arises, it shall be subject to the people's court of the PRC that has jurisdiction over the region where the factoring agreements were signed; and
- Completion: upon the end of the term or the termination of the factoring agreements (whichever is earlier).

(v) The size and diversity of lessees/borrowers

Finance lease business: As at 30 June 2024, in terms of number of customers, more than 95.4% of our customers were individuals who are independent third parties of the Company. The remaining customers of our finance lease business mainly include (a) various companies providing logistics service in relation to a wide range of goods and products, (b) an independent commercial automobile manufacturer, and (c) licensed companies conducting finance lease business.

As of 30 June 2024, there was 1 single customer who contributed (a) more than 5.0% of the total revenue of our finance lease business, and no single customer contributed (b) more than 1.0% of the total revenue of the Group.

As of 30 June 2024, based on the amount placed, the amount we invested into the provision of the finance lease services to the top five customers represents approximately 12.7% of the total amount invested into the provision of finance lease services.

Factoring business: As at 30 June 2024, the major customers of our factoring business include components suppliers and assembly plants in the supply chain of commercial vehicle manufacturing, as well as customers in the logistics industry (including without limitation, logistics platform companies, small and medium logistics enterprises, enterprises running supply chain projects and contract logistic projects), and further expanding into infrastructure, commerce and trade sectors.

In relation to the customers of our factoring business, as of 30 June 2024, there are 5 single customers contributed (a) more than 5.0% of the total revenue of our factoring business, while no single customer contributed (b) more than 1.0% of the total revenue of the Group.

As of 30 June 2024, based on the amount placed, the amount we invested into the provision of the factoring services to the top five customers represents approximately 45.0% of the total amount invested into the provision of factoring services.

(vi) Interest and administrative fees

Finance lease business: as of 30 June 2024, we charged interest rates ranging from 3.00% to 10.00% per annum; the administrative fees charged ranged from 0.00% to 3.00%.

Factoring business: as of 30 June 2024, the annual interest rates we charged ranged from 0.00% to 10.55%; the administrative fees charged ranged from 0.00% to 4.50%. In addition, as of 30 June 2024, the average Consolidated Effective Annualized Interest Rate of the Company's factoring business was 7.83%.



(vii) The ageing analysis of the outstanding loans

Finance lease business: The following table sets out the movement in the number of finance lease agreements and the finance lease receivables balance classified in accordance with the terms of the finance lease agreements during the years and as at the dates indicated:

| Period ⁽¹⁾ | As of 30 June 2024 | | As of 31 December 2023 | |
|-----------------------|-----------------------|---|------------------------|---|
| | Number ⁽²⁾ | Finance lease receivables balance RMB (million) | Number ⁽²⁾ | Finance lease receivables balance RMB (million) |
| Less than 1 year | 6,212 | 2,141.9 | 6,219 | 2,063.1 |
| Between 1 and 2 years | 7,201 | 3,009.0 | 5,137 | 2,505.3 |
| Over 2 years | 2,209 | 1,117.7 | 1,444 | 923.3 |
| Total | 15,622 | 6,268.6 | 12,800 | 5,491.7 |

Notes:

- (1) Period means the length of time remaining until the agreed maturity date of the finance lease agreements as of 30 June 2024 and 31 December 2023, respectively.
- (2) The number represents the number of finance lease agreements under performance as of 30 June 2024 and 31 December 2023, respectively.

The following table sets out the movement in the finance lease receivables balance and the percentage during the years and as at the dates indicated, based on the length of time of the outstanding loans from the date of grant to the dates indicated:

| Period ⁽¹⁾ | As of 30 June 2024 | | As of 31 December 2023 | |
|-----------------------|---|---------------|---|---------------|
| | Finance lease receivables balance RMB (million) | Percentage | Finance lease receivables balance RMB (million) | Percentage |
| Less than 1 year | 3,880.9 | 61.9% | 3,215.1 | 58.6% |
| Between 1 and 2 years | 1,508.0 | 24.1% | 1,568.1 | 28.6% |
| Over 2 years | 879.7 | 14.0% | 708.5 | 12.8% |
| Total | 6,268.6 | 100.0% | 5,491.7 | 100.0% |

Note:

- (1) Period means the length of time of the outstanding loans granted as of 30 June 2024 and the end of 2023, respectively.

Business Overview and Outlook

Factoring business: The following table sets out the movement in the number of factoring agreements and the factoring receivables balance classified in accordance with the terms of the factoring agreements during the years and as at the dates indicated:

| Period ⁽¹⁾ | As of 30 June 2024 | | As of 31 December 2023 | |
|--------------------------------|-----------------------|---|------------------------|---|
| | Number ⁽²⁾ | Factoring receivables balance RMB (million) | Number ⁽²⁾ | Factoring receivables balance RMB (million) |
| Less than 3 months | 310 | 998.5 | 229 | 1,224.5 |
| Between 3 months and 6 months | 107 | 354.3 | 85 | 271.5 |
| Between 6 months and 12 months | 22 | 34.1 | 32 | 73.9 |
| Over 12 months | 0 | 0.0 | 0 | 0.0 |
| Total | 439 | 1,386.9 | 346 | 1,569.9 |

Notes:

- (1) Period means the length of time remaining until the agreed maturity date of the factoring agreements as of 30 June 2024 and 31 December 2023, respectively.
- (2) The number represents the number of factoring agreements under performance as of 30 June 2024 and 31 December 2023, respectively.

The following table sets out the movement in the factoring receivables balance and the percentage during the years and as at the dates indicated, based on the length of time of the outstanding loans from the date of grant to the dates indicated:

| Period ⁽¹⁾ | As of 30 June 2024 | | As of 31 December 2023 | |
|--------------------------------|---|---------------|---|---------------|
| | Factoring receivables balance RMB (million) | Percentage | Factoring receivables balance RMB (million) | Percentage |
| Less than 3 months | 818.9 | 59.0% | 1,067.8 | 68.0% |
| Between 3 months and 6 months | 182.6 | 13.2% | 242.5 | 15.5% |
| Between 6 months and 12 months | 209.8 | 15.1% | 149.6 | 9.5% |
| Over 12 months | 175.6 | 12.7% | 110.1 | 7.0% |
| Total | 1,386.9 | 100.0% | 1,569.9 | 100.0% |

Note:

- (1) Period means the length of time of the outstanding loans granted as of 30 June 2024 and the end of 2023, respectively.



(viii) Movements of impairments or write-offs of loan receivables and the basis of impairment assessments

Finance lease business: The Group assessed whether the credit risk of loan receivables had increased significantly since their initial recognition, and applied a three-stage impairment model to calculate the expected credit loss (“ECL”). For loan receivables classified under stage 1 (there has not been a significant increase in credit risk since initial recognition) and stage 2 (there has been a significant increase in credit risk since initial recognition but is not yet deemed to be credit-impaired), the Group assessed loss allowances using the risk parameter modelling approach that incorporated relevant key assumptions and parameters, including the probability of default, loss given default, exposure at default, and forward-looking economic factors. For loan receivables classified under stage 3 (there has been identified as credit-impaired since initial recognition), the Group assessed loss allowances by estimating the expected discounted cash flows.

As at 30 June 2024, the Company’s finance leasing business involved long-term receivables of RMB6,268.6 million (31 December 2023: RMB5,491.7 million) and a balance of bad debt provision for long-term receivables of RMB383.7 million (31 December 2023: RMB385.2 million). As at 30 June 2024, the balance of provision for bad debts slightly decreased as compared with that of the end of 2023, mainly because the asset quality of existing businesses was good and the overdue amount was effectively controlled.

Factoring business: The Group assessed whether the credit risk of loan receivables had increased significantly since their initial recognition, and applied a three-stage impairment model to calculate the ECL. For loan receivables classified under stage 1 (there has not been a significant increase in credit risk since initial recognition) and stage 2 (there has been a significant increase in credit risk since initial recognition but is not yet deemed to be credit-impaired), the Group assessed loss allowances using the risk parameter modelling approach that incorporated relevant key assumptions and parameters, including the probability of default, loss given default, exposure at default, and forward-looking economic factors. For loan receivables classified under stage 3 (there has been identified as credit-impaired since initial recognition), the Group assessed loss allowances by estimating the expected discounted cash flows.

As of 30 June 2024, the Company’s factoring business involved trade receivables of RMB1,386.9 million (31 December 2023: RMB1,569.9 million) and the balance of bad debt provision for trade receivables was RMB158.2 million (31 December 2023: RMB153.1 million). The increase in the balance of bad debt provision as at 30 June 2024 as compared with that of the end of 2023 was mainly due to the increase in credit impairment losses provided for in the first half of 2024 as a result of the Company’s prudent consideration of the operation of individual customers.

IoV and Data Service Sector

We conduct our IoV and data service business through our wholly-owned subsidiary Tianxingjian. As at 30 June 2024, the number of heavy commercial vehicles registered with our IoV platform was approximately 1,110.3 thousand.

Our IoV system has maintained its strong data collection capabilities and broad range of application scenarios. As at 30 June 2024, the intellectual property rights owned by Tianxingjian included 24 patents and 110 copyrights, and Tianxingjian is in the process of applying for 30 patents.



Business Overview and Outlook

In addition, based on our advantages in the platform scale and data collection, we have developed several application scenarios, including (i) intelligent logistics comprehensive solutions, (ii) automobile finance lease IoV solutions, (iii) industry chain digital intelligence service solutions, (iv) dump truck supervision solutions, (v) integrated solutions for driverless cloud control and new energy capacity, and (vi) environmental protection supervision solutions. The large number of automobiles covered by the above application scenarios enables us to be one of the top players among IoV applications of the same kind in China.

BUSINESS OUTLOOK AND DEVELOPMENT STRATEGIES

In the first half of 2024, the gross domestic product (GDP) of China increased by 5.0% year-on-year. We continued to deliver a solid performance. In the second half of 2024 we will continue to adhere to the working guideline of “being market-driven, innovative, pragmatic and improving efficiency and effectiveness”, with a focus on the following tasks:

(I) Being Goal-Driven and Going all Out to Improve the Integrated Service Capability

Logistics and supply chain service sector: We will offer a full range of complete vehicle solutions for large customers specific to particular best-selling vehicle models. We will steadily scale up the application of intelligent warehousing facilities such as automatic guided vehicles (AGVs) and unmanned vehicles. Meanwhile, we will accelerate the exploration of new models and new types of business in the new energy field, and improve and implement programs for battery banks and logistics capacity platforms toward new development.

Supply chain financial service sector: We will optimize financial instruments, lower interest rates, forestall risks, and bolster the competitiveness of whole-life services in conjunction with vehicle sales. We will continue with customer credit investigation, customer risk modeling and profiling, and immediate disbursement to further improve the efficiency of the business process and the capability of providing refined services.

IoV and data service sector: We will invest more in technical research and development and talents, and construct an integrated platform of lakes and warehouses (i.e., data lakes and data warehouses) to provide a data foundation for data application and digital intelligence services.

In addition, implementing **projects of integrated logistics capacity service model in the new energy field:** We will develop new energy projects in alignment with annual business targets and the policy of carbon peaking and carbon neutrality, focusing on Shanxi, Inner Mongolia, Shaanxi, Sichuan and Xinjiang regions, to satisfy the market demand of coal mines, coking plants, and steel mills.

(II) Keeping Abreast of the Market Situation and Continuing to Develop New Areas of External Business

Logistics and supply chain service sector: Focusing on the on-site logistics of key customers, we will expedite the integration of logistics transportation and packaging business, and cultivate new growth areas such as heavy-cargo transportation and cold-chain transportation. By relying on various types of business resources, we will also develop large logistics customers, and proactively undertake various short – and medium-distance logistics projects. We will tap into the resource-based and environmental protection markets, implant the after-market product sales business through the transportation scenarios created by supply chain projects, and proactively scale up the packaging business of spare parts for commercial vehicles.



Supply chain financial service sector: We will continue to strengthen the construction of our core channels while developing larger new and used car business channels. Meanwhile, we will further enhance our digital financial service capabilities for the increment and expansion of our Silver Chain (銀鏈) platform.

IoV and data service sector: We will, with a keen understanding of customer needs, improve our market sensitivity, speed up the development of the IoT and intelligent network, and create a new model of digitalized vehicle operation in conjunction with intelligent driving and new energy business. At the same time, we will optimize our overseas IoV business by deploying overseas multi-data centers and through terminal independent development.

(III) Focusing on Risk Control for the Company's Transformation to High-quality Development

We will renew our efforts to enhance subsidiaries' operational and risk control capabilities, and cultivate the awareness of risk control among all employees. In this regard, we will improve compliance management and risk control, perfect the supplier access filing system, and strengthen the process control of credit granting and rating of customers for stronger asset management capabilities. We will set up a review committee by mobilizing professionals cross the Company and departments to review the major projects of subsidiaries. In addition, we will cultivate the capability of global crisis and risk response, continuously refine the mechanism for risk control of external business, and improve the capability of systemic risk resolution.

(IV) Following up Rectification, Establishing Rules and Regulations, Reforming Radically, and Improving Efficiency

Adhering to system and mechanism innovation, we will better the performance appraisal system, and enhance our ability to cultivate talents independently. We will fully stimulate the internal driving force and innovative vitality of various business entities within the Group. We will also accelerate digital transformation and promote the construction of a digital collaborative office platform for the higher synergy between management and business informationization. In addition, we will elevate financial informationization.

(V) Closely Following the Employee Team and Building a Dream with One Heart and One Mind

We will, focusing on our central work, promote democratic management. We will strengthen the ideological and political guidance of employees, and launch labor competitions to promote learning through competitions. We will also carry forward the spirit of models and craftsmen, continue to build a team of high-skilled talents, and stimulate the enthusiasm of employees and managers for work and entrepreneurship. While paying attention to the dynamics of young workers, we will protect the legitimate rights and interests of female workers in accordance with the law.

We are committed to serving our employees so as to build a solid foundation for development. We will fresh our efforts in series activities titled "Caring for Spring, Cooling for Summer, Help for school in Autumn, Warmth for Winter and Greetings for Festivals". We will also carry out team building activities in an orderly fashion to enhance the cohesion and centripetal force of the Company. Finally, we will allow employees to share the dividends of development to enhance their sense of gain and happiness.

Management Discussion and Analysis

REVENUE

The Group's business operations can be categorised into the following sectors: (i) logistics and supply chain service sector, (ii) supply chain financial service sector, and (iii) loV and data service sector.

The revenue of the Group decreased by 14.7% to RMB1,295.7 million for the six months ended 30 June 2024 from RMB1,518.1 million for the corresponding period of 2023.

The following table sets forth a breakdown of revenue of the Group by business sectors in absolute amounts and as percentages to the total revenue for the periods indicated:

| | Unaudited | | | |
|--|---------------------------------------|--------------|-----------|-------|
| | For the six months ended 30 June 2024 | | 2023 | |
| | Amount | % | Amount | % |
| | (RMB'000, except for percentages) | | | |
| Logistics and Supply Chain Service Sector | 936,451 | 72.3 | 1,179,742 | 77.7 |
| – Logistics and warehousing service | 780,481 | 60.2 | 1,014,357 | 66.8 |
| – Sales of goods | 153,282 | 11.8 | 161,875 | 10.7 |
| – Others ^{note (1)} | 2,688 | 0.3 | 3,510 | 0.2 |
| Supply Chain Financial Service Sector | 234,419 | 18.1 | 235,662 | 15.5 |
| – Interest income from finance lease business | 183,859 | 14.2 | 192,689 | 12.7 |
| – Interest income from factoring services | 49,891 | 3.8 | 42,614 | 2.8 |
| – Others ^{note (2)} | 669 | 0.1 | 359 | 0.0 |
| loV and Data Service Sector | 124,795 | 9.6 | 102,678 | 6.8 |
| – Sales of goods | 97,257 | 7.5 | 63,741 | 4.2 |
| – loV and data service | 27,538 | 2.1 | 38,937 | 2.6 |
| Revenue | 1,295,655 | 100.0 | 1,518,082 | 100.0 |

Notes:

- (1) Other revenue from logistics and supply chain service sector was mainly (i) finance lease assistance service for customers of automobile sales business, and (ii) provisional automobile plate service.
- (2) Other revenue from supply chain financial service sector was mainly generated from satellite positioning device and the related installation service provided for commercial automobiles other than brands from Shaanxi Holding Group in order to facilitate provision of our finance lease service.



Logistics and Supply Chain Service Sector

Most revenue of the Group was generated from logistics and supply chain service sector for the six months ended 30 June 2024. Such revenue was primarily derived from (i) logistics and warehousing services, (ii) sales of commercial automobiles and components, including tyres, lubricants and other automobile-related products, and (iii) other services, such as finance lease assistance service. The revenue derived from logistics and supply chain service sector decreased by approximately 20.6% from RMB1,179.7 million for the six months ended 30 June 2023 to RMB936.5 million for the six months ended 30 June 2024, primarily due to (i) the fall in revenue derived from logistics service provided by third party as the result of the decrease in external supply chain projects during the Reporting Period; and (ii) the decrease in revenue derived from the commercial automobile sales as compared with the corresponding period of previous year.

Supply Chain Financial Service Sector

Supply chain financial service sector was our second largest source of revenue for the six months ended 30 June 2024. Revenue was mainly generated from (i) interest income from finance lease business operated under a sales and leaseback model, (ii) interest income from factoring service, and (iii) other financial services, such as provision of satellite positioning device and the related installation service under our finance lease service. The revenue derived from supply chain financial service sector decreased by approximately 0.5% from RMB235.7 million for the six months ended 30 June 2023 to RMB234.4 million for the six months ended 30 June 2024, primarily due to the decrease in revenue of existing businesses from finance lease business during the Reporting Period resulting from the decrease in rental volume since 2023.

IoV and Data Service Sector

The revenue of IoV and data services was generated from (i) sales of intelligent IoV products, and (ii) provision of IoV solutions and data services. The revenue derived from IoV and data service sector increased by approximately 21.5% from RMB102.7 million for the six months ended 30 June 2023 to RMB124.8 million for the six months ended 30 June 2024, primarily due to the increase in revenue from sales of IoV products as compared with the corresponding period of previous year resulting from the increase in production and sales volume from commercial vehicle manufacturers in the first half of 2024.

COST OF REVENUE

Cost of revenue of the Group decreased by approximately 15.0% to RMB1,073.7 million for the six months ended 30 June 2024 from RMB1,262.9 million for the corresponding period of 2023.

The cost of our logistics and supply chain service sector decreased by 21.9% for the six months ended 30 June 2024 as compared with the corresponding period of 2023, which was basically align with the decrease in revenue of this sector by 20.6% during the same period.

Cost of our supply chain financial service sector increased by 45.6% for the six months ended 30 June 2024 as compared with the corresponding period of 2023, which was relatively higher than the decrease in revenue of this sector by 0.5% during the same period, primarily due to a year-on-year increase in cost as the result of the strengthened sales promotions on product policy implemented by the Group which led to the increase in rebate for the purpose of greater market competitiveness during the Reporting Period.



Management Discussion and Analysis

The cost of our IoV and data service sector increased by 44.0% for the six months ended 30 June 2024 as compared with the corresponding period of 2023, which was relatively higher than the increase in revenue of this sector by 21.5% during the same period, primarily due to large increase in revenue from sales of commodity and large increase in associated cost resulting from changes in revenue structure during the Reporting Period and the proportion of revenue from IoV and data service decreased which accounted for a relatively small proportion of costs.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit of the Group decreased by approximately 13.0% from approximately RMB255.2 million for the six months ended 30 June 2023 to approximately RMB221.9 million for the six months ended 30 June 2024, and gross profit margin of the Group increased to approximately 17.1% during the Reporting Period from approximately 16.8% during the corresponding period of 2023. The increase in gross profit margin was mainly due to the increase in overall gross profit margin as result of the increase in gross profit margin because of the more decrease in cost and less decrease in revenue of logistics and supply chain service sector.

SELLING EXPENSES

Selling expenses decreased by approximately 11.3% from RMB22.1 million for the six months ended 30 June 2023 to RMB19.6 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease in employee benefit expenses as compared with the corresponding period of previous year.

ADMINISTRATIVE EXPENSES

Administrative expenses decreased by approximately 2.7% from RMB55.3 million for the six months ended 30 June 2023 to RMB53.8 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease in business entertainment expenses as compared with the corresponding period of previous year.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses was RMB15.1 million for the six months ended 30 June 2024, which was basically flat as compared with the corresponding period of previous year.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Net impairment losses on financial assets decreased by approximately 95.8% from RMB26.0 million for the six months ended 30 June 2023 to RMB1.1 million for the six months ended 30 June 2024. The decrease was mainly due to the increase in the amount of provision for impairment losses caused by the increase in overdue situation under the impact of the industry in 2023, and the Group's strengthened prevention of credit risk and improved measures for risk control and management, leading the decrease in the expected credit loss in 2024.

OTHER INCOME

Other income increased by approximately 1.7% from RMB11.7 million for the six months ended 30 June 2023 to RMB11.9 million for the six months ended 30 June 2024, remaining stable basically.



NET OTHER (LOSSES) GAINS

Net other (losses) gains changed from net other gains of approximately RMB0.3 million for the same period last year to net other losses of approximately RMB0.5 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease in the amount of business penalty on suppliers charged by us in logistics and supply chain service business.

NET FINANCE INCOME/FINANCE COSTS

The net finance income/finance costs changed from net finance costs of approximately RMB9.8 million for the same period last year to net finance income of approximately RMB1.2 million for the six months ended 30 June 2024. The change was mainly due to the decrease of approximately RMB8.2 million in interest expenses from bank borrowings during the Reporting Period as compared with that of the corresponding period of previous year.

PROFIT BEFORE INCOME TAX

Profit before income tax increased by 4.7% from RMB141.2 million for the six months ended 30 June 2023 to RMB147.8 million for the six months ended 30 June 2024. The increase was mainly due to the decrease of approximately RMB4.0 million in selling expenses and administrative expenses during the Reporting Period as compared with that of the corresponding period of previous year and the decrease of approximately RMB24.9 million in net impairment losses on financial assets as compared with that of the corresponding period of previous year.

INCOME TAX EXPENSE

We recorded an income tax expense of approximately RMB32.1 million for the six months ended 30 June 2024 as compared to RMB31.3 million for the corresponding period of previous year. The increase was mainly due to the increase in profit before tax.

PROFIT FOR THE PERIOD

We recorded a net profit of approximately RMB115.6 million for the six months ended 30 June 2024 as compared to RMB109.9 million for corresponding period of previous year. Net profit margin for the six months ended 30 June 2024 was 8.9% as compared to 7.2% for the corresponding period of previous year.

LIQUIDITY AND CAPITAL RESOURCES

Current Assets and Current Liabilities

As at 30 June 2024, the Group had net current assets of approximately RMB2,022.5 million, representing an increase of approximately RMB152.1 million from RMB1,870.4 million as at 31 December 2023. The increase was primarily because current assets increased by approximately RMB586.4 million as compared with that of the end of 2023 and the current liabilities increased by approximately RMB434.3 million as compared with that of the end of 2023.

The Group's current assets increased by RMB586.4 million from approximately RMB7,020.4 million as at 31 December 2023 to approximately RMB7,606.8 million as at 30 June 2024. The increase was primarily due to (i) the increase of RMB462.5 million in cash and cash equivalents as compared with that of the end of 2023 and the increase of approximately RMB270.1 million in loan receivables reclassified under due within one year as compared with that of the end of 2023, and (ii) the decrease of approximately RMB48.0 million in trade receivables as compared with that of the end of 2023.



Management Discussion and Analysis

The Group's current liabilities increased by RMB434.3 million from approximately RMB5,150.0 million as at 31 December 2023 to approximately RMB5,584.3 million as at 30 June 2024, which was mainly due to (i) the bond payables due within one year increased by approximately RMB331.2 million as compared with that of the end of 2023; and (ii) the notes payables increased by approximately RMB109.5 million as compared with that of the end of 2023.

Other Receivables

Other receivables decreased by approximately RMB99.3 million from RMB180.1 million as at 31 December 2023 to RMB80.8 million as at 30 June 2024. The decrease was mainly due to (i) the decrease of approximately RMB83.8 million in the advances to customers of the logistics and supply chain service sector; (ii) the decrease of RMB13.8 million in sub-leasing business deposits in supply chain financial service sector as compared with that of the end of 2023.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income increased by approximately RMB33.5 million from RMB112.3 million as at 31 December 2023 to RMB145.8 million as at 30 June 2024. The increase was mainly due to the increase in payment collection from customers by bills during the Reporting Period.

Loan Receivables

Loan receivables increased by approximately RMB590.4 million from RMB6,523.3 million as at 31 December 2023 to RMB7,113.7 million as at 30 June 2024. The increase was mainly due to (i) during the Reporting Period, the investment in the finance lease business increased and the finance lease receivables increased by approximately RMB776.9 million as compared with that of the end of 2023; (ii) the investment in the factoring business decreased and the factoring business receivables decreased by approximately RMB183.0 million as compared with that of the end of 2023.

Inventories

Inventories of the Group increased by approximately RMB2.3 million from RMB43.9 million as at 31 December 2023 to RMB46.2 million as at 30 June 2024. The increase was mainly due to (i) the increased purchase of turnover materials and commercial vehicle components in logistics and supply chain services sector during the Reporting Period, resulting in the increase of inventories of approximately RMB26.0 million as of June 30, 2024 as compared to the end of 2023; and (ii) increased effort in sales of vehicles inventories during the Reporting Period, leading to the decrease of automobile inventories of approximately RMB23.8 million as of June 30, 2024 as compared to the end of 2023.

The following table sets forth the average turnover days of our inventories of the logistics and supply chain service sector and IoV and data service sector for the periods indicated:

| | Six months ended 30 June 2024 | Year ended 31 December 2023 |
|---|-------------------------------------|-----------------------------------|
| Average turnover days of inventories of the logistics and supply chain service sector | 55.1 | 84.0 |
| Average turnover days of inventories of the IoV and data service sector | 3.4 | 5.7 |



Average turnover days of inventories of the logistics and supply chain service sector in 2023 and for six months ended 30 June 2024 were 84.0 days and 55.1 days, respectively, which was mainly due to the less inventory turnover days as a result of the increased effort in sales of commodities and strict control of the inventory occupation during the Reporting Period.

Average turnover days of inventories of the IoV and data service sector in 2023 and for the six months ended 30 June 2024 were 5.7 days and 3.4 days, respectively, which was mainly due to the decrease in average turnover days of inventories resulting from the stringent control measures towards inventory occupation in the IoV and data services sector during the Reporting Period.

Trade Receivables

Trade receivables decreased by approximately RMB48.0 million from RMB784.3 million as at 31 December 2023 to RMB736.3 million as at 30 June 2024, mainly due to the decrease in business volume in logistics and supply chain service sector during the Reporting Period, resulting in the decrease in accounts receivable in the Reporting Period.

The following table sets forth the average turnover days of our trade receivables for the periods indicated:

| | Six months ended 30 June 2024 | Year ended 31 December 2023 |
|--|-------------------------------------|-----------------------------------|
| Average turnover days of trade receivables | 142.5 | 101.3 |

For the year ended 31 December 2023 and the six months ended 30 June 2024, the average turnover days of trade receivables were 101.3 days and 142.5 days, respectively, representing the increase in turnover days, which was mainly due to the longer aging of accounts as a result of the slow collection from customers during the Reporting Period.

Trade and Other Payables

Trade and other payables increased by approximately RMB124.2 million from RMB1,966.5 million as at 31 December 2023 to RMB2,090.7 million as at 30 June 2024. The increase was mainly due to (i) the increase of approximately RMB105.3 million in the portion due within one year, mainly due to the increase in notes payable; (ii) the increase of approximately RMB18.9 million in the long-term portion, mainly due to the increase of approximately RMB19.2 million in the finance lease deposit generated from supply chain financial service sector as compared to that of the end of 2023.

The following table sets forth the average turnover days of our trade payables for the periods indicated:

| | Six months ended 30 June 2024 | Year ended 31 December 2023 |
|---|-------------------------------------|-----------------------------------|
| Average turnover days of trade payables | 65.1 | 51.1 |



Management Discussion and Analysis

Our average turnover days of trade payables for the year ended 31 December 2023 and the six months ended 30 June 2024 were 51.1 days and 65.1 days, respectively, primarily due to the increase in average turnover days of trade payables resulted from longer turnover days of suppliers under the logistics and supply chain service sector, the IoT and data services sector during the Reporting Period.

Liquidity and Capital Resources

We have financed our operations primarily through cash generated from our operating activities, capital contribution from our Shareholders, bank borrowings, loans from related parties, asset-backed securities and other borrowings obtained from other financial institutions. As at 31 December 2023 and 30 June 2024, the Company had cash and cash equivalents of RMB976.9 million and RMB1,439.4 million, respectively.

Net Cash Used in Operating Activities

For the six months ended 30 June 2024, net cash used in operating activities was RMB5.3 million, with an increase of approximately RMB192.5 million compared with the corresponding period of 2023, mainly due to the increase in the investment amount in finance lease business in 2024.

Net Cash Used in Investing Activities

For the six months ended 30 June 2024, net cash used in investing activities was RMB20.8 million, with an increase of approximately RMB6.3 million compared with the corresponding period of 2023, mainly due to the increase in acquisition of fixed assets and intangible assets during the Reporting Period compared with the corresponding period of 2023.

Net Cash Generated from Financing Activities

For the six months ended 30 June 2024, net cash generated from financing activities was RMB488.3 million, with an increase of RMB690.8 million compared with the corresponding period of 2023, mainly due to the increase in the bond payables and the borrowings received in 2024.

Capital Expenditure

For the six months ended 30 June 2024, the Group's capital expenditures amounted to a total of RMB26.1 million, of which investments in property, plant and equipment were RMB15.7 million and investments in intangible assets amounted to RMB10.4 million.

INDEBTEDNESS

Bank Borrowings

Our bank borrowings increased by approximately 9.0% from RMB3,141.1 million as at 31 December 2023 to RMB3,422.9 million as at 30 June 2024, mainly due to the increase in short-term borrowings of approximately RMB455.0 million at the end of the Reporting Period as compared with that as at 31 December 2023 and the decrease in long-term borrowings of approximately RMB173.2 million as compared with that as at 31 December 2023.



Loans from Related Parties

Loans from related parties increased by approximately 0.5% from RMB825.0 million as at 31 December 2023 to RMB829.0 million as at 30 June 2024, mainly due to the increase of RMB4.0 million in loan due to Shaanxi Automobile during the Reporting Period.

Loan From a Third Party

Our loan from a third party has no change between 31 December 2023 and 30 June 2024 of RMB50 million.

Asset-Backed Securities

Asset-backed securities increased by approximately 91.5% from RMB610.7 million as at 31 December 2023 to RMB1,169.3 million as at 30 June 2024, primarily due to the fact that the amount of the newly issued ABS in 2024 exceeds the amount due to repayment of the ABS issued in the previous period.

Other Borrowings

Our other borrowings from other financial institutions decreased from RMB40.0 million as at 31 December 2023 to RMB0.0 million as at 30 June 2024, mainly due to other borrowings from other financial institutions were due for repayment in full and no new borrowing was raised.

Notes Payable

Notes payable increased by 42.6% from RMB256.9 million as at 31 December 2023 to RMB366.3 million as at 30 June 2024, primarily due to the change in means of payment and settlement during the Reporting Period, resulting in the billing amount of notes payable greater than the amount due to repayment.

The maturity of financial liabilities is as follows:

| At 30 June 2024 (unaudited) (RMB'000) | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|--|---------------------|-----------------------------|-----------------------------|-----------------|-----------|
| Trade and other payables | 1,893,046 | 139,080 | 38,306 | – | 2,070,432 |
| Lease liabilities | 11,742 | 5,114 | 1,071 | 716 | 18,643 |
| Borrowings | 2,728,991 | 784,579 | – | – | 3,513,570 |
| Bond payables | 958,830 | 231,356 | – | – | 1,190,186 |
| | 5,592,609 | 1,160,129 | 39,377 | 716 | 6,792,831 |



Management Discussion and Analysis

The following table sets forth the weighted average effective interest rates of bank borrowings, loans from related parties, borrowings from third parties, asset-backed securities and other borrowings obtained from other financial institutions as at the dates indicated:

| Items | Weighted average interest rate |
|--|--------------------------------|
| Bank borrowings | 3.50% |
| Loans from related parties | 2.39% |
| Loans from third parties | 3.00% |
| Asset-backed securities | 2.87% |
| Borrowings from other financial institutions | – |

Lease Liabilities

Lease liabilities represent the lease of office buildings and facilities for our logistics and warehousing services. Lease liabilities amounted to RMB27.8 million and RMB17.8 million, respectively, as at 31 December 2023 and 30 June 2024. The lease term of our lease of buildings and facilities ranges from one year to ten years.

Contingent Liabilities

As at 30 June 2024, our Group did not have any unrecorded significant contingent liabilities, guarantees or any litigation against us (30 June 2023: Nil).

As at 30 June 2024, save as disclosed above, our Group did not have any other outstanding borrowings, mortgage, charges, debentures or other loan capital (issued or agreed to issue), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, finance lease commitments, hire purchase commitment.

Save as disclosed above, our Directors have confirmed that there have been no any material changes in the indebtedness and contingent liabilities of our Group from 30 June 2024 and up to the Latest Practicable Date.

Gearing Ratio

The Group's gearing ratio increased from 52.5% as at 31 December 2023 to 54.6% as at 30 June 2024, which is mainly due to the increase of RMB241.9 million in borrowings as compared with that at the end of 2023 resulted from higher demands in borrowing in the first half of 2024. Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "borrowings", "lease liabilities", "loan from related parties", "loan from a third party" and "bond payable" as shown in our consolidated statement of financial position) less cash and cash equivalents and restricted cash at banks. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT FINANCIAL RISKS

Our Group's activities and operations are exposed to a variety of market risk, credit risk, liquidity risk and capital risk. Our overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our Group's financial performance. We currently do not use any derivative financial instruments to hedge certain risk exposures. Please refer to note 5 to the interim condensed consolidated financial information included in this report for further details.



PLEDGE OF ASSETS

Details of the pledge of assets of the Group as at 30 June 2024 are set out in note 17 to the interim consolidated financial statements.

EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 30 June 2024, the Group had a total of 1,654 employees (30 June 2023: 1,657 employees). Employees of the Group are remunerated based on their performance, experience and prevailing industry practices, with all compensation policies and packages reviewed on a regular basis. The remuneration of the Group's employees includes salaries and allowances. As required by the PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. Please refer to note 8 to the interim consolidated financial statements for details of employee benefit expenses.

The Group also emphasizes employee trainings and career development and invest in the education and training programs for its employees with the purpose of upgrading their knowledge on the latest trends and developments of the industry.

SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, the Group did not hold any significant investments (corresponding period of 2023: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this report, save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have any existing plan to acquire other material investments or capital assets.



Corporate Governance and Other Information

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of 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 taken 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.

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

As at 30 June 2024, the following persons and entities (other than the Directors, Supervisors or chief executives of the Company) have interests or short positions in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

| Name of Shareholder | Nature of Interest | Class of Shares | Number of Shares or Underlying Shares Held ⁽¹⁾ | Approximate Percentage of Shareholding in the Total Share Capital of the Company as at 30 June 2024 ⁽²⁾ |
|--|--------------------------------------|-----------------|---|--|
| Shaanxi Automobile ⁽³⁾ | Beneficial owner | Domestic Shares | 1,500,146,100 (L) | 68.77% |
| | Interest in a controlled corporation | Domestic Shares | 117,125,100 (L) | 5.37% |
| | Interest in a controlled corporation | Domestic Shares | 11,728,800 (L) | 0.54% |
| Shaanxi Heavy Duty Automobile ⁽³⁾⁽⁴⁾ | Beneficial owner | Domestic Shares | 117,125,100 (L) | 5.37% |
| Weichai Power Co., Ltd. (潍柴动力股份有限公司) ⁽⁴⁾ | Interest in a controlled corporation | Domestic Shares | 117,125,100 (L) | 5.37% |
| Shaanxi Commercial Automobile ⁽³⁾ | Beneficial owner | Domestic Shares | 11,728,800 (L) | 0.54% |



| Name of Shareholder | Nature of Interest | Class of Shares | Number of Shares or Underlying Shares Held ⁽¹⁾ | Approximate Percentage of Shareholding in the Total Share Capital of the Company as at 30 June 2024 ⁽²⁾ |
|---|--------------------------------------|-----------------|---|--|
| Shaanxi Automobile Holding ⁽³⁾ | Interest in a controlled corporation | Domestic Shares | 1,629,000,000 (L) | 74.68% |
| Shanghai International Trust Co., Ltd. (上海國際信託有限公司) ⁽⁵⁾ | Trustee | H Shares | 152,620,500 (L) | 7.00% |
| SDIC Taikang Trust Co., LTD. (國投泰康信託有限公司) ⁽⁶⁾ | Trustee | H Shares | 136,333,500 (L) | 6.25% |
| Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥)) ⁽⁷⁾ | Beneficial owner | H Shares | 107,997,000 (L) | 4.95% |
| Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司) ⁽⁷⁾ | Interest in a controlled corporation | H Shares | 107,997,000 (L) | 4.95% |
| HWABAO TRUST CO., LTD ⁽⁸⁾ | Trustee | H Shares | 44,104,500 (L) | 2.02% |
| CCB Trust (Jianhang No. 9 Single Fund Trust Scheme) (建航9號單一資金信託計劃) | Trustee | H Shares | 32,500,500 (L) | 1.49% |
| | | | 23,805,000 (S) | 1.09% |
| | | | 8,695,500 (P) | 0.40% |

Notes:

- (1) The letters "L" and "S" denote the Shareholder's long position and short position in such securities, respectively, and "P" denotes lending pool.
- (2) The percentage is calculated based on the total number of issued Shares as at 30 June 2024. As at 30 June 2024, the total number of issued Shares of the Company was 2,181,436,500 Shares.
- (3) As at the date of this report, Shaanxi Automobile was owned as to 67.06% by Shaanxi Automobile Holding. By virtue of the SFO, Shaanxi Automobile Holding is deemed to be interested in all the Shares in which Shaanxi Automobile is interested. As at the date of this report, Shaanxi Heavy Duty Automobile was owned as to 49.00% by Shaanxi Automobile and Shaanxi Commercial Automobile was owned as to 68.51% by Shaanxi Automobile. By virtue of the SFO, Shaanxi Automobile is deemed to be interested in all the Shares in which Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile are interested.
- (4) As at the date of this report, Shaanxi Heavy Duty Automobile was owned as to 51.00% by Weichai Power Co., Ltd., a company listed on the Stock Exchange (stock code: 2338) and the Shenzhen Stock Exchange (stock code: 000338). By virtue of the SFO, Weichai Power Co., Ltd. is deemed to be interested in all the Shares in which Shaanxi Heavy Duty Automobile is interested.



Corporate Governance and Other Information

- (5) According to the equity disclosure filed by Shanghai International Trust Co., Ltd. (上海國際信託有限公司) on 16 August 2022, Shanghai International Trust Co., Ltd. (上海國際信託有限公司), as a trustee of the Single Fund Trust in Hong Kong Market under the Platinum Collection of Shanghai Trust (GJ-13-22005), the Single Fund Trust in Hong Kong Market under the Platinum Collection of Shanghai Trust (GJ-13-22006) and the Single Fund Trust in Hong Kong Market under the Platinum Collection of Shanghai Trust (GJ-13-22007), holds 21,819,000 H shares, 87,201,000 H shares and 43,600,500 H shares of the Company through these trusts, respectively.
- (6) According to the equity disclosure filed by SDIC Taikang Trust Co., LTD. (國投泰康信託有限公司) on 12 August 2022, SDIC Taikang Trust Co., LTD. (國投泰康信託有限公司), as a trustee of SDIC Taikang Trust – Ruijin No. 37 QDII Single Fund Trust, SDIC Taikang Trust –Ruijin No. 38 QDII Single Fund Trust and SDIC Taikang Trust –Ruijin No. 39 QDII Single Fund Trust, holds 43,873,500 H shares, 44,500,500 H shares and 47,959,500 H shares of the Company through these trusts, respectively.
- (7) According to the equity disclosure filed by Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司) on 8 May 2024, Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥)) was owned as to 0.01% by Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司). By virtue of the SFO, Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司) is deemed to be interested in all the Shares in which Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥)) is interested.
- (8) According to the equity disclosure filed by HWABAO TRUST CO., LTD on 15 July 2022, HWABAO TRUST CO., LTD, as a trustee of HWABAO OVERSEAS INVESTMENT SERIES 2 NO 46-1 QDII SINGLE MONEY TRUST, holds 44,104,500 H shares of the Company through these trusts.

Save as disclosed above, as at 30 June 2024, the Company had not been notified by any persons (other than Directors, Supervisors or chief executives of the Company) who had interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors', Supervisors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations" above, at no time during the Reporting Period and up to the date of this interim report is the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of the shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SHARE SCHEME

As at the date of this report, the Company did not have any share option incentive scheme, employee share scheme or other employee incentives of the Company.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC and most of its transactions are settled in Renminbi. The Directors are of the opinion that the exchange rate risks to the Group are not significant and will not have any material adverse impact on the Group's financial positions.



PURCHASE, SALE AND REDEMPTION OF SHARES

The resolution on granting a general mandate to the Board to repurchase H Shares of the Company was considered and approved at the annual general meeting, the H Share Class Meeting and the Domestic Share Class Meeting of the Company held on 30 May 2023. According to such general mandate, during the period from 2 January 2024 to 22 January 2024, the Company repurchased a total of 15,885,000 H Shares on the Stock Exchange for a total amount of approximately HK\$31.19 million (excluding transaction fees). As of the date of this report, the Company has completed the cancellation of the repurchased H Shares.

Save as disclosed above, during the Reporting Period, there was no purchase, sale (including sale of treasury shares (if any)) or redemption of any listed securities of the Company by the Company or any of its subsidiaries.

As at 30 June 2024, the Company did not hold any treasury shares.

There is no provision regarding pre-emptive rights in the Articles or the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted and formulated a code of conduct on terms no less stringent than the required standards of the Model Code as set out in Appendix C3 to the Listing Rules. After making specific enquiries, the Company confirmed that each Director and each Supervisor has complied with the required standards of the Model Code and the Company's code of conduct throughout the Reporting Period.

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Corporate Governance Code.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders and enhance its value and accountability.

During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules, except for the Code provision B.2.2.

The Code provision B.2.2 stipulates, inter alia, that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. As disclosed in the announcement of the Company dated 20 December 2023, the terms of office of the first session of the Board of Directors and the Board of Supervisors expired on 24 December 2023. As the nomination of candidates for Directors and Supervisors of the new session of the Board of Directors and the Board of Supervisors was still in process upon expiration of their first session, in order to maintain the continuity of relevant work, the election of the new session of the Board of Directors and the Board of Supervisors of the Company was postponed. In the meantime, the existing members of the first session of the Board of Directors and the first session of the Board of Supervisors of the Company have continued to perform their respective duties until the completion of the election. The Company held the annual general meeting and the Employees' Representative Meeting on 30 May 2024 and approved the appointments of Directors of the second session of the Board of Directors and Supervisors of the second session of the Board of Supervisors. On 30 May 2024, the Board also elected the Chairman of the Second Session of the Board of Directors, the chairman and members of special committees of the second session of the Board of Directors, and the Board of Supervisors elected the chairman of the second session of Board of Supervisors.



Corporate Governance and Other Information

The Group will continue to review and monitor its corporate governance practices in order to ensure the compliance with the Code.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ip Wing Wai, Mr. Yu Qiang and Mr. Li Gang with terms of reference in compliance with the Listing Rules. The chairperson of the Audit Committee is Mr. Ip Wing Wai.

The condensed consolidated interim financial results have not been audited by the independent auditor 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 controls and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended 30 June 2024 and this interim report. The Audit Committee considers that the interim financial results for the six months ended 30 June 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as set out below, since the date of the Company's 2023 Annual Report, there is no other changes in the information relating to Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

| Name | Matter |
|----------------------------|---|
| Director: Ip Wing Wai | He has served as an independent director at iClick Interactive Asia Group Limited (NASDAQ: ICLK) from June 24, 2024, a company listed on the NASDAQ stock exchange. |
| Supervisors: Ji Jianguo | He served as party branch secretary and section head of the investment management department of Shaanxi Automobile Holding from January 2024 to June 2024. He has served as the chief auditor at Shaanxi Construction Engineering Holding Group Co., Ltd. since July 2024. |
| Zhang Shaojie | He served as party branch secretary and section head of the financial management department of Shaanxi Automobile Holding from February 2021 to May 2024. He has served as the director of the financial management department of Shaanxi Investment Group Co., Ltd. since May 2024. |



INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

USE OF PROCEEDS

The Company issued 607,042,500 H Shares under the Global Offering and listed on the Stock Exchange on 15 July 2022. Carrying amount of such Shares in aggregate amounted to RMB607,042,500, at a issue price of HK\$1.80 per Share. The net proceeds from the Listing amounted to approximately HK\$1,011.0 million (after deduction of the underwriting commission and other relevant Listing expenses payable by the Company in connection with the Global Offering). For the six months ended 30 June 2024, the Company used RMB29.3 million of the proceeds raised from H Shares. The cumulative total utilized proceeds raised from H Shares amounted to RMB233.6 million, and the balance of the unutilized proceeds raised from H Shares amounted to RMB635.2 million. As at the date of this report, the unutilized net proceeds have been deposited in licensed banks in the PRC and will continue to be used in accordance with the purposes set out in the Prospectus, which is expected to be fully utilized by 31 December 2026.

The table below sets out the planned applications and usage of the net proceeds:

| | Actual net proceeds received | | Amounts available at the beginning of the Reporting Period | Utilized Amounts during the Reporting Period | Utilized amounts accumulated as at 30 June 2024 | Unutilized amounts as at 30 June 2024 | Expected timetable for the utilization of net proceeds |
|--|------------------------------|---------------|--|--|---|---------------------------------------|--|
| | (HK\$/million) | (RMB/million) | (RMB/million) | (RMB/million) | (RMB/million) | (RMB/million) | |
| Offline business development | | | | | | | |
| – establishment of an offline digital warehousing and distribution network, as well as a repair service network targeting at commercial automobile aftermarket | 379.1 | 325.8 | 246.8 | 11.5 | 90.5 | 235.3 | by the end of 2026 |
| Online business development | | | | | | | |
| – ongoing establishment of online service platform for commercial automobile aftermarket (being CLGG Online Platform) | 227.5 | 195.5 | 189.7 | 2.2 | 8.0 | 187.5 | by the end of 2025 |
| Enhancement of the core technology capabilities and data service capabilities of IoV and data service sector | 303.3 | 260.6 | 228.0 | 15.6 | 48.2 | 212.4 | by the end of 2026 |
| Replenishment of general working capital | 101.1 | 86.9 | – | – | 86.9 | – | fully utilized in 2022 |
| Total | 1,011.0 | 868.8 | 664.5 | 29.3 | 233.6 | 635.2 | |



Corporate Governance and Other Information

CORPORATE GOVERNANCE EVENTS DURING THE REPORTING PERIOD

Amendments to the Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedures for Board Meetings

In light of the changes in laws, regulations and regulatory rules in domestic and abroad, and taking into account the actual situation of the Company, the Board resolved to propose certain amendments to the articles of association of the Company on 28 March 2024 (the “**Amendments to the Articles of Association**”). In addition, in view of the above proposed Amendments to the Articles of Association and in order to meet the standard requirements of the Company’s operation, on the same day, (i.e. 28 March 2024), the Board also resolved to propose certain amendments to the rules of procedures for the general meetings of the Company (the “**Amendments to the Rules of Procedures for General Meetings**”) and the Rules of Procedures for the Board Meetings (the “**Amendments to the Rules of Procedures for the Board Meetings**”) (collectively the “**Amendments**”).

The Amendments were approved by the Shareholders at the annual general meeting, H Share class meeting and domestic share class meeting held on 30 May 2024.

For details, please refer to the announcements of the Company dated 28 March 2024 and 30 May 2024, and the circular dated 26 April 2024.

Proposed further amendments to the articles of association

On 22 May 2024, the Company cancelled 54,606,000 H Shares repurchased as of that date. Upon the cancellation of such repurchased Shares, the total number of issued Shares of the Company has been reduced from 2,236,042,500 Shares to 2,181,436,500 Shares. Given above change in the total number of issued Shares of the Company, the Board resolved to propose to change the registered capital and to make amendments to the articles of association (the “**Related Change and Amendments**”) on 30 May 2024, and sought authorization from the shareholders’ general meeting of the Company to authorize relevant personnel of the Company to handle relevant matters such as change of industrial and commercial registration and filing of the articles of association.

The Related Change and Amendments are subject to the approval of the Shareholders by way of special resolution at the extraordinary general meeting of the Company. The notice and circular of the extraordinary general meeting will be published in due course.

For details, please refer to the announcement of the Company dated 30 May 2024.

EVENT AFTER THE REPORTING PERIOD

There were no significant events occurred in the Company after 30 June 2024.

NO MATERIAL CHANGES

Save as disclosed in this interim report, as at the date of this report, there were no material changes affecting the Company’s performance that needs to be disclosed under paragraphs 32 and 40(2) of Appendix D2 to the Listing Rules.

Interim Condensed Consolidated Statements of Comprehensive Income

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

| | Note | Unaudited | |
|---|------|--|-----------------|
| | | Six months ended 30 June 2024 RMB'000 | 2023 RMB'000 |
| Revenue | 6 | 1,295,665 | 1,518,082 |
| Cost of revenue | 8 | (1,073,729) | (1,262,891) |
| Gross profit | | 221,936 | 255,191 |
| Selling expenses | 8 | (19,618) | (22,082) |
| Administrative expenses | 8 | (53,799) | (55,306) |
| Research and development expenses | 8 | (15,080) | (15,120) |
| Net impairment losses on financial assets | 8 | (1,101) | (26,044) |
| Other income | 7 | 11,880 | 11,662 |
| Other (losses)/gains – net | | (518) | 317 |
| Operating profit | | 143,700 | 148,618 |
| Finance income | 9 | 16,166 | 12,966 |
| Finance costs | 9 | (14,936) | (22,787) |
| Finance income/(costs) – net | 9 | 1,230 | (9,821) |
| Share of net profit of associate accounted for using the equity method | | 2,820 | 2,452 |
| Profit before income tax | | 147,750 | 141,249 |
| Income tax expense | 10 | (32,146) | (31,330) |
| Profit for the year | | 115,604 | 109,919 |
| Profit attributable to: | | | |
| – The shareholders of the Company | | 114,928 | 109,776 |
| – Non-controlling interests | | 676 | 143 |
| | | 115,604 | 109,919 |
| Other comprehensive income | | – | – |
| Total comprehensive income for the period | | 115,604 | 109,919 |
| Total comprehensive income attributable to: | | | |
| – The shareholders of the Company | | 114,928 | 109,776 |
| – Non-controlling interests | | 676 | 143 |
| | | 115,604 | 109,919 |
| Earnings per share for profit attributable to the shareholders of the Company (expressed in RMB per share) | | | |
| – Basic or diluted earnings per share | 11 | 0.05 | 0.05 |

The above interim consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statements of Financial Position

As at 30 June 2024
(All amounts in RMB unless otherwise stated)

| | Note | Unaudited 30 June 2024 RMB'000 | Audited 31 December 2023 RMB'000 |
|---|------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 113,205 | 113,321 |
| Investment properties | 13 | 7,634 | 7,767 |
| Intangible assets | 14 | 56,384 | 52,000 |
| Investment in an associate | | 7,320 | 9,641 |
| Right-of-use assets | | 24,036 | 33,173 |
| Loan receivables | 17 | 2,128,440 | 1,808,120 |
| Deferred income tax assets | | 159,571 | 160,402 |
| | | <u>2,496,590</u> | <u>2,184,424</u> |
| Current assets | | | |
| Inventories | 15 | 46,188 | 43,897 |
| Trade receivables | 16 | 736,293 | 784,264 |
| Prepayments | | 46,132 | 90,344 |
| Other receivables | 18 | 80,824 | 180,084 |
| Notes receivables | | 75,091 | 71,128 |
| Financial assets at fair value through other comprehensive income (FVOCI) | | 145,767 | 112,284 |
| Loan receivables | 17 | 4,985,248 | 4,715,168 |
| Restricted cash at banks | | 51,911 | 46,337 |
| Cash and cash equivalents | | 1,439,360 | 976,898 |
| | | <u>7,606,814</u> | <u>7,020,404</u> |
| Total assets | | <u>10,103,404</u> | <u>9,204,828</u> |
| EQUITY | | | |
| Share capital | 19 | 2,181,437 | 2,236,043 |
| Other reserves | | 775,443 | 820,253 |
| Treasury shares | 19 | – | (70,559) |
| Retained earnings | | 360,748 | 334,461 |
| | | <u>3,317,628</u> | <u>3,320,198</u> |
| Total equity attributable to shareholders of the Company | | <u>3,317,628</u> | <u>3,320,198</u> |
| Non-controlling interests | | <u>(237)</u> | <u>(913)</u> |
| Total equity | | <u>3,317,391</u> | <u>3,319,285</u> |

Interim Condensed Consolidated Statements of Financial Position

As at 30 June 2024

(All amounts in RMB unless otherwise stated)



| | Note | Unaudited 30 June 2024 RMB'000 | Audited 31 December 2023 RMB'000 |
|-------------------------------------|------|---|---|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 6,505 | 9,953 |
| Bond payables | 20 | 227,290 | – |
| Other payables | 21 | 169,074 | 150,165 |
| Contract liabilities | | 17,015 | 16,158 |
| Borrowings | 22 | 773,400 | 550,686 |
| Deferred government grants | | 8,400 | 8,560 |
| | | <u>1,201,684</u> | <u>735,522</u> |
| Current liabilities | | | |
| Trade and other payables | 21 | 1,921,642 | 1,816,376 |
| Lease liabilities | | 11,246 | 17,838 |
| Bond payables | 20 | 941,980 | 610,741 |
| Contract liabilities | | 44,560 | 58,539 |
| Current income tax liabilities | | 15,369 | 16,162 |
| Borrowings | 22 | 2,649,532 | 2,630,365 |
| | | <u>5,584,329</u> | <u>5,150,021</u> |
| Total liabilities | | <u>6,786,013</u> | <u>5,885,543</u> |
| Total equity and liabilities | | <u>10,103,404</u> | <u>9,204,828</u> |

The above interim consolidated statements of financial position should be read in conjunction with the accompanying notes.

The financial statements on page 31 to 73 were approved by the board of directors on 29 August 2024 and were signed on its behalf by:

Chairman: Guo Wancai

Director: Wang Runliang

Interim Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

| | Note | Unaudited Attributable to shareholders of the Company | | | | | Non- controlling interests RMB'000 | Total equity RMB'000 |
|---------------------------------|------|--|-------------------------------|------------------------------|---------------------------------|------------------|---|----------------------------|
| | | Share capital RMB'000 | Treasury shares RMB'000 | Other reserves RMB'000 | Retained earnings RMB'000 | Total RMB'000 | | |
| At 1 January 2023 | | 2,236,043 | – | 802,590 | 299,822 | 3,338,455 | (2,906) | 3,335,549 |
| Comprehensive income | | | | | | | | |
| Profit for the period | | – | – | – | 109,776 | 109,776 | 143 | 109,919 |
| Transaction with owners: | | | | | | | | |
| Dividends declared | | – | – | – | (96,955) | (96,955) | – | (96,955) |
| Appropriation of safety fund | | – | – | 1,029 | (1,029) | – | – | – |
| Utilisation of safety fund | | – | – | (271) | 271 | – | – | – |
| Subtotal | | – | – | 758 | (97,713) | (96,955) | – | (96,955) |
| At 30 June 2023 | | 2,236,043 | – | 803,348 | 311,885 | 3,351,276 | (2,763) | 3,348,513 |
| At 1 January 2024 | | 2,236,043 | (70,559) | 820,253 | 334,461 | 3,320,198 | (913) | 3,319,285 |
| Comprehensive income | | | | | | | | |
| Profit for the period | | – | – | – | 114,928 | 114,928 | 676 | 115,604 |
| Transaction with owners: | | | | | | | | |
| Buy-back of shares | 19 | – | (28,583) | – | – | (28,583) | – | (28,583) |
| Share cancelled | 19 | (54,606) | 99,142 | (44,536) | – | – | – | – |
| Dividends declared | 23 | – | – | – | (88,915) | (88,915) | – | (88,915) |
| Appropriation of safety fund | | – | – | 34 | (34) | – | – | – |
| Utilisation of safety fund | | – | – | (308) | 308 | – | – | – |
| Subtotal | | (54,606) | 70,559 | (44,810) | (88,641) | (117,498) | – | (117,498) |
| At 30 June 2024 | | 2,181,437 | – | 775,443 | 360,748 | 3,317,628 | (237) | 3,317,391 |

The above interim consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



| | Note | Unaudited | |
|--|------|--------------------------|------------------|
| | | Six months ended 30 June | |
| | | 2024 | 2023 |
| | | RMB'000 | RMB'000 |
| Cash flow from operating activities | | | |
| Cash generated from operations | | 10,646 | 198,454 |
| Interests received | 9 | 16,166 | 12,966 |
| Income tax paid | | (32,108) | (24,245) |
| Net cash (used in)/generated from operating activities | | <u>(5,296)</u> | <u>187,175</u> |
| Cash flow from investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 216 | 185 |
| Dividends received from an associate | | 5,141 | 4,657 |
| Purchases of property, plant and equipment and intangible assets | | (26,170) | (19,310) |
| Net cash used in investing activities | | <u>(20,813)</u> | <u>(14,468)</u> |
| Cash flow from financing activities | | | |
| Proceeds from borrowings | | 620,820 | 264,873 |
| Proceeds from loans from related parties | | – | 500,000 |
| Proceeds from bond issuance | | 1,280,000 | 713,000 |
| Repayments of borrowings | | (611,096) | (734,415) |
| Repayments of loans from related parties | | (50,000) | (167,008) |
| Repayments of bond payables | | (721,471) | (744,915) |
| Interests paid | | (23,091) | (22,496) |
| Refund of prepayment of repurchase of shares | | 3,744 | – |
| Payments for leases liabilities – principal | | (10,041) | (11,285) |
| Payments for leases liabilities – interest | | (541) | (255) |
| Net cash generated from/(used in) financing activities | | <u>488,324</u> | <u>(202,501)</u> |
| Net increase/(decrease) in cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of the period | | 976,898 | 1,148,967 |
| Effects of exchange rate changes on cash and cash equivalents | | 247 | – |
| Cash and cash equivalents at end of the period | | <u>1,439,360</u> | <u>1,119,173</u> |

The above interim consolidated statements of cash flows should be read in conjunction with the accompanying notes.



Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

1 General information, group reorganisation and basis of presentation

1.1 General information

Deewin Tianxia Investment Holding Co., Ltd. (德銀天下投資控股有限公司, the “Company”) was incorporated in Shaanxi Province of the People’s Republic of China (the “PRC”) on 14 August 2014 as a limited liability company under the Company law of the PRC. On 25 December 2020, the Company was converted into a joint stock limited liability company with registered capital of RMB1,629,000,000 and changed its name to Deewin Tianxia Co., Ltd (德銀天下股份有限公司, the “Company”). The address of its registered office is Jingwei Center, 29 West Section of Xijin Road, Xi’an Economic and Technological Development Zone, Xi’an, Shaanxi Province, the PRC. The Company and its subsidiaries (together, the “Group”) are principally engaged in the business of logistics and supply chain service (including supply chain business, automobile sales business and aftermarket product business), supply chain financial service (including finance lease business and factoring business), and internet of vehicle (IoV) and data service in the PRC.

Shaanxi Automobile Group Co., Ltd. (陝西汽車集團股份有限公司, “SXAG”) is the Company’s controlling shareholder. Shaanxi Automobile Holding Group Co., Ltd (陝西汽車控股集團有限公司, “SAHG”) is the Company’s ultimate controlling shareholder. Both SXAG and SAHG are state owned enterprises in the PRC.

The Company completed its initial public offerings (“IPO”) and listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 15 July 2022.

The interim condensed consolidated financial information is presented in Renminbi thousand (RMB’000), unless otherwise stated.

These interim condensed consolidated financial information have been approved for issue by the Board of Directors on 29 August 2024.

This condensed consolidated interim financial information has not been audited.

2 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the historical financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards.

3 Material accounting policy information

The accounting policies applied are consistent with those in the preparation of the Group’s historical financial statements for the year ended 31 December 2023, except for the adoption of new and amended standards as set out below.

Income tax expense in the interim financial statements was recognized based on management’s estimate of the annual income tax rate expected for the full financial year.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



3 Material accounting policy information (Continued)

3.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2024. The adoption of these standards and amendments does not have significant impact to the Interim Financial Information of the Group.

| | |
|---|--|
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants |
| Amendments to IFRS Accounting Standards 16 | Lease liability in sale and leaseback |
| Amendments to IAS 7 and IFRS Accounting Standards 7 | Supplier Finance Arrangements |

3.2 New standards and amendments of IFRS Accounting Standards issued effective for the financial periods beginning on and after 1 January 2025 and have not been early adopted by the Group

Effective for financial periods
beginning on or after

| | | |
|----------------------|-------------------------|----------------|
| Amendments to IAS 21 | Lack of Exchangeability | 1 January 2025 |
|----------------------|-------------------------|----------------|

The Group is in the process of assessing the impact of the new standards, amendments to standards and annual improvements on its results of operations and financial position. The Group expects to adopt the relevant new standards, amendments to standards and annual improvements when they become effective.

4 Critical accounting estimates and judgements

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the historical financial statements of the Group for the year ended 31 December 2023.



Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the historical financial statements of the Group for the year ended 31 December 2023.

There have been no significant changes in the risk factors and management policies since the year ended 31 December 2023.

(a) Credit risk

Credit risk is the risk of loss that a counterparty fails to or is unwilling to meet its obligations. Credit risk for the Group mainly arises from cash and cash equivalents, restricted cash at banks, financial assets at fair value through other comprehensive income (FVOCI), loan receivables, trade and other receivables etc.

The Group expects that there is no significant credit risk associated with cash at bank and restricted cash at bank, since they are deposited at state-owned banks and other medium or large size listed banks.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macro economic data including gross domestic products, aggregate finance, industrial add value, producer price index, consumer price index, total retail sales of consumer goods, RMB Loan, M2 and purchasing manager's index. The Group regularly predicts the macro economic data under three economic scenarios (i.e., optimistic scenario, basic scenario, and pessimistic scenario). The predictions are used in the expected credit losses model. Basic scenario is defined as the most probable situation, which will become benchmark for other scenarios. Optimistic and pessimistic scenarios are possible scenarios which are better or worse than basic scenario respectively and can also become a source of sensitivity test. The Group comprehensively considers statistical analysis and expert judgement results to determine economic forecasts and weights under various scenarios.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



5 Financial risk management (Continued)

5.1 Financial risk factors (Continued)

(b) Liquidity risk

The Group's objective is to maintain sufficient cash and sources of funding through committed credit facility and maintain flexibility in funding by maintaining committed credit lines. To manage the liquidity risk, management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows.

The table below analyses the Group's financial liabilities that will be settled on a gross basis into relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Less than 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Over 5 years RMB'000 | Total RMB'000 |
|--------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|----------------------------|------------------|
| At 30 June 2024 (unaudited) | | | | | |
| Trade and other payables | 1,893,046 | 139,080 | 38,306 | – | 2,070,432 |
| Lease liabilities | 11,742 | 5,114 | 1,071 | 716 | 18,643 |
| Borrowings | 2,728,991 | 784,579 | – | – | 3,513,570 |
| Bond payables | 958,830 | 231,356 | – | – | 1,190,186 |
| | <u>5,592,609</u> | <u>1,160,129</u> | <u>39,377</u> | <u>716</u> | <u>6,792,831</u> |
| At 31 December 2023 (audited) | | | | | |
| Trade and other payables | 1,765,498 | 125,554 | 28,114 | – | 1,919,166 |
| Lease liabilities | 18,693 | 5,178 | 4,493 | 860 | 29,224 |
| Borrowings | 2,749,951 | 567,289 | – | – | 3,317,240 |
| Bond payables | 620,805 | – | – | – | 620,805 |
| | <u>5,154,947</u> | <u>698,021</u> | <u>32,607</u> | <u>860</u> | <u>5,886,435</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

5 Financial risk management (Continued)

5.2 Fair value estimation

The Group adopts the amendment to IFRS Accounting Standards 7 for financial instruments that are measured in the consolidated statement of financial position at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

An explanation of each level follows underneath the table.

| | As at 30 June 2024 (unaudited) | | | |
|----------------------------------|--------------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Financial assets at FVOCI | | | | |
| Notes receivables | – | – | 73,095 | 73,095 |
| Trade receivables | – | – | 72,672 | 72,672 |
| | – | – | 145,767 | 145,767 |

| | As at 31 December 2023 (audited) | | | |
|----------------------------------|----------------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Financial assets at FVOCI | | | | |
| Notes receivables | – | – | 60,435 | 60,435 |
| Trade receivables | – | – | 51,849 | 51,849 |
| | – | – | 112,284 | 112,284 |

During the six months ended 30 June 2024 and the year ended 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Fair value of notes receivable and trade receivables are considered approximate to their carrying amount. The fair value change was insignificant.



6 Segment information and revenue

6.1 Segment information

The chief operating decision-maker (“CODM”) has been identified as the executive directors of the Company, who only review the Group’s consolidated results when making decisions about allocating resources and assessing performance. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Logistics and supply chain service sector, which includes supply chain business, automobile sales business and after-market product business;
- Supply chain financial service sector, which includes finance lease business and factoring business;
- Internet of Vehicle (IoV) and data service sector, which includes sale of intelligent internet of vehicle (IoV) terminal products sales business and relevant data service business.

The CODM assesses the performance of the operating segments mainly based on segment revenues, segment gross profit and segment operating profit. The revenues from external customers reported to CODM are measured as segment revenues, which is the revenues derived from the customers in each segment. The segment gross profit is calculated as segment revenues minus segment cost of revenues. The segment operating profit is calculated as segment gross profit minus selling expenses, administrative expenses, research and development expenses, net impairment losses on financial assets, other income and other (losses)/gains – net associated with the respective segment.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

6 Segment information and revenue (Continued)

6.1 Segment information (Continued)

The segment results for the six months ended 30 June 2024 and 2023 are as follows:

| | Unaudited Six months ended 30 June 2024 | | | | | Total RMB'000 |
|--|---|--|--|------------------------|------------------------|------------------|
| | Logistics and supply chain service RMB'000 | Supply chain financial service RMB'000 | Internet of Vehicle (IoV) and data service RMB'000 | Unallocated RMB'000 | Elimination RMB'000 | |
| Revenue | | | | | | |
| Sales/provide services to external customers | | | | | | |
| – Sales of goods | 153,282 | – | 97,257 | – | – | 250,539 |
| – Logistics and warehousing service | 780,481 | – | – | – | – | 780,481 |
| – Interest income from finance lease business | – | 183,859 | – | – | – | 183,859 |
| – Interest income from factoring service | – | 49,891 | – | – | – | 49,891 |
| – Internet of Vehicle (IoV) and data service | – | – | 27,538 | – | – | 27,538 |
| – Others | 2,688 | 669 | – | – | – | 3,357 |
| Inter-segment sales/provide services | 69,368 | 805 | 1,738 | – | (71,911) | – |
| | 1,005,819 | 235,224 | 126,533 | – | (71,911) | 1,295,665 |
| Gross profit | 52,997 | 112,803 | 48,770 | – | 7,366 | 221,936 |
| Operating profit | 32,670 | 87,818 | 25,583 | 84,884 | (87,255) | 143,700 |
| Finance income/(costs) - net | (11,547) | 1,159 | 673 | 18,778 | (7,833) | 1,230 |
| Share of net profit of associate | – | – | – | 2,820 | – | 2,820 |
| Profit before income tax | 21,123 | 88,977 | 26,256 | 106,482 | (95,088) | 147,750 |
| Total assets | 1,411,696 | 7,652,739 | 346,808 | 6,922,286 | (6,230,125) | 10,103,404 |
| Total liabilities | 1,313,731 | 5,624,649 | 177,832 | 3,391,553 | (3,721,752) | 6,786,013 |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



6 Segment information and revenue (Continued)

6.1 Segment information (Continued)

| | Unaudited | | | | | |
|--|--|---|---|-------------|-------------|-----------|
| | Six months ended 30 June 2023 | | | | | |
| | Logistics and supply chain service | Supply chain financial service | Internet of Vehicle (IoV) and data service | Unallocated | Elimination | Total |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Revenue | | | | | | |
| Sales/provide services to external customers | | | | | | |
| – Sales of goods | 161,875 | – | 63,741 | – | – | 225,616 |
| – Logistics and warehousing service | 1,014,357 | – | – | – | – | 1,014,357 |
| – Interest income from finance lease business | – | 192,689 | – | – | – | 192,689 |
| – Interest income from factoring service | – | 42,614 | – | – | – | 42,614 |
| – Internet of Vehicle (IoV) and data service | – | – | 38,937 | – | – | 38,937 |
| – Others | 3,510 | 359 | – | – | – | 3,869 |
| Inter-segment sales/provide services | 8,085 | 3,057 | 303 | – | (11,445) | – |
| | 1,187,827 | 238,719 | 102,981 | – | (11,445) | 1,518,082 |
| Gross profit | 47,887 | 147,528 | 48,973 | – | 10,803 | 255,191 |
| Operating profit | 18,856 | 105,381 | 25,672 | 175,808 | (177,099) | 148,618 |
| Finance income/(costs) - net | (15,007) | 1,872 | 595 | 13,233 | (10,514) | (9,821) |
| Share of net profit of associate | – | – | – | 2,452 | – | 2,452 |
| Profit before income tax | 3,849 | 107,253 | 26,267 | 191,493 | (187,613) | 141,249 |
| Total assets | 1,418,209 | 6,337,607 | 226,762 | 6,033,906 | (5,250,841) | 8,765,643 |
| Total liabilities | 1,399,376 | 4,417,088 | 184,442 | 2,368,077 | (2,951,853) | 5,417,130 |

The Group mainly operates its businesses in the PRC and earns all of the revenues from external customers attributed to the PRC.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

6 Segment information and revenue (Continued)

6.2 Revenue

| | Unaudited | |
|--|--------------------------|------------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Recognised at a point in time | | |
| – Sales of goods | 250,539 | 225,616 |
| – Others | 3,357 | 3,869 |
| Recognised over time | | |
| – Logistics and warehousing service | 780,481 | 1,014,357 |
| – Sales-and-leaseback financing business | 183,859 | 192,689 |
| – Interest income from factoring services | 49,891 | 42,614 |
| – Internet of vehicle (IoV) and data service | 27,538 | 38,937 |
| | <u>1,295,665</u> | <u>1,518,082</u> |

Revenue from major customers that individually contributed 10% or above of the Group's revenue is set out below:

| | Unaudited | |
|------------|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Customer A | 167,867 | * |
| Customer B | <u>152,629</u> | <u>221,397</u> |

Customer A is a related party to the Group, and Customer B is a third party.

* The Group had sales with the customer and the sales did not contribute 10% or above of the Group's revenue.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



7 Other income

| | Unaudited Six months ended 30 June | |
|---------------------------|---------------------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Government subsidy income | | |
| – Income related | 10,751 | 8,960 |
| – Assets related | 1,129 | 2,702 |
| | <u>11,880</u> | <u>11,662</u> |

Government grants mainly represented grants received from the PRC government authorities for subsidising the Group's general operation, research and development activities.

8 Expenses by nature

| | Unaudited Six months ended 30 June | |
|---|---------------------------------------|------------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Transportation expenses | 598,931 | 862,901 |
| Employee benefit expenses | 113,249 | 118,527 |
| Raw materials and purchased goods consumed | 108,206 | 78,969 |
| Purchase cost of commercial automobiles | 107,227 | 126,208 |
| Funding costs | 105,898 | 71,234 |
| Outsourced labour and services costs | 45,138 | 21,986 |
| Depreciation of property, plant and equipment (Note 12) | 15,783 | 8,937 |
| Lease expenses | 15,686 | 12,877 |
| Amortisation of right-of-use asset | 9,116 | 10,842 |
| Network traffic costs | 6,147 | 8,403 |
| Amortisation of intangible assets (Note 14) | 5,935 | 3,690 |
| Taxes and levies | 4,428 | 3,546 |
| Travelling expenses | 4,248 | 4,297 |
| Office expenses | 4,245 | 4,239 |
| Utilities and electricity | 2,102 | 3,650 |
| Auditor's remuneration | 1,500 | 2,058 |
| Net impairment losses on financial assets | 1,101 | 26,044 |
| Maintenance expenses | 470 | 982 |
| Amortisation of investment properties (Note 13) | 133 | 134 |
| Miscellaneous | 13,784 | 11,919 |
| Total (Note) | <u>1,163,327</u> | <u>1,381,443</u> |

Note: This represents total of cost of revenue, selling expenses, administrative expenses, research and development expenses and net impairment losses on financial assets.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

9 Finance income/(costs) - net

| | Unaudited Six months ended 30 June | |
|------------------------------|---------------------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Interest income: | | |
| – bank deposits | 16,166 | 12,966 |
| Interest expenses: | | |
| – bank borrowings | (14,328) | (22,496) |
| – lease liabilities | (541) | (254) |
| – foreign exchange losses | (58) | – |
| – termination benefits | (9) | (37) |
| Total finance costs | (14,936) | (22,787) |
| Finance income/(costs) - net | 1,230 | (9,821) |

10 Income tax expense

The amounts of income tax expense charged to profit or loss represented:

| | Unaudited Six months ended 30 June | |
|---------------------|---------------------------------------|-----------------|
| | 2024 RMB'000 | 2023 RMB'000 |
| Current income tax | 31,315 | 36,450 |
| Deferred income tax | 831 | (5,120) |
| Income tax expense | 32,146 | 31,330 |

- (a) Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and implementation regulations of the CIT Law, the statutory corporate income tax rate in the PRC is 25% from 1 January 2008. The income tax rate of 25% is applicable to all of the Group's subsidiaries during the six months ended 30 June 2024 and 2023, except for Shaanxi Tianxingjian IoV Information Technology Co., Ltd., Xinjiang Fargo Supply Chain Management Co., Ltd and Tonghui which enjoy a preferential income tax rate of 15% according to the policies of Western Area Development for the six months ended 30 June 2023 and 2022. Shaanxi Huazhen Logistics Co., Ltd has applied the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the PRC's State Administration of Taxation, pursuant to the policy, the portion of annual taxable income amount of a Small-Scaled Minimal Profit Corporate which does not exceed RMB3,000,000 shall be computed at a reduced rate of 25% as taxable income amount, and shall be levied at a reduced tax rate of 20%.
- (b) Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



11 Earnings per share

| | Unaudited | |
|---|-------------------------------|-------------|
| | Six months ended 30 June 2024 | 2023 |
| Profit attributable to shareholders of the Company (RMB'000) | 114,928 | 109,776 |
| Weighted average number of ordinary shares in issue (in thousand) | 2,182,237 | 2,236,042.5 |
| Basic earnings per share (RMB) | 0.05 | 0.05 |

(a) The diluted earnings per share are same as the basic earnings per share as there was no dilutive potential share during the six months ended 30 June 2024 and 2023.

12 Property, plant and equipment

| | Buildings and facilities | Machinery and equipment | Motor vehicles | Electronic equipment | Leasehold improvement | Construction in progress | Total |
|--|-----------------------------|-------------------------------|-------------------|-------------------------|--------------------------|-----------------------------|-----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 1 January 2023 | | | | | | | |
| Cost | 64,566 | 9,849 | 44,749 | 40,866 | 25,152 | 12,517 | 197,699 |
| Accumulated depreciation | (22,800) | (4,120) | (29,968) | (30,459) | (11,168) | - | (98,515) |
| Impairment | - | - | (14) | - | - | - | (14) |
| Net book value | 41,766 | 5,729 | 14,767 | 10,407 | 13,984 | 12,517 | 99,170 |
| Six months ended 30 June 2023 (unaudited) | | | | | | | |
| Opening net book value | 41,766 | 5,729 | 14,767 | 10,407 | 13,984 | 12,517 | 99,170 |
| Additions | - | - | 2,492 | 1,295 | 3,636 | 3,295 | 10,718 |
| Transfer | - | 432 | - | - | 530 | (962) | - |
| Disposals | - | (42) | (127) | (192) | - | - | (361) |
| Depreciation (Note 8) | (804) | (422) | (1,946) | (3,231) | (2,534) | - | (8,937) |
| Closing net book value | 40,962 | 5,697 | 15,186 | 8,279 | 15,616 | 14,850 | 100,590 |
| As at 30 June 2023 (unaudited) | | | | | | | |
| Cost | 64,566 | 10,153 | 44,815 | 42,147 | 29,318 | 14,850 | 205,849 |
| Accumulated depreciation | (23,604) | (4,456) | (29,615) | (33,868) | (13,702) | - | (105,245) |
| Impairment | - | - | (14) | - | - | - | (14) |
| Net book value | 40,962 | 5,697 | 15,186 | 8,279 | 15,616 | 14,850 | 100,590 |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

12 Property, plant and equipment (Continued)

| | Buildings and facilities | Machinery and equipment | Motor vehicles | Electronic equipment | Leasehold improvement | Construction in progress | Total |
|--|-----------------------------|-------------------------------|-------------------|-------------------------|--------------------------|-----------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 1 January 2024 | | | | | | | |
| Cost | 64,539 | 12,253 | 44,858 | 44,486 | 57,078 | 5,841 | 229,055 |
| Accumulated depreciation | (24,403) | (5,001) | (31,389) | (35,868) | (19,059) | - | (115,720) |
| Impairment | - | - | (14) | - | - | - | (14) |
| Net book value | <u>40,136</u> | <u>7,252</u> | <u>13,455</u> | <u>8,618</u> | <u>38,019</u> | <u>5,841</u> | <u>113,321</u> |
| Six months ended 30 June 2024 (unaudited) | | | | | | | |
| Opening net book value | 40,136 | 7,252 | 13,455 | 8,618 | 38,019 | 5,841 | 113,321 |
| Additions | - | - | 7,925 | 189 | 4,121 | 3,503 | 15,738 |
| Transfer | - | 4,999 | - | - | - | (4,999) | - |
| Disposals | - | - | (55) | (16) | - | - | (71) |
| Depreciation (Note 8) | (803) | (592) | (2,113) | (2,408) | (9,867) | - | (15,783) |
| Closing net book value | <u>39,333</u> | <u>11,659</u> | <u>19,212</u> | <u>6,383</u> | <u>32,273</u> | <u>4,345</u> | <u>113,205</u> |
| As at 30 June 2024 (unaudited) | | | | | | | |
| Cost | 64,539 | 17,252 | 51,421 | 44,440 | 61,199 | 4,345 | 243,196 |
| Accumulated depreciation | (25,206) | (5,593) | (32,209) | (38,057) | (28,926) | - | (129,991) |
| Impairment | - | - | - | - | - | - | - |
| Net book value | <u>39,333</u> | <u>11,659</u> | <u>19,212</u> | <u>6,383</u> | <u>32,273</u> | <u>4,345</u> | <u>113,205</u> |

(a) Depreciation of property, plant and equipment has been charged to profit or loss as follows:

| | Unaudited | |
|-----------------------------------|--------------------------|--------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Cost of revenue | 12,293 | 5,097 |
| Administrative expenses | 1,677 | 1,831 |
| Research and development expenses | 1,631 | 1,564 |
| Selling expenses | 182 | 445 |
| | <u>15,783</u> | <u>8,937</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



13 Investment properties

| | Land use right RMB'000 |
|--|---------------------------|
| As at 1 January 2023 | |
| Cost | 8,299 |
| Accumulated amortisation | (266) |
| | <hr/> |
| Net book value | 8,033 |
| | <hr/> |
| Six months ended 30 June 2023 (unaudited) | |
| Opening net book value | 8,033 |
| Amortisation (Note 8) | (134) |
| | <hr/> |
| Closing net book value | 7,899 |
| | <hr/> |
| As at 30 June 2023 (unaudited) | |
| Cost | 8,299 |
| Accumulated amortisation | (400) |
| | <hr/> |
| Net book value | 7,899 |
| | <hr/> |
| As at 1 January 2024 | |
| Cost | 8,299 |
| Accumulated amortisation | (532) |
| | <hr/> |
| Net book value | 7,767 |
| | <hr/> |
| Six months ended 30 June 2024 (unaudited) | |
| Opening net book value | 7,767 |
| Amortisation (Note 8) | (133) |
| | <hr/> |
| Closing net book value | 7,634 |
| | <hr/> |
| As at 30 June 2024 (unaudited) | |
| Cost | 8,299 |
| Accumulated amortisation | (665) |
| | <hr/> |
| Net book value | 7,634 |
| | <hr/> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

14 Intangible assets

| | Software RMB'000 |
|--|---------------------|
| As at 1 January 2023 | |
| Cost | 53,990 |
| Accumulated amortisation | <u>(21,440)</u> |
| Net book value | <u>32,550</u> |
| Six months ended 30 June 2023 (unaudited) | |
| Opening net book value | 32,550 |
| Additions | 8,722 |
| Amortisation (Note 8) | <u>(3,690)</u> |
| Closing net book value | <u>37,582</u> |
| As at 30 June 2023 (unaudited) | |
| Cost | 62,712 |
| Accumulated amortisation | <u>(25,130)</u> |
| Net book value | <u>37,582</u> |
| As at 1 January 2024 | |
| Cost | 81,710 |
| Accumulated amortisation | <u>(29,710)</u> |
| Net book value | <u>52,000</u> |
| Six months ended 30 June 2024 (unaudited) | |
| Opening net book value | 52,000 |
| Additions | 10,432 |
| Disposals | (113) |
| Amortisation (Note 8) | <u>(5,935)</u> |
| Closing net book value | <u>56,384</u> |
| As at 30 June 2024 (unaudited) | |
| Cost | 91,930 |
| Accumulated amortisation | <u>(35,546)</u> |
| Net book value | <u>56,384</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



14 Intangible assets (Continued)

Amortisation of intangible assets has been charged to profit or loss as follows:

| | Unaudited | |
|-----------------------------------|--------------------------|--------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Administrative expenses | 1,864 | 1,119 |
| Research and development expenses | 2,524 | 1,347 |
| Cost of revenue | 1,248 | 965 |
| Selling expenses | 299 | 259 |
| | <u>5,935</u> | <u>3,690</u> |

15 Inventories

| | Unaudited | Audited |
|---|---------------|-------------------|
| | As at 30 June | As at 31 December |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Cost: | | |
| Commercial vehicles and electric vehicle charging and battery swap infrastructure | 18,631 | 42,400 |
| Intelligent internet of vehicle (IoV) terminal products | 1,340 | 1,330 |
| Spare parts and turnover materials | 26,630 | 595 |
| | <u>46,601</u> | <u>44,325</u> |
| Provision for impairment loss: | | |
| Commercial vehicles | (413) | (428) |
| Inventories - net | <u>46,188</u> | <u>43,897</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

16 Trade receivables

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|---|---|---|
| Trade receivables – related parties (Note 25(c)) | 303,293 | 314,398 |
| Trade receivables – individually assessed third parties | 64,774 | 66,372 |
| Trade receivables – third parties | 447,482 | 483,467 |
| | <u>815,549</u> | <u>864,237</u> |
| Less: allowance for impairment | (79,256) | (79,973) |
| | <u>736,293</u> | <u>784,264</u> |
| Trade receivables – net | 736,293 | 784,264 |

As at 30 June 2024 and 31 December 2023, the fair values of trade receivables of the Group approximate their carrying amounts.

As at 30 June 2024 and 31 December 2023, all the carrying amounts of trade receivables were denominated in RMB.

- (a) Aging analysis of trade receivables at the respective balance sheet dates, based on the invoice dates, are as follows:

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--------------------------|---|---|
| Within one year | 753,791 | 801,582 |
| One year to two years | 25,881 | 29,344 |
| Two years to three years | 22,058 | 26,303 |
| Over three years | 13,819 | 7,008 |
| | <u>815,549</u> | <u>864,237</u> |

The Group did not hold any collateral as security over these debtors.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



16 Trade receivables (Continued)

- (b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS Accounting Standards 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporated forward-looking information.

Movements on the provision for impairment of trade receivables are as follow:

| | Unaudited | |
|--|--------------------------|---------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Beginning of the period | 79,973 | 30,853 |
| (Reversal of)/provision for impairment | (717) | 3,350 |
| Written-off of impairment | — | (21) |
| End of the period | <u>79,256</u> | <u>34,182</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

17 Loan receivables

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--------------------------------|---|---|
| Loan receivables | | |
| – Finance lease business | | |
| – Leased vehicle | 4,206,643 | 3,359,803 |
| – Leased non-vehicle assets | 2,062,001 | 2,131,912 |
| – Factoring service | 1,386,917 | 1,569,880 |
| | <u>7,655,561</u> | <u>7,061,595</u> |
| Less: Provision for impairment | | |
| – Finance lease business | (383,718) | (385,192) |
| – Factoring service | (158,155) | (153,115) |
| | <u>(541,873)</u> | <u>(538,307)</u> |
| Loan receivables – net | 7,113,688 | 6,523,288 |
| Less: non-current portion | | |
| – Finance lease business | (2,128,440) | (1,808,120) |
| | <u>(2,128,440)</u> | <u>(1,808,120)</u> |
| Current portion | <u>4,985,248</u> | <u>4,715,168</u> |

Loan receivables of approximately RMB5,529,678,000 and RMB4,889,200,000 were secured by the leased assets owned by lessees with original cost of approximately RMB10,431,826,000 and RMB9,133,059,000 as of 30 June 2024 and 31 December 2023, respectively.

As at 30 June 2024, loan receivables of RMB271,897,000 (2023: RMB643,523,000) were pledged for bank borrowings.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



17 Loan receivables (Continued)

As at 30 June 2024, loan receivables of Nil (2023: RMB125,428,000) were pledged for other borrowings (2023: RMB39,996,000) (Note 22).

As at 30 June 2024, loan receivables of RMB1,282,636,000 (2023: RMB859,898,000) were transferred out but not derecognised under the Group's asset-backed security program.

As at 30 June 2024, loan receivables of RMB106,132,000 (2023: RMB30,523,000) were pledged for notes payable of RMB105,600,000 (2023: RMB33,000,000) (Note 21).

As at 30 June 2024 and 31 December 2023, the fair values of loan receivables of the Group approximate their carrying amounts.

As at 30 June 2024 and 31 December 2023, the carrying amounts of loan receivables were all denominated in RMB.

Movements on the provision for impairment of Loan receivables are as follow:

| | Unaudited | |
|---------------------------|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Beginning of the period | 538,307 | 482,490 |
| Provision for impairment | 5,040 | 22,965 |
| Written-off of impairment | (1,474) | (983) |
| End of the period | <u>541,873</u> | <u>504,472</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)

18 Other receivables

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|---|---|
| Other receivables – related parties (Note 25(c)) | 7,938 | 13,781 |
| Other receivables – third parties | 99,612 | 196,251 |
| | 107,550 | 210,032 |
| Less: Provision for impairment | (26,726) | (29,948) |
| Other receivables - net | 80,824 | 180,084 |

As at 30 June 2024 and 31 December 2023, the fair values of other receivables of the Group approximate their carrying amounts and the nature of these other receivables have been disclosed in Note 18(b).

As at 30 June 2024 and 31 December 2023, all the carrying amounts of other receivables were denominated in RMB.

- (a) Aging analysis of other receivables at the respective balance sheet dates, based on the transaction dates, are as follows:

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|---------------------------|---|---|
| Within one year | 28,474 | 89,806 |
| One year to two years | 29,099 | 60,894 |
| Two years to three years | 10,609 | 51,810 |
| Three years to four years | 39,368 | 7,522 |
| | 107,550 | 210,032 |

The Group did not hold any collateral as security over these debtors.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



18 Other receivables (Continued)

(b) As at 30 June 2024 and 31 December 2023, details of other receivables are as follows:

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|---|---|---|
| Receivables from related parties (Note 24(c)) | 7,938 | 13,781 |
| Advances | 73,027 | 156,855 |
| Other deposits | 16,502 | 17,038 |
| Lease deposits | – | 13,781 |
| Others | 10,083 | 8,577 |
| Total | 107,550 | 210,032 |

(c) To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the aging days. The expected credit losses also incorporated forward looking information.

Movements on the provision for impairment of other receivables are as follow:

| | Unaudited Six months ended 30 June 2024 RMB'000 | Audited 2023 RMB'000 |
|---|--|----------------------------|
| Beginning of the period | 29,948 | 26,472 |
| Reversal of provision for impairment of other receivables | (3,222) | (271) |
| End of the period | 26,726 | 26,201 |

19 Share capital and treasury shares

| | Unaudited As at 30 June 2024 | Audited As at 31 December 2023 |
|--|------------------------------------|--------------------------------------|
| Registered, issued and fully paid share capital | | |
| Number of shares (shares) | 2,181,436,500 | 2,236,042,500 |
| Share capital (in RMB) | 2,181,436,500 | 2,236,042,500 |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

19 Share capital and treasury shares (Continued)

| | 2024 Shares (thousands) | 2024 RMB'000 |
|--|----------------------------|-----------------|
| Movement in treasury shares during the interim period (unaudited) | | |
| Buy-back of shares | 15,885 | 28,583 |
| Shares cancelled | (54,606) | (99,142) |
| Net movement | (38,721) | (70,559) |

20 Bond payables

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--------------------------------------|---|---|
| Asset-backed securities | 1,169,270 | 610,741 |
| Less: within 1 year | (941,980) | (610,741) |
| Non-current portion of bond payables | 227,290 | – |

Major terms of the asset-backed securities are summarised as below:

(a) Asset-backed securities ("ABS") issued in year 2024

| | ABS 1 Issue date: 12 April 2024 Unaudited As at 30 June 2024 | ABS 2 Issue date: 12 June 2024 Unaudited As at 30 June 2024 |
|---|---|--|
| Outstanding principal amount (senior A1 tranches) (RMB'000) | 262,310 | 478,070 |
| Coupon rate (senior A1 tranches) (%) | 2.80% | 2.50% |
| Maturity date (senior A1 tranches) | 31 March 2025 | 30 September 2025 |
| Payment terms of principal and interests | monthly | monthly |
| Outstanding principal amount (senior A2 tranches) (RMB'000) | 96,000 | 115,000 |
| Coupon rate (senior A2 tranches) (%) | 3.00% | 2.60% |
| Maturity date (senior A2 tranches) | 31 July 2025 | 30 January 2026 |
| Payment terms of principal and interests | monthly | monthly |
| Outstanding principal amount (senior B tranches) (RMB'000) | 25,000 | 21,000 |
| Coupon rate (senior B tranches) (%) | 3.80% | 3.30% |
| Maturity date (senior B tranches) | 29 August 2025 | 27 February 2026 |
| Payment terms of principal and interests | monthly | monthly |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

20 Bond payables (Continued)

(c) Asset-backed securities ("ABS") issued in year 2022

| | ABS 6 | |
|---|------------------------------------|--------------------------------------|
| | Unaudited As at 30 June 2024 | Audited As at 31 December 2023 |
| | Issue date: 30 November 2022 | |
| Outstanding principal amount (senior A1 tranches) (RMB'000) | – | – |
| Coupon rate (senior A1 tranches) (%) | 2.99% | 2.99% |
| Maturity date (senior A1 tranches) | 31 October 2023 | 31 October 2023 |
| Payment terms of principal and interests | monthly | monthly |
| Outstanding principal amount (senior A2 tranches) (RMB'000) | – | 89,898 |
| Coupon rate (senior A2 tranches) (%) | 3.39% | 3.39% |
| Maturity date (senior A2 tranches) | 28 June 2024 | 28 June 2024 |
| Payment terms of principal and interests | monthly | monthly |
| Outstanding principal amount (senior B tranches) (RMB'000) | 4,743 | 27,000 |
| Coupon rate (senior B tranches) (%) | 4.30% | 4.30% |
| Maturity date (senior B tranches) | 31 July 2024 | 31 July 2024 |
| Payment terms of principal and interests | monthly | monthly |

Deewin Financial Leasing Co., Ltd., a subsidiary of the Company, transferred its loan receivables to the asset plan administrator which issue asset-backed securities to investors.

Bonds payable are consist with tranches of senior A1, senior A2, senior B and subordinate, according to payment priority. The Group has subsequently repurchased and held all of the subordinate tranches of the issued asset-backed securities and hence the risks and rewards of the aforesaid loan receivables transferred are still substantially retained by the Group. Accordingly, the Group has not de-recognised the related loan receivables in the consolidated financial statement.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



21 Trade and other payables

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|---|---|
| Trade payables | | |
| Notes payables (a) | 366,331 | 256,852 |
| Trade payables – related parties (Note 25 (c)) | 6,499 | 46,059 |
| Trade payables – third parties | 372,201 | 351,501 |
| | <u>745,031</u> | <u>654,412</u> |
| Other payables | | |
| Other payables – loans from a related party (Note 25 (c))(c) | 829,000 | 825,000 |
| Other payables – advances from related parties (Note 25 (c)) | 148 | 2,424 |
| Other payables – interest payable to related party (Note 25 (c)) | 281 | 645 |
| Other payables – loan from a third party (d) | 50,000 | 50,000 |
| Other payables – interest payable to third party | – | 46 |
| Other payables – deposits collected from lessees of leased properties | 277,996 | 277,295 |
| Other payables – other deposits | 19,698 | 26,904 |
| Other payables – others | 31,599 | 64,647 |
| Provisions for warranty (e) | 835 | 1,049 |
| Dividends payable | 88,915 | – |
| Staff salaries and welfare payables | 43,764 | 56,806 |
| Early retirement benefits payable | 153 | 378 |
| Accrued taxes other than income tax | 3,296 | 6,935 |
| | <u>1,345,685</u> | <u>1,312,129</u> |
| Total of trade and other payables | <u>2,090,716</u> | <u>1,966,541</u> |
| Less: non-current portion: | | |
| – Other payables -deposits collected from lessees of leased properties | (168,233) | (149,067) |
| – Early retirement benefits payable | (6) | (49) |
| – Provisions for warranty (e) | (835) | (1,049) |
| | <u>(169,074)</u> | <u>(150,165)</u> |
| Total non-current portion | <u>(169,074)</u> | <u>(150,165)</u> |
| Current portion | <u>1,921,642</u> | <u>1,816,376</u> |



Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

21 Trade and other payables (Continued)

As at 30 June 2024 and 31 December 2023, all trade and other payables except for loan from related parties and loan from a third party of the Group were non-interest bearing, and their fair values, except for the staff salaries and welfare payables, termination benefits payable and accrued taxes other than income tax which are not financial liabilities, approximate to their carrying amounts.

- (a) As at 30 June 2024, loan receivables of RMB106,132,000 (2023: RMB30,523,000) were pledged for notes payable of RMB105,600,000 (2023: RMB33,000,000) (Note 17).
- (b) The aging analysis of the trade payables (including amounts due to related parties of trading in nature) based on transaction date was as follows:

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--------------------------|---|---|
| Within one year | 373,757 | 365,676 |
| One year to two years | 2,415 | 29,726 |
| Two years to three years | 1,741 | 624 |
| Over three years | 787 | 1,534 |
| | <u>378,700</u> | <u>397,560</u> |

- (c) The loans from a related party as at 30 June 2024 of RMB829,000,000 (2023: RMB825,000,000) were unsecured, interest bearing at rates ranging from 2.30% to 2.50% (2023: 2.50% to 2.60%) per annual, and repayable within one year.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



21 Trade and other payables (Continued)

- (d) The loan from a third party as at 30 June 2024 of RMB50,000,000 (2023: RMB50,000,000) was provided to the Company through a bank entrusted arrangement with guaranteed to the bank by the same third party.

The loan was unsecured, interest bearing at a rate of 3.00% (2023: 3.00%) per annual, and repayable within one year.

- (e) The movement in provisions for warranty is as follows:

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|---|---|---|
| Beginning of the year | 1,049 | 1,194 |
| – Provision for the year | – | 338 |
| – Utilisation and reversal for the year | (214) | (483) |
| End of the year | 835 | 1,049 |

Provision for warranty represents warranty program provided by the Group in terms of the sales of intelligent internet of vehicle (IoV) terminal products.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

22 Borrowings

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|---|---|---|
| Non-current: | | |
| Long term bank borrowings, secured (a) | 97,415 | 73,239 |
| Long term bank borrowings, unsecured | 880,536 | 1,077,852 |
| Other long term borrowings, secured (b) | – | 39,996 |
| | <hr/> | <hr/> |
| Subtotal | 977,951 | 1,191,087 |
| | <hr/> | <hr/> |
| Less: | | |
| – Current portion of long term bank borrowings | (204,551) | (600,405) |
| – Current portion of other long term borrowings | – | (39,996) |
| | <hr/> | <hr/> |
| Total non-current portion: | 773,400 | 550,686 |
| | <hr/> | <hr/> |
| Current: | | |
| Short term bank borrowings, secured (a) | 139,240 | 304,151 |
| Short term bank borrowings, unsecured | 2,305,741 | 1,685,813 |
| Current portion of long term bank borrowings | 204,551 | 600,405 |
| Current portion of other long term borrowings (b) | – | 39,996 |
| | <hr/> | <hr/> |
| Total current portion: | 2,649,532 | 2,630,365 |
| | <hr/> | <hr/> |
| Total borrowings | 3,422,932 | 3,181,051 |
| | <hr/> | <hr/> |

(a) As at 30 June 2024, the Group's long term and short term bank borrowings of RMB97,415,000 (2023: RMB73,239,000) and RMB139,240,000 (2023: RMB304,151,000) were secured by the pledge of the Group's loan receivables of RMB271,897,000 (2023: RMB643,523,000) (Note 17) and notes receivable of RMB801,000 (2023: RMB2,100,000).

(b) Other borrowings were the loans obtained from third parties in the form of sub-lease arrangement. As at 30 June 2024, other borrowings of Nil (2023: RMB39,996,000) were secured by loan receivables of Nil (2023: RMB125,428,000) (Note 17).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



22 Borrowings (Continued)

(c) The weighted average effective interest rates for borrowings at each balance sheet date are as follows:

| | Unaudited As at 30 June 2024 | Audited As at 31 December 2023 |
|------------------|------------------------------------|--------------------------------------|
| Bank borrowings | 3.50% | 3.56% |
| Other borrowings | – | 4.23% |

(d) As at 30 June 2024 and 31 December 2023, the Group's borrowings were repayable as follows:

| | Bank borrowings | | Other borrowings | | Total | |
|---------------------------|---|---|---|---|---|---|
| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
| | Within one year | 2,649,532 | 2,590,369 | – | 39,996 | 2,649,532 |
| Between one and two years | 773,400 | 550,686 | – | – | 773,400 | 550,686 |
| | <u>3,422,932</u> | <u>3,141,055</u> | <u>–</u> | <u>39,996</u> | <u>3,422,932</u> | <u>3,181,051</u> |

(e) All the borrowings were denominated in RMB.

23 Dividends

Pursuant to a resolution passed in the shareholders' meeting of the Company on 28 March 2024, dividends of approximately RMB88,915,000 for the year ended 31 December 2023 were declared to the shareholders of the Company, which were fully paid in August 2024.

The board of directors of the Company has resolved not to recommend payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

24 Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2024 and 31 December 2023.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

25 Related party transactions

- (a) Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise control or significant influence over the Group in making financial and operating decisions. SXAG is the Company's controlling shareholder. SAHG is the Company's ultimate controlling shareholder.

Save as disclosed elsewhere in these consolidated financial statements, during the period ended 30 June 2024, the Group had the following significant transactions with related parties.

(b) Transactions with related parties

| | Unaudited | |
|--|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Sales of goods | | |
| – Entities over which the Parent Company has significant influence | 57,456 | 46,738 |
| – Entities controlled by the Parent Company | 55,071 | 15,378 |
| – Entities controlled by the Ultimate Controlling Shareholder | 9 | – |
| | <u>112,536</u> | <u>62,116</u> |
| Rendering of logistics and warehousing service | | |
| – Entities over which the Parent Company has significant influence | 112,221 | 133,277 |
| – Entities controlled by the Parent Company | 18,476 | 21,476 |
| – Entities over which the Ultimate Controlling Shareholder has significant influence | 224 | 34 |
| | <u>130,921</u> | <u>154,787</u> |
| Rendering of internet of vehicle (IoV) and data service | | |
| – Entities over which the Parent Company has significant influence | 123 | 5,264 |
| – Entities controlled by the Parent Company | 18 | – |
| | <u>141</u> | <u>5,264</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



25 Related party transactions (Continued)

(b) Transactions with related parties (Continued)

| | Unaudited | |
|--|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Interest income from factoring business | | |
| – Entities controlled by the Parent Company | 23 | – |
| Rendering of maintenance and other services | | |
| – Entities controlled by the Parent Company | – | 68 |
| – Entities controlled by the Ultimate Controlling Shareholder | – | 4 |
| | <u>–</u> | <u>72</u> |
| Purchase of goods and services | | |
| – Entities over which the Parent Company has significant influence | 86,383 | 2,675 |
| – Entities controlled by the Parent Company | 195 | 8,969 |
| – Entities controlled by the Ultimate Controlling Shareholder | 8 | – |
| | <u>86,586</u> | <u>11,644</u> |
| Loan advanced from related parties | | |
| – Parent Company | <u>829,000</u> | <u>650,000</u> |
| Repayment of loan to related parties | | |
| – Parent Company | <u>825,000</u> | <u>456,000</u> |
| Accrued interest on loans from related parties | | |
| – Parent Company | <u>11,523</u> | <u>17,459</u> |
| Payment of interest on loan from related parties | | |
| – Parent Company | <u>11,887</u> | <u>18,323</u> |
| Loan to related parties in the form of factoring receivables | | |
| – Entities controlled by the Parent Company | <u>1,600</u> | <u>–</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

25 Related party transactions (Continued)

(b) Transactions with related parties (Continued)

| | Unaudited | |
|--|--------------------------|----------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Payment of rental expense | | |
| – Entities over which the Parent Company has significant influence | 4,398 | 6,900 |
| – Entities controlled by the Parent Company | 1,446 | – |
| – Parent Company | 48 | 43 |
| | <u>5,892</u> | <u>6,943</u> |
| Collection of transportation fee collected by related parties on behalf of the Group | | |
| – Entities over which the Parent Company has significant influence | 88,880 | 117,206 |
| – Entities controlled by the Parent Company | 3,668 | 7,782 |
| | <u>92,548</u> | <u>124,988</u> |
| Repayment of social benefits expense which was previously paid by related parties on behalf of the Group | | |
| – Ultimate Controlling Shareholder | 3,008 | – |
| | <u>3,008</u> | <u>–</u> |
| Factoring receivables repaid by related parties on behalf of third parties | | |
| – Entities controlled by the Parent Company | 42,143 | 630 |
| – Entities over which the Parent Company has significant influence | 19,680 | 65,039 |
| – Entities over which the Ultimate Controlling Shareholder has significant influence | – | 50 |
| | <u>61,823</u> | <u>65,719</u> |
| Lease payment received from related parties on behalf of lessee | | |
| – Entities controlled by the Parent Company | 4,138 | 68 |
| | <u>4,138</u> | <u>68</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



25 Related party transactions (Continued)

(c) Balances with related parties

(i) Trade balances with related parties

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| Trade receivables | | |
| – Entities over which the Parent Company has significant influence | 198,969 | 226,327 |
| – Entities controlled by the Parent Company | 104,264 | 87,829 |
| – Entities over which the Ultimate Controlling Shareholder has significant influence | 41 | 235 |
| – Entities controlled by the Ultimate Controlling Shareholder | 16 | 7 |
| – Parent company | 3 | – |
| | <u>303,293</u> | <u>314,398</u> |

As at 30 June 2024 and 31 December 2023, the carrying amount of trade receivables are RMB303,293,000 and RMB314,398,000 and the allowance provision of RMB546,000 and RMB528,000, respectively.

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| FVOCI -Notes receivable | | |
| – Entities over which the Parent Company has significant influence | 20,439 | 30,969 |
| – Entities controlled by the Parent Company | 20,914 | 19,902 |
| | <u>41,353</u> | <u>50,871</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

25 Related party transactions (Continued)

(c) Balances with related parties (Continued)

(i) Trade balances with related parties (Continued)

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| FVOCI – Trade receivables | | |
| – Entities over which the Parent Company has significant influence | 61,665 | 39,727 |
| – Entities controlled by the Parent Company | 10,043 | 10,291 |
| | <u>71,708</u> | <u>50,018</u> |
| Notes receivable | | |
| – Entities over which the Parent Company has significant influence | 6,792 | 26,900 |
| – Entities controlled by the Parent Company | 8 | 5,314 |
| | <u>6,800</u> | <u>32,214</u> |
| Loan receivables | | |
| – Entities controlled by the Parent Company | 1,600 | – |

As at 30 June 2024, the carrying amount of loan receivables of RMB1,600,000 had allowance provision of RMB16,000.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



25 Related party transactions (Continued)

(c) Balances with related parties (Continued)

(i) Trade balances with related parties (Continued)

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| Prepayments | | |
| – Entities over which the Parent Company has significant influence | 600 | 3,250 |
| – Entities controlled by the Parent Company | 345 | 21,390 |
| – Parent company | 30 | 35 |
| – Entities controlled by the Ultimate Controlling Shareholder | 1 | – |
| | <u>976</u> | <u>24,675</u> |
| Notes payable | | |
| – Parent Company | 150,000 | – |
| – Entities over which the Parent Company has significant influence | 63,403 | 64,912 |
| – Entities controlled by the Parent Company | – | 7,610 |
| | <u>213,403</u> | <u>72,522</u> |
| Trade payables | | |
| – Entities over which the Parent Company has significant influence | 4,938 | 7,056 |
| – Entities controlled by the Parent Company | 1,510 | 38,952 |
| – Parent Company | 51 | 51 |
| | <u>6,499</u> | <u>46,059</u> |
| Contract liabilities | | |
| – Entities controlled by the Parent Company | 116 | 82 |
| – Entities over which the Parent Company has significant influence | 50 | 74 |
| – Entities controlled by the Ultimate Controlling Shareholder | – | 1 |
| | <u>166</u> | <u>157</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024

(All amounts in RMB unless otherwise stated)

25 Related party transactions (Continued)

(c) Balances with related parties (Continued)

(ii) Non-trade balances with related parties

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| Other receivables | | |
| – Entities controlled by the Parent Company | 7,054 | 12,960 |
| – Entities over which the Parent Company has significant influence | 515 | 721 |
| – Parent Company | 369 | 100 |
| | <u>7,938</u> | <u>13,781</u> |

As at 30 June 2024 and 31 December 2023, the carrying amount of other receivables were RMB7,938,000 and RMB13,781,000 and the allowance provision were RMB13,000 and RMB33,000, respectively.

| | Unaudited As at 30 June 2024 RMB'000 | Audited As at 31 December 2023 RMB'000 |
|--|--|--|
| Other payables | | |
| Loan, advance and interest payable to: | | |
| – Parent Company | 829,310 | 825,645 |
| – Entities over which the Parent Company has significant influence | 96 | 2,372 |
| – Entities controlled by the Parent Company | 23 | 52 |
| | <u>829,429</u> | <u>828,069</u> |

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2024
(All amounts in RMB unless otherwise stated)



25 Related party transactions (Continued)

(d) Key management compensation

| | Unaudited | |
|---|--------------------------|--------------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Salaries and other short-term employee benefits | 2,125 | 1,633 |
| Pension costs, housing fund, medical insurances and other social insurances | 457 | 373 |
| | <u>2,582</u> | <u>1,994</u> |

(e) Use of registered trademark

Pursuant to the trademark agreements with SXAG, the Company has the right to use the registered trademark of “che lun gun gun” at no cost from 28 August 2016 to 27 August 2026, Deewin Financial Leasing Co., Ltd. has the right to use the registered trademark of “Deyingtianxia” at no cost from 7 August 2012 to 31 December 2024, Shanghai Fargo Supply-chain Management (Group) Co., Ltd. has the right to use the registered trademark, which is a logo, at no cost from 21 March 2017 to 20 March 2027.



Definition

In this interim report, unless the context otherwise requires, the following expressions shall have the following meaning:

| | |
|--|---|
| “Audit Committee” | audit committee of the Board |
| “Board” or “Board of Directors” | the board of Directors of the Company |
| “China” or “the PRC” | the People’s Republic of China, except where the context requires otherwise and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Company” | Deewin Tianxia Co., Ltd (德銀天下股份有限公司) (formerly known as Deewin Tianxia Investment Holding Co., Ltd.* (德銀天下投資控股有限公司)), a limited liability company established in the PRC on 14 August 2014 and registered as a joint stock company with limited liability on 25 December 2020 |
| “Controlling Shareholders” | has the meaning ascribed to it under the Listing Rules |
| “Deewin Factoring” | Shanghai Deewin Commercial Factoring Co., Ltd.* (上海德銀商業保理有限公司), a limited liability company established in the PRC on 17 September 2013, which is a wholly-owned subsidiary of the Company |
| “Deewin Financial Leasing” | Deewin Financial Leasing Co., Ltd.* (德銀融資租賃有限公司), a limited liability company established in the PRC on 24 November 2011, which is a wholly-owned subsidiary of the Company |
| “Director(s)” | director(s) of the Company |
| “EIT” | enterprise income tax of the PRC |
| “Global Offering” | the Hong Kong Public Offering and the International Offering, as defined in the Prospectus |
| “Group”, “our Group”, “the Group”, “we” or “us” | the Company and its subsidiaries |
| “H Share(s)” | overseas listed foreign share(s) in our ordinary share capital with a nominal value of RMB1.00 each |
| “H Share Registrar” | Computershare Hong Kong Investor Services Limited |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong dollars” or “HK dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Customers” | including independent logistics supply chain customers, independent factoring customers, independent finance lease customers and independent IoV customers |



| | |
|---|---|
| “Latest Practicable Date” | 29 August 2024, being the latest practicable date for ascertaining certain information in this report before its publication |
| “Listing” | the listing of the H Shares on the Main Board |
| “Listing Date” | 15 July 2022, being the date on which the H Shares was listed and on which dealings in the H Shares was first permitted to take place on the Stock Exchange |
| “Listing Rules” or “Hong Kong Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| “Main Board” | the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| “Model code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time |
| “Nomination Committee” | nomination committee of the Board |
| “PRC Government” or “State” | the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them |
| “Prospectus” | the prospectus being issued by the Company in connection with the Global Offering on 30 June 2022 |
| “Remuneration Committee” | the remuneration committee of the Board |
| “Reporting Period” | the six months ended 30 June 2024 |
| “RMB” or “Renminbi” | Renminbi yuan, the lawful currency of the PRC |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Shaanxi Automobile” | Shaanxi Automobile Group Co., Ltd. (陝西汽車集團股份有限公司) (formerly known as Shaanxi Automobile Group Co., Ltd.* (陝西汽車集團有限責任公司)), a limited liability company established in the PRC on 18 November 1989 and registered as a joint stock company with limited liability on 30 March 2021. It is a Controlling Shareholder, in which 67.06% equity interest is held by Shaanxi Automobile Holding and 32.94% equity interest is held in aggregate by eight independent third parties. The Company was directly held as to 68.77% by Shaanxi Automobile as at the Latest Practicable Date |
| “Shaanxi Automobile Group” | Shaanxi Automobile and its affiliated companies |
| “Shaanxi Automobile Holding” | Shaanxi Automobile Holding Group Co., Ltd.* (陝西汽車控股集團有限公司), a limited liability company established in the PRC on 20 August 2012 and a Controlling Shareholder, in which 51.00% equity interest is held by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shaanxi Province and 49.00% equity interest is held by one company that is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shaanxi Province |



Definition

| | |
|--|---|
| “Shaanxi Commercial Automobile” | Shaanxi Group Commercial Automobile Co., Ltd.* (陝汽集團商用車有限公司), a limited liability company established in the PRC on 10 April 2002 and a Controlling Shareholder, in which 68.51% equity interest is held by Shaanxi Automobile and 31.49% equity interest is held in aggregate by three independent third parties. The Company was held as to 0.54% by Shaanxi Commercial Automobile as at the Latest Practicable Date |
| “Shaanxi Heavy Duty Automobile” | Shaanxi Heavy Duty Automobile Co., Ltd.* (陝西重型汽車有限公司), a limited liability company established in the PRC on 18 September 2002, in which 49.00% equity interest is held by Shaanxi Automobile and 51.00% equity interest is held by Weichai Power Co., Ltd. (濰柴動力股份有限公司), which is a company listed on the Main Board of the Stock Exchange (stock code: 2338) and the main board of Shenzhen Stock Exchange (stock code: SZ000338) and an independent third party. The Company was held as to 5.37% by Shaanxi Heavy Duty Automobile as at the Latest Practicable Date |
| “Shaanxi Holding Group” | Shaanxi Automobile and Shaanxi Automobile Holding and/or their respective associates (excluding the members of our Group) |
| “Share(s)” | ordinary share(s) in the capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” or the “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it in section 15 of the Companies Ordinance |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Supervisor(s)” | supervisor(s) of the Company |
| “Tianxingjian” | Shaanxi Tianxingjian Internet of Vehicle Information Technology Co., Ltd.* (陝西天行健車聯網信息技術有限公司), a limited liability company established in the PRC on 18 June 2013, which is a wholly-owned subsidiary of the Company |
| “Tonghui” | Shaanxi Tonghui Automobile Logistics Co., Ltd.* (陝西通匯汽車物流有限公司), a limited liability company established in the PRC on 20 October 2005, which is a wholly-owned subsidiary of the Company |
| “%” | per cent |