

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



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Runliang Mr. Wang Wengi

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

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.

The major terms of the loans (iv)

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;

- 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:

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

Note:

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

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 Factoring receivables Number ⁽²⁾ balance RMB (million)		As of 31 Dec	rember 2023 Factoring receivables balance RMB (million)
Less than 3 months Between 3 months and 6 months Between 6 months and 12 months	310 107 22	998.5 354.3 34.1	229 85 32	1,224.5 271.5 73.9
Over 12 months	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,

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:

	As of 30 June 2024		As of 31 Dece	mber 2023
Period ⁽¹⁾	Factoring receivables balance	Percentage	Factoring receivables balance	Percentage
Terrod	RMB (million)	rerecitage	RMB (million)	rereemage
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 creditimpaired), 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.

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:

(1) 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 quided 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.

loV 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.

Keeping Abreast of the Market Situation and Continuing to Develop New Areas of (II)**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.

loV 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.

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	%
	(RME	3'000, except fo	or 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
IoV 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.
- Other revenue from supply chain financial service sector was mainly generated from satellite positioning device and the related installation (2) service provided for commercial automobiles other than brands from Shaanxi Holding Group in order to facilitate provision of our finance

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.

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.

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

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 IoV 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 Lease liabilities Borrowings Bond payables	1,893,046 11,742 2,728,991 958,830	139,080 5,114 784,579 231,356	38,306 1,071 – —	- 716 - 	2,070,432 18,643 3,513,570 1,190,186
	5,592,609	1,160,129	39,377	716	6,792,831

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.

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 Interest in a	Domestic Shares	1,500,146,100 (L)	68.77%
	controlled corporation Interest in a	Domestic Shares	117,125,100 (L)	5.37%
	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.	Interest in a			
(濰柴動力股份有限公司)⑷	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	Shares or Underlying	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⁾ SDIC Taikang Trust Co., LTD.	Trustee	H Shares	152,620,500 (L)	7.00%
(國投泰康信託有限公司) ⁽⁶⁾ Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資	Trustee	H Shares	136,333,500 (L)	6.25%
基金合夥企業(有限合夥)) ⁽⁷⁾ Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資	Beneficial owner Interest in a	H Shares	107,997,000 (L)	4.95%
基金管理有限公司) (7)	controlled corporation	H Shares	107,997,000 (L)	4.95%
HWABAO TRUST CO., LTD ⁽⁸⁾ CCB Trust (Jianhang No. 9 Single Fund Trust Scheme)	Trustee	H Shares	44,104,500 (L)	2.02%
(建航9號單一資金信託計劃)	Trustee	H Shares	32,500,500 (L) 23,805,000 (S) 8,695,500 (P)	1.49% 1.09% 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
- (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.

- (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.
- 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., (6) 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.
- According to the equity disclosure filed by HWABAO TRUST CO., LTD on 15 July 2022, HWABAO TRUST CO., LTD, as a trustee of HWABAO (8) 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.

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 proc		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 Online business development	379.1	325.8	246.8	11.5	90.5	235.3	by the end of 2026
 ongoing establishment of online service platform for commercial automobile aftermarket (being CLGG Online Platform) Enhancement of the core 	227.5	195.5	189.7	2.2	8.0	187.5	by the end of 2025
technology capabilities and data service capabilities of IoV and data service sector Replenishment of general	303.3	260.6	228.0	15.6	48.2	212.4	by the end of 2026 fully utilized in
working capital	101.1	86.9			86.9		2022
Total	1,011.0	868.8	664.5	29.3	233.6	635.2	DIM DEDORT 2024

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)

	`		dited	
		Unaudited Six months ended 30 June		
	Note	2024 RMB'000	2023 RMB'000	
		KIVIB 000	KIVIB 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 Other income	8 7	(1,101) 11,880	(26,044) 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)	
			(2.224)	
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		_	_	
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)	4.4	0.05	2.25	
– 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

(All amounts in RMB unless otherwise stated)

	Unaudited	Audited
	30 June	31 December
Note	2024	2023
	RMB'000	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
	2,496,590	2,184,424
	2,430,330	2,104,424
Current assets		42.22
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
	7,606,814	7,020,404
Total assets	10,103,404	9,204,828
EQUITY		
Share capital 19	2,181,437	2,236,043
Other reserves	775,443	820,253
Treasury shares 19	// 5,445	(70,559)
Retained earnings	360,748	334,461
netunica carrings	500,746	
Table and the stable to the first of	2 247 626	2 220 400
Total equity attributable to shareholders of the Company	3,317,628	3,320,198
Non-controlling interests	(237)	(913)
Total equity	3,317,391	3,319,285

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
J J		·	
		1,201,684	735,522
Current liabilities			
Trade and other payables	21	1,921,642	1,816,376
Lease liabilities	21	11,246	17,838
Bond payables	20	941,980	610,741
Contract liabilities	20	44,560	58,539
Current income tax liabilities		15,369	16,162
Borrowings	22	2,649,532	2,630,365
		5,584,329	5,150,021
Total liabilities		6,786,013	5,885,543
Total equity and liabilities		10,103,404	9,204,828

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)

	Unaudited Attributable to shareholders of the Company							
	Note	Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity 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 Appropriation of safety fund Utilisation of safety fund		- - -	- - -	- 1,029 (271)	(96,955) (1,029) 271	(96,955) - 	- - -	(96,955) -
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 Share cancelled Dividends declared Appropriation of safety fund	19 19 23	- (54,606) - -	(28,583) 99,142 - -	- (44,536) - 34	- - (88,915) (34)	(28,583) - (88,915)	- - -	(28,583) - (88,915)
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)

		Unaudited Six months ended 30 June		
	Note	Six months er 2024	nded 30 June 2023	
	Note	RMB'000	2023 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		(5,296)	187,175	
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		(20,813)	(14,468)	
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		488,324	(202,501)	
Net increase/(decrease) in cash and cash equivalents		462,215	(29,794)	
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		1,439,360	1,119,173	
cash and cash equivalents at end of the period		1,455,500	1,115,175	

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

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

General information, group reorganisation and basis of presentation

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.

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

3 Material accounting policy information (Continued)

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

Amendments to IFRS Accounting Standards 16 Amendments to IAS 7 and IFRS Accounting

Standards 7

Non-current liabilities with covenants Lease liability in sale and leaseback 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.

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.

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

Financial risk management (Continued) 5

Financial risk factors (Continued)

Liquidity risk (b)

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
	5,592,609	1,160,129	39,377	716	6,792,831
	3,332,003	1,100,123	33,311	710	0,732,031
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
	5,154,947	698,021	32,607	860	5,886,435

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

5 Financial risk management (Continued)

Fair value estimation 5.2

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 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total 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.

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

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.



Segment information and revenue (Continued) 6

6.1 Segment information (Continued)

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

			Unau	dited		
			Six months ende	ed 30 June 2024		
	Logistics and supply	Supply chain financial	Internet of Vehicle (IoV) and data			
	chain service	service	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	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



6.1 Segment information (Continued)

			Unau	dited		
			Six months ende	ed 30 June 2023		
	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	Total 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	20,337	_	_	3,869
Inter-segment sales/provide	3,310	333				3,003
services	8,085	3,057	303	_	(11,445)	_
	<u>-</u>					
	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
From before medine tax	3,043	107,233	20,207	151,455	(107,013)	141,243
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.

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

Segment information and revenue (Continued) 6

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	
	1,295,665	1,518,082	

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	152,629	221,397	

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.

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 2 RMB'000 RMB			
Government subsidy income				
Income relatedAssets related	10,751	8,960 		
	11,880	11,662		

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**

	Unau	Unaudited			
	Six months e	nded 30 June			
	2024	2023			
	RMB'000	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)	1,163,327	1,381,443			

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

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:	15.155	42.066	
– 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)	

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	

- Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and implementation regulations of the (a) 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 polices 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.

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	

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

Property, plant and equipment 12

	5.44	Machinery		- 1			
	Buildings and facilities	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
						INTERIM RE	PORT 2024

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Property, plant and equipment (Continued) 12

	Buildings and facilities RMB'000	Machinery and equipment RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2024		40.050					
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	40,136	7,252	13,455	8,618	38,019	5,841	113,321
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	39,333	11,659	19,212	6,383	32,273	4,345	113,205
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	39,333	11,659	19,212	6,383	32,273	4,345	113,205

(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		
	15,783	8,937		

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)
Net book value	8,033
Six months ended 30 June 2023 (unaudited)	
Opening net book value	8,033
Amortisation (Note 8)	(134)
Closing net book value	7,899
As at 30 June 2023 (unaudited)	
Cost	8,299
Accumulated amortisation	(400)
Net book value	7,899
As at 1 January 2024	
Cost	8,299
Accumulated amortisation	(532)
Net book value	7,767
Six months ended 30 June 2024 (unaudited)	
Opening net book value	7,767
Amortisation (Note 8)	(133)
Closing net book value	7,634
As at 30 June 2024 (unaudited)	
Cost	8,299
Accumulated amortisation	(665)
Net book value	7,634

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	52,000
Cost Accumulated amortisation	53,990 (21,440)
Accumulated unfortisation	(21,440)
Net book value	32,550
Six months ended 30 June 2023 (unaudited)	
Opening net book value	32,550
Additions Amortisation (Note 8)	8,722 (3,690)
Amortisation (Note 0)	(3,030)
Closing net book value	37,582
As at 30 June 2023 (unaudited)	
Cost	62,712
Accumulated amortisation	(25,130)
Net book value	37,582
. Net 200K Talde	3,,,552
As at 1 January 2024	
Cost	81,710
Accumulated amortisation	(29,710)
Net book value	E2.000
Net book value	52,000
Six months ended 30 June 2024 (unaudited)	
Opening net book value	52,000
Additions	10,432
Disposals Apparticular (Note 9)	(113)
Amortisation (Note 8)	(5,935)
Closing net book value	56,384
As at 30 June 2024 (unaudited)	
Cost	91,930
Accumulated amortisation	(35,546)
Not book value	FC 204
Net book value	56,384

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 2		
	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	
	5,935	3,690	

15 Inventories

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



Trade receivables 16

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	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
	815,549	864,237
Less: allowance for impairment	(79,256)	(79,973)
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	Audited As at 31 December 2023
	RMB'000	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
	815,549	864,237

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

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 RMB'000	2023 RMB'000		
Beginning of the period (Reversal of)/provision for impairment Written-off of impairment	79,973 (717) 	30,853 3,350 (21)		
End of the period	79,256	34,182		



17 Loan receivables

		Audited As at 31 December
	2024 RMB'000	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
	7,655,561	7,061,595
Less: Provision for impairment		
– Finance lease business	(383,718)	(385,192)
– Factoring service	(158,155)	(153,115)
	(541,873)	(538,307)
Loan receivables – net	7,113,688	6,523,288
Less: non-current portion	(2.420.440)	(4.000.430)
– Finance lease business	(2,128,440)	(1,808,120)
Current portion	4,985,248	4,715,168

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.

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

Loan receivables (Continued) 17

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 RMB'000	2023 RMB'000		
	KIVID 000	KIVID 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	541,873	504,472		



Other receivables 18

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Other receivables – related parties (Note 25(c)) Other receivables – third parties	7,938	13,781 196,251
	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.

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

Other receivables (Continued) 18

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

	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

To measure the expected credit losses, other receivables have been grouped based on shared credit risk (c) 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	2023 RMB'000
	KIVID UUU	KIVIB UUU
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

Share capital and treasury shares 19

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

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

Share capital and treasury shares (Continued) 19

	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)

Bond payables 20

	Unaudited As at 30 June 2024 RMB'000	Audited As at 31 December 2023 RMB'000
Asset-backed securities Less: within 1 year	1,169,270 (941,980)	610,741 (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	
Outstanding principal amount (senior A1 tranches) (RMB'000) Coupon rate (senior A1 tranches) (%) Maturity date (senior A1 tranches) Payment terms of principal and interests	262,310 2.80% 31 March 2025 monthly	478,070 2.50% 30 September 2025 monthly
Outstanding principal amount (senior A2 tranches) (RMB'000) Coupon rate (senior A2 tranches) (%) Maturity date (senior A2 tranches) Payment terms of principal and interests	96,000 3.00% 31 July 2025 monthly	115,000 2.60% 30 January 2026 monthly
Outstanding principal amount (senior B tranches) (RMB'000) Coupon rate (senior B tranches) (%) Maturity date (senior B tranches) Payment terms of principal and interests	25,000 3.80% 29 August 2025 monthly	21,000 3.30% 27 February 2026 monthly

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

20 Bond payables (Continued)

(b) Asset-backed securities ("ABS") issued in year 2023

		35 3		S 4
		14 April 2023		6 June 2023
	Unaudited	Audited	Unaudited	Audited
		As at 31 December		As at 31 December
	2024	2023	2024	2023
Outstanding principal amount				
(senior A1 tranches) (RMB'000)	-	16,375	-	69,187
Coupon rate (senior A1 tranches) (%)	3.00%	3.00%	3.20%	3.20%
Maturity date (senior A1 tranches)	28 February 2024	28 February 2024	30 April 2024	30 April 2024
Payment terms of principal and interests	monthly	monthly	monthly	monthly
	,	•	,	•
Outstanding principal amount				
(senior A2 tranches) (RMB'000)	17,940	75,000	55,048	81,000
Coupon rate (senior A2 tranches) (%)	3.30%	3.30%	3.40%	3.40%
Maturity date (senior A2 tranches)	30 September 2024	30 September 2024	31 December 2024	31 December 2024
Payment terms of principal and interests	monthly	monthly	monthly	monthly
rayment terms of principal and interests	monthly	monthly	monthly	monthly
Outstanding principal amount				
Outstanding principal amount	44.000	44.000	5.000	6.000
(senior B tranches) (RMB'000)	14,000	14,000	6,000	6,000
Coupon rate (senior B tranches) (%)	4.40%	4.40%	4.40%	4.40%
Maturity date (senior B tranches)	31 October 2024	31 October 2024	27 January 2025	27 January 2025
Payment terms of principal and interests	monthly	monthly	monthly	monthly

	ABS 5 Issue date: 27 October 2023	
	Unaudited	Audited
	As at 30 June	As at 31 December
	2024	2023
Outstanding principal amount (senior A1 tranches) (RMB'000)	41,159	199,281
Coupon rate (senior A1 tranches) (%)	3.99%	3.99%
Maturity date (senior A1 tranches)	30 September 2024	30 September 2024
Payment terms of principal and interests	monthly	monthly
Outstanding principal amount (senior B tranches) (RMB'000)	33,000	33,000
Coupon rate (senior B tranches) (%)	4.60%	4.60%
Maturity date (senior B tranches)	31 December 2024	31 December 2024
Payment terms of principal and interests	monthly	monthly



Bond payables (Continued) 20

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

	ABS 6 Issue date: 30 November 2022	
	Unaudited	Audited
	As at 30 June	As at 31 December
	2024	2023
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.

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	Audited As at 31 December 2023
	RMB'000	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
Trade and notes payables	745,031	654,412
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
Other payables	1,345,685	1,312,129
Total of trade and other payables	2,090,716	1,966,541
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)
Total non-current portion	(169,074)	(150,165)
Current portion	1,921,642	1,816,376



Trade and other payables (Continued) 21

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.

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

	Unaudited As at 30 June 2024	Audited As at 31 December 2023
	RMB'000	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
	378,700	397,560

(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.

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

Trade and other payables (Continued) 21

The loan from a third party as at 30 June 2024 of RMB50,000,000 (2023: RMB50,000,000) was provided to (d) 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.

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

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



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
Subtotal	977,951	1,191,087
Less:		
 Current portion of long term bank borrowings 	(204,551)	(600,405)
 Current portion of other long term borrowings 		(39,996)
Total non-current portion:	773,400	550,686
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
Total current portion:	2,649,532	2,630,365
Total borrowings	3,422,932	3,181,051

- As at 30 June 2024, the Group's long term and short term bank borrowings of RMB97,415,000 (2023: (a) 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).

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

Borrowings (Continued) 22

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

	Unaudited	Audited
	As at 30 June	As at 31 December
	2024	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 bo	rrowings	Other bo	orrowings	To	otal
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at 30 June	As at 31 December	As at 30 June	As at 31 December	As at 30 June	As at 31 December
	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	2,649,532	2,590,369	-	39,996	2,649,532	2,630,365
Between one and two years	773,400	550,686			773,400	550,686
	3,422,932	3,141,055		39,996	3,422,932	3,181,051

All the borrowings were denominated in RMB. (e)

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.



25 **Related party transactions**

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 RMB'000	2023 RMB'000
	TIME COC	THIS GOO
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	
	112,536	62,116
Rendering of logistics and warehousing service		
– Entities over which the Parent Company has		
significant influence	112,221	133,277
Entities controlled by the Parent CompanyEntities over which the Ultimate Controlling Shareholder	18,476	21,476
has significant influence	224	34
	130,921	154,787
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	
	141	5,264



(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	_
znados controlled sy the ratent company		
Rendering of maintenance and other convices		
Rendering of maintenance and other services – Entities controlled by the Parent Company		68
Entities controlled by the Parent Company Entities controlled by the Ultimate Controlling Shareholder	_	4
– Entitles controlled by the offinate Controlling Shareholder		4
		7.2
		72
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	
	86,586	11,644
Loan advanced from related parties		
– Parent Company	829,000	650,000
Repayment of loan to related parties		
– Parent Company	825,000	456,000
Accrued interest on loans from related parties		
- Parent Company	11,523	17,459
- Farent Company	11,323	17,433
Decimand of interest on long from a last last		
Payment of interest on loan from related parties	11 007	10 222
– Parent Company	11,887	18,323
Loan to related parties in the form of factoring receivables		
– Entities controlled by the Parent Company	1,600	_



Related party transactions (Continued) 25

(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 – Entities controlled by the Parent Company	4,398 1,446	6,900
– Parent Company	48	43
Turent Company	5,892	6,943
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
	92,548	124,988
Repayment of social benefits expense which was previously paid by related parties on behalf of the Group – Ultimate Controlling Shareholder	3,008	
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
	61,823	65,719
Lease payment received from related parties on behalf of lessee – Entities controlled by the Parent Company	4,138	68

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

Related party transactions (Continued) 25

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 - Entities controlled by the Parent Company - Entities over which the Ultimate Controlling Shareholder has significant influence - Entities controlled by the Ultimate Controlling Shareholder - Parent company	198,969 104,264 41 16	226,327 87,829 235 7
	303,293	314,398

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 - Entities controlled by the Parent Company	20,439 20,914	30,969 19,902
	41,353	50,871



Related party transactions (Continued) 25

- 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 – Entities controlled by the Parent Company 	61,665 10,043 71,708	39,727 10,291 50,018
Notes receivable - Entities over which the Parent Company has significant influence - Entities controlled by the Parent Company	6,792 8 6,800	26,900 5,314 32,214
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.



- Balances with related parties (Continued)
 - Trade balances with related parties (Continued) (i)

	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 - Entities controlled by the Parent Company - Parent company - Entities controlled by the Ultimate Controlling Shareholder	600 345 30 1	3,250 21,390 35 ———————————————————————————————————
Notes payable - Parent Company - Entities over which the Parent Company has significant influence - Entities controlled by the Parent Company	150,000 63,403 — 213,403	- 64,912 7,610 72,522
Trade payables – Entities over which the Parent Company has significant influence – Entities controlled by the Parent Company – Parent Company	4,938 1,510 51 6,499	7,056 38,952 51 46,059
Contract liabilities – Entities controlled by the Parent Company – Entities over which the Parent Company has significant influence – Entities controlled by the Ultimate Controlling Shareholder	116 50 —	82 74 1 1



Related party transactions (Continued) 25

Balances with related parties (Continued)

Non-trade balances with related parities (ii)

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

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 – Entities over which the Parent Company has	829,310	825,645
significant influence – Entities controlled by the Parent Company	96 23 829,429	2,372 52 828,069

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

Related party transactions (Continued) 25

(d) Key management compensation

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

Use of registered trademark (e)

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
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"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

Shanghai Deewin Commercial Factoring Co., Ltd.* (上海德銀商業保理有限公司), a "Deewin Factoring"

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

the Hong Kong Public Offering and the International Offering, as defined in the "Global Offering"

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 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong

"Hong Kong Listing Rules" 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



"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