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)

2025 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Deewin Tianxia Co., Ltd (the "**Company**") hereby announces the audited results announcement of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") in relation to the information to accompany preliminary announcement of annual results and has been reviewed by the audit committee under the Board of the Company.

The Company's 2025 annual report will be published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.deewintx.com) in due course.

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

Xi'an, the PRC
27 March 2026

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

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Peng *(appointed on 29 May 2025)*
Mr. Wang Wenqi

Non-executive Directors

Mr. Guo Wancai *(Chairman)*
Mr. Tian Qiang
Mr. Zhao Chengjun
Ms. Feng Min

Independent Non-executive Directors

Mr. Li Gang
Mr. Ip Wing Wai
Mr. Yu Qiang

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
Ms. Feng Min *(appointed on 25 April 2025)*
Mr. Ip Wing Wai *(appointed on 25 April 2025)*

COMPANY SECRETARY

Mr. Liu Lulu

AUTHORIZED REPRESENTATIVES

Mr. Zhao Peng *(appointed on 29 May 2025)*
Mr. Liu Lulu *(appointed on 15 July 2025)*

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
Wan Chai
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 ADVISORS TO THE COMPANY

Jingtian & Gongcheng LLP
(As to Hong Kong law)

Beijing Jia Yuan Law Offices
(As to PRC Law)

INDEPENDENT AUDITOR

KPMG *(appointed on 14 July 2025)*
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
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

Chairman's Statement

Dear shareholders:

In 2025, China's economy demonstrated robust resilience against a complex and challenging environment both at home and abroad. New quality productive forces emerged as the key growth driver, with the gross domestic product (GDP) for the year increasing by 5.0% year on year, hitting the anticipated targets for the concluding year of the "14th Five-Year Plan".

In 2025, the commercial vehicle market recorded a rare dual-growth scenario in both domestic demand and export sales, representing a departure from the historical pattern whereby export growth was accompanied by declining domestic demand. The dual-source growth configuration has provided enhanced resilience for industry development. According to data released by the China Association of Automobile Manufacturers, in 2025, the annual sales of commercial vehicles reached 4,296 thousand units, representing a year-on-year increase of 10.9%. In particular, the domestic sales of commercial vehicles were 3,236 thousand units, representing a year-on-year increase of 9.0%; and the export volume of commercial vehicles reached 1,060 thousand units, representing a year-on-year increase of 17.2%. As statistically compared with the domestic market, the export of commercial vehicles had an active performance and the overseas market has become a strong support for the domestic commercial vehicle industry.

In 2025, we strive to advance towards the vision of "becoming a leader in China's commercial vehicle service industry". We will continue to consolidate and enhance the advantageous position of the Group in the integrated value-added services market of the commercial vehicle industry chain. During the Reporting Period, the Group proactively pursued transformation through key initiatives including integrating our product and service portfolio, upgrading platform functionalities, and establishing a full life-cycle risk control system to drive business transformation and upgrading. Throughout the year, our revenue was RMB2,762.2 million, representing a year-on-year increase of 5.1% (2024: RMB2,627.8 million); net profit attributable to equity shareholders of the Company was RMB68.3 million (2024: RMB153.2 million), representing a year-on-year decrease of 55.4%; and basic earnings per share was RMB0.03 (2024: RMB0.07).

In the logistics and supply chain service sector, we completed the strategic alignment and capability building for the core businesses of our subsidiaries in 2025, and resolutely advanced an in-depth transformation centered on "quality operations and value orientation". The logistics business has increasingly focused on higher-value scenarios in resource development, such as new energy and integrated logistics capacity solutions, while deeply exploring the value of comprehensive solutions throughout our logistics customers' operational processes. We provided automobile manufacturing supply chain service for the production of approximately 144.1 thousand commercial vehicles, and provided automobile logistics service for approximately 56.5 thousand commercial vehicles in 2025. Our subsidiary, Tonghui Logistic, as the national 5A-level logistics enterprise, and was honored as a KPI Benchmarking Enterprises for Automotive Parts Inbound Logistics by the Automobile Logistics Branch of the China Federation of Logistics & Purchasing (CFLP).

In the supply chain financial service sector, we focused on our core business of "sales-finance synergy" in the commercial vehicle market. Based on the operational principle of risk decentralization, we actively explored new business growth areas by serving leading corporate clients across the upstream and downstream of the commercial vehicle industry chain, high-end equipment manufacturing, fine chemicals, and peer institutions, thereby advancing the formation of a business structure characterized by "vehicle-related business as the mainstay and non-vehicle business as the supplement". In 2025, we established a dedicated sales-finance collaboration task force with OEMs, further advancing cooperative alliances with dealers and strategic clients, and built a sales-finance collaboration mechanism featuring "joint channel development, risk sharing, benefit sharing". Throughout 2025, we launched nearly 100 customized financial policies while steadily advancing the development of our financing platforms. Deewin Financial Leasing issued asset-backed securities (ABS) totaling RMB1,130 million. The newly invested funds in financial leasing and factoring businesses amounted to RMB8,533.0 million, achieving efficient collaboration with sales terminals.

In the IoV and data service sector, we systematically restructured and upgraded our product and service system in 2025 around the dual themes of "data-driven and business empowerment". For logistics customers, we integrated our existing product and algorithm capabilities to launch the upgraded "Smart Logistics" platform, achieving full-chain digital management and control from transportation management to safety custody operations. This platform has provided services to over 100 logistics enterprises. For dealer partners, we innovatively launched the "Digital Intelligence Marketing" platform, offering marketing tools including standardized vehicle selection and operational tracking, serving over 100 dealers. As of 31 December 2025, the number of heavy commercial vehicles connected to our IoV platform was approximately 1,260.0 thousand. In 2025, Tianxingjian, a subsidiary of the Group, was selected as one of the "Little Giant" companies in the seventh batch of specialized, refined, distinctive, and innovative enterprises in Shaanxi Province. It also received the title of Shaanxi Provincial Enterprise Technology Center.

Moreover, in terms of market innovation, in response to the domestic commercial vehicle market transitioning into a mature phase characterized by subdued new vehicle sales, and addressing the vehicle requirements of price-conscious customers, we developed the "Deyitongtu" (德易通途) Shaanxi Automobile Certified Officially Pre-owned Vehicle business. To meet the challenges posed by intensifying competition in the mature domestic market, we have firmly committed to our overall overseas expansion strategy and actively advanced the establishment of overseas subsidiaries. In 2025, we entered into a strategic cooperation agreement with Eternal Tsingshan Group, pursuant to which we will undertake comprehensive cooperation on digitalized and intelligent logistics at the IMIP Industrial Park in Morowali, Indonesia. This represents the formal commencement of localized on-the-ground operations for our overseas business, marking the advancement of our international strategy from conception to initial implementation.

The year 2026 inaugurates the full implementation of the "15th Five-Year Plan", with the policy environment poised for continued optimization. In accordance with the guiding principles of the Central Economic Work Conference, macroeconomic policies will strengthen counter-cyclical and cross-cyclical regulatory measures. Over the next five years, building upon our business foundation established during the "14th Five-Year Plan" period, we will systematically design the development strategy during the "15th Five-Year Plan" period, and undertake comprehensive renewal and restructuring of our business operations to create a new business matrix comprising "four major ecosystem platforms and twelve core business categories" centered on "Data", "Finance", "Logistics", and "Vehicles", providing comprehensive support for the "further upgrading" of our business.

On behalf of the board of Directors, I would like to express my heartfelt gratitude to all shareholders, people from all walks of life and customers who have shown their concern and support to the Group, and to all staff members who have worked diligently. I would like to thank all shareholders and partners for their continued support and understanding of the Group, and all staff for their effective work and tireless efforts.

In the year ahead, the Group will leverage its industry advantages in the integrated digital and intelligent service of the commercial vehicle industry chain, remain committed to the commercial vehicle service market, and create greater value for shareholders of the Company.

Guo Wancai
Chairman
27 March 2026

Financial Highlights

For the year ended 31 December 2025, the Group's revenue was approximately RMB2,762.2 million, representing an increase of 5.1% as compared to the corresponding period in 2024; gross profit was approximately RMB396.4 million, representing a decrease of 7.9% as compared to the corresponding period in 2024; profit before income tax was approximately RMB93.2 million, representing a decrease of 53.2% as compared to the corresponding period in 2024; and profit for the year was approximately RMB59.6 million, representing a decrease of 62.0% as compared to the corresponding period in 2024.

The following table sets forth the consolidated financial indicators of the Group for 2021–2025:

CONSOLIDATED RESULTS

	Year ended 31 December				
Years	**2025**	2024	2023	2022	2021
			(in RMB million)		
Revenue	**2,762.2**	2,627.8	3,119.4	2,728.3	3,126.9
Gross profit	**396.4**	430.6	515.4	494.0	732.4
Profit before income tax	**93.2**	199.2	209.1	278.8	444.6
Profit for the year	**59.6**	156.7	151.3	220.0	368.7

CONSOLIDATED FINANCIAL POSITION

	As at 31 December				
Years	**2025**	2024	2023	2022	2021
			(in RMB million)		
Total assets	**11,428.0**	9,489.2	9,204.8	9,172.7	10,188.0
Total liabilities	**8,087.4**	6,130.7	5,885.5	5,837.1	7,738.3
Total equity	**3,340.6**	3,358.5	3,319.3	3,335.6	2,449.7

Business Overview and Outlook

BUSINESS OVERVIEW

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

In 2025, the Group recorded revenue of approximately RMB2,762.2 million, representing a year-on-year increase of approximately 5.1%, of which revenue from the logistics and supply chain service sector was approximately RMB2,057.1 million, representing a year-on-year increase of 5.8%; revenue from the supply chain financial service sector was approximately RMB445.4 million, representing a year-on-year decrease of approximately 3.9%; and revenue from the IoV and data service sector was approximately RMB259.7 million, representing a year-on-year increase of approximately 17.9%. The three major businesses accounted for 74.5%, 16.1% and 9.4% of the Group's total revenue, respectively.

Logistics and Supply Chain Service Sector

In 2025, 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, automobile sales dealers, logistics companies and commercial vehicle end-customers.

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. In 2025, we provided automobile manufacturing supply chain service for the production of approximately 144.1 thousand commercial vehicles, and provided automobile logistics service in relation to approximately 56.5 thousand commercial vehicles. In 2025, we streamlined and restructured our supply chain business management and control system, focusing on efficient regional operations, management models and business supervision. Through systematic transformation via structural optimization and model innovation, we achieved more efficient operations, healthier returns and more sustainable development.

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 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. In 2025, the revenue from logistics service to independent customers was approximately RMB822.4 million.

In terms of automobile sales business, we sold 1,719 commercial vehicles in 2025, including 1,103 new energy vehicles, representing a year-on-year increase of 241.5% for such new energy vehicles. We recorded a revenue of approximately RMB690.3 million for the automobile sales business in 2025. Based on in-depth assessment of the commercial vehicle market dynamics in China and precise understanding of regional sales characteristics, we scientifically formulated our annual sales plan, proactively adapted to industry development trends, and actively responded to subsidy policies for new energy vehicle replacement and new energy vehicle purchase tax exemption policies, while continuously optimizing our product mix and sales strategies. Concurrently, by leveraging diversified and innovative sales models, we aligned with market demand and effectively addressed customer pain points. Synergistically driven by these initiatives, the Group's automobile sales achieved a significant rebound, recording substantial growth for the year and further consolidating our market position and development momentum.

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 vehicle-related products, such as carbamide and components. In 2025, these businesses achieved a revenue of RMB95.9 million in total.

Business Overview and Outlook

Supply Chain Financial Service Sector

Our supply chain financial service sector mainly comprises financial leasing business and factoring business.

We engage in financial leasing business through our wholly-owned subsidiary Deewin Financial Leasing. We specialise in providing sale-and-leaseback services to our customers. In 2025, newly invested funds reached RMB6,235.4 million, and the number of newly effective finance lease agreements accumulated to 10,703. We have served a total of 8,221 customers for 16,580 leased commercial vehicles through our network of quality automobile sales dealers in the PRC.

We conduct our factoring business through our wholly-owned subsidiary Deewin Factoring. In 2025, we invested additional RMB2,297.6 million.

We have further expanded our sources of funding through diversified funding channels. In 2025, Deewin Financial Leasing issued 2 batches of asset-backed securities (ABS), with an aggregate principal amount of RMB1,130 million.

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

(i) Customer profiles

Financial leasing business: As at 31 December 2025, our financial leasing business has served customers located in about 28 provinces, municipalities and autonomous regions in the PRC.

Factoring business: As at 31 December 2025, our factoring business has served customers located in about 22 provinces, municipalities and autonomous regions in the PRC.

(ii) Credit approval processes

Financial leasing business: We have established a comprehensive customer due diligence and credit assessment system. Our internal credit review department will conduct further due diligence investigation into the background of the leasing project and the creditworthiness of customers, and compile due diligence and risk assessment reports. We have also introduced credit assessment data sources from independent third parties and established an independent risk decision platform to produce credit assessment reports in the following manner: (a) for all customers who are natural persons, we will obtain authoritative credit assessment data through the independent risk decision platform and obtain a letter of authorisation issued by such customer for conducting information queries, thereby forming a customer credit risk assessment report for decision-making purposes; and (b) for all customers who are legal persons, we will obtain credit assessment information through the independent risk decision platform, integrate the customer's public data and authorised data, and implement a multi-dimensional review and evaluation module 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

Financial leasing business: For the year ended 31 December 2025, we had a total of 10,703 new finance lease agreements cumulatively, and served a total of 8,221 customers.

Factoring business: For the year ended 31 December 2025, we had a total of 937 new factoring agreements cumulatively, and served a total of 380 customers.

(iv) Major terms of loans

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

- Term: the term of our leasing agreements generally varies from two to three years;
- Commercial automobile 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 collaterals: The collaterals under the finance lease agreement are generally leased properties, which mainly include 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 loans receivable from the financial leasing business. If necessary, the lessor may take measures, including repossessing or disposing of the leased commercial vehicles, or taking legal action to make up for the loss;
- 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 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.

Business Overview and Outlook

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 payment 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 in 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) Size and diversity of lessees/borrowers

Financial leasing business: As at 31 December 2025, in terms of number of customers, more than 93.5% of our customers were individuals who are independent third parties of the Company. The remaining customers of our financial leasing business mainly include (a) various companies providing logistics service in relation to a wide range of goods and products, (b) an independent commercial vehicle manufacturer, and (c) licensed companies conducting financial leasing business.

During the year ended 31 December 2025, there was (a) one single customer who contributed more than 5.0% of the total revenue of our financial leasing business, and (b) no single customer who contributed more than 1.0% of the total revenue of the Group.

During the year ended 31 December 2025, based on the invested amount, the amount we invested into the provision of the finance lease services to the top five customers of our financial leasing business represents approximately 12.5% of the total amount invested into the provision of finance lease services.

Factoring business: As at 31 December 2025, 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, during the year ended 31 December 2025, there were (a) 2 single customers who contributed more than 5.0% of the total revenue of our factoring business, and (b) no single customer who contributed more than 1.0% of the total revenue of the Group.

During the year ended 31 December 2025, based on the invested amount, the amount we invested into the provision of the factoring services to the top five customers of our factoring business represents approximately 21.7% of the total amount invested into the provision of factoring services.

(vi) Interest and administrative fees

Financial leasing business: During the year ended 31 December 2025, we charged interest at a rate ranging from 2.50% to 10.00% per annum; and the administrative fees charged ranged from 0.00% to 3.00%.

Factoring business: During the year ended 31 December 2025, we charged interest at a rate ranging from 0.00% to 10.55% per annum; and the administrative fees charged ranged from 0.00% to 4.00%. In addition, during the year ended 31 December 2025, the average Consolidated Effective Annualized Interest Rate of the Company's factoring business was 7.56%.

(vii) Ageing analysis of outstanding loans

Financial leasing business: The following table sets out the movement in the number of finance lease agreements and the finance lease receivables balance by the terms of the finance lease agreements during the years and as at the dates indicated:

	As of 31 December			
	2025		2024	
Period[1]	**Number[2]**	**Finance lease receivables balance RMB (million)**	Number[2]	Finance lease receivables balance RMB (million)
Less than 1 year	**9,514**	**2,621.7**	7,620	2,371.1
Between 1 and 2 years	**8,943**	**3,716.6**	7,114	2,858.8
Over 2 years	**3,017**	**1,380.4**	2,174	1,030.8
Total	**21,474**	**7,718.7**	16,908	6,260.7

Notes:

(1) Period means the length of time remaining until the agreed maturity date of the finance lease agreements as of 31 December 2025 and 31 December 2024, respectively.

(2) Number represents the number of finance lease agreements under performance as of 31 December 2025 and 31 December 2024, 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 year end:

	As of 31 December			
	2025		2024	
Period[1]	**Finance lease receivables balance RMB (million)**	**Percentage**	Finance lease receivables balance RMB (million)	Percentage
Less than 1 year	**4,996.9**	**64.8%**	3,594.8	57.4%
Between 1 and 2 years	**1,778.2**	**23.0%**	1,733.1	27.7%
Over 2 years	**943.6**	**12.2%**	932.8	14.9%
Total	**7,718.7**	**100.0%**	6,260.7	100.0%

Note:

(1) Period means the length of time of the outstanding loans granted as of the end of 2025 and the end of 2024, respectively.

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

	As of 31 December			
	2025		2024	
Period[(1)]	**Number[(2)]**	**Factoring receivables balance RMB (million)**	Number[(2)]	Factoring receivables balance RMB (million)
Less than 3 months	**212**	**738.0**	194	856.6
Between 3 months and 6 months	**135**	**413.3**	98	310.0
Between 6 months and 12 months	**40**	**81.2**	35	70.2
Over 12 months	**13**	**102.7**	5	19.6
Total	**400**	**1,335.2**	332	1,256.4

Notes:

(1) Period means the length of time remaining until the agreed maturity date of the factoring agreements as of 31 December 2025 and 31 December 2024, respectively.

(2) Number represents the number of factoring agreements under performance as of 31 December 2025 and 31 December 2024, respectively.

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

	As of 31 December			
	2025		2024	
Period[(1)]	**Factoring receivables balance RMB (million)**	**Percentage**	Factoring receivables balance RMB (million)	Percentage
Less than 3 months	**532.2**	**39.8%**	567.7	45.2%
Between 3 months and 6 months	**285.9**	**21.4%**	347.2	27.6%
Between 6 months and 12 months	**175.8**	**13.2%**	64.2	5.1%
Over 12 months	**341.3**	**25.6%**	277.3	22.1%
Total	**1,335.2**	**100.0%**	1,256.4	100.0%

Note:

Period means the length of time of the outstanding loans granted as of the end of 2025 and the end of 2024, respectively.

(viii) Movements of impairments or write-offs of loans receivable and the basis of impairment assessments

Financial leasing business: The Group assessed whether the credit risk of loans receivable had increased significantly since their initial recognition, and applied a three-stage impairment model to calculate the expected credit loss ("**ECL**"). For loans receivable 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 loans receivable classified under stage 3 (there have been identified as credit-impaired since initial recognition), the Group assessed loss allowances by estimating the expected discounted cash flows.

As of 31 December 2025, the Company's financial leasing business involved long-term receivables of RMB7,718.7 million (2024: RMB6,260.7 million) and a balance of loss allowances for loans receivable of financial leasing business of RMB374.9 million (2024: RMB403.2 million). In 2025, the loss allowances decreased by 7.0% as compared with 2024, mainly due to the improvement in collection rate as a result of continuous collection in 2025, resulting in a decrease in the overall ECL ratio.

Factoring business: The Group assessed whether the credit risk of loans receivable had increased significantly since their initial recognition, and applied a three-stage impairment model to calculate the ECL. For loans receivable 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 loans receivable 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 31 December 2025, the Company's factoring business involved factoring receivables of RMB1,335.2 million (2024: RMB1,256.4 million) and the balance of loss allowances for factoring receivables was RMB190.8 million (2024: RMB175.0 million). The increase of 9.0% in the balance of loss allowances in 2025 as compared with 2024 was mainly because additional provisions were made by evaluating the operating conditions of certain individual clients, fully considering the associated credit risks.

IoV and Data Service Sector

We conduct our IoV and data service business through our wholly-owned subsidiary Tianxingjian. As at 31 December 2025, the number of heavy commercial vehicles registered with our IoV platform was approximately 1,260.0 thousand.

Our IoV system has maintained its strong data collection capabilities and broad range of application scenarios. As at 31 December 2025, the intellectual property rights owned by Tianxingjian included 39 patents and 133 copyrights, and Tianxingjian is in the process of applying for 24 patents.

At the same time, leveraging our in-depth understanding of user application scenarios and data advantages, we continued to optimize a range of application services. These include: (i) enriching the Smart Logistics System with value-added services such as TMS, secure hosting, and AI-based fuel-saving features; (ii) adding vehicle operation risk analysis functions to the Financial Risk Control System; (iii) developing a data-driven analysis system for the new energy three-electric (battery, motor, and electronic control) field; (iv) designing and developing advanced driver-assistance integrated solutions for the express delivery and logistics industry; and (v) optimizing the overseas version of our connected vehicle solution for global operations. These application products and technological innovations place us at the forefront of connected vehicle applications in China.

BUSINESS OUTLOOK

In 2025, we proactively broke new ground amid transformation, harnessed collective strength through collaboration, and expanded our strategic horizons through innovation. As we enter 2026 — the inaugural year of the 15th Five-Year Plan — we will systematically deploy our annual work around three core principles of "strengthening foundations, addressing weaknesses, and driving innovation" through the following key initiatives:

(I) Strengthening Foundations: Consolidating the Fundamentals for Long-term Development

Enduring development rests on continuously reinforcing and evolving our core operations. In 2026, we will continue to refine our product and service portfolio, advance from "sales-finance synergy" to "production-sales-service synergy", so as to strengthen our competitive position, and operate our fundamental businesses prudently.

(II) Addressing Weaknesses and Enhancing Quality: Building Systematic Resilience

While building on our core strengths, we remain acutely aware of development gaps. In 2026, we will adopt a problem-oriented approach, implementing targeted improvements in critical areas to systematically enhance overall business resilience.

Logistics ecosystem sector: Our primary objective is to enhance quality and operational efficiency of supply chain and logistics business. We will continue to advance our strategic shift from scale expansion to quality-driven growth. On the one hand, we will optimise our business structure by focusing on higher-value segments, including new energy scenario applications. On the other hand, we will strengthen refined management of operation and risk control, enhance end-to-end visibility and exception response capabilities, and deliver more stable, reliable and competitive supply chain solutions.

Financial ecosystem sector: Firstly, we are committed to enhancing the contribution of non-vehicle businesses within our leasing portfolio. While continuing to strengthen our commercial vehicle leasing operations, we will prudently expand into selected non-vehicle sectors, including high-end equipment and logistics infrastructure. Through the establishment of robust evaluation frameworks and risk management models, we will focus on high-quality sectors and clients to cultivate new sources of scale and profitability, diversify our asset portfolio and enhance risk resilience. Furthermore, we will focus on strengthening the competitiveness and the ability of addressing risk of our factoring business. In response to changes in the external financing environment and adjustments to internal payment models, we will reinforce our customer base through product innovation and process optimisation.

Data ecosystem sector: We will further expand Tianxingjian data services into a broader range of application scenarios. While our data capabilities currently support vehicle management effectively, the next phase of development will focus on extending these capabilities into additional business areas, including used vehicle valuation, financial risk management, usage-based insurance (UBI) innovation and regional market analytics. As we broaden the scope of data utilisation, we will leverage data flows as actionable insights and value drivers to enhance operational efficiency, expand customer acquisition channels and strengthen risk management.

(III) Driving Innovation: Cultivating New Engines of Value Creation

Amid profound changes across the industry landscape, we firmly believe that innovation is critical to navigating market cycles and driving sustainable growth. In 2026, we will advance innovation in a structured manner across three dimensions: business innovation, market innovation and model innovation, with the goal of cultivating new engines of value creation for the future.

In terms of business structure, we will establish the automobile ecosystem sector business, and launch "Deyitongtu", our certified pre-owned vehicle platform, as a key initiative in 2026 to support vehicle sales growth. We will enhance the quality of pre-owned vehicles through the integration of secondary-brand parts. In light of this, we will, leveraging five core advantages including OEM brands, technology, channel, standards and services, establish an integrated pre-owned vehicle service system combining an online transaction platform with offline acquisition, sales and reconditioning operations. Through this model, we aim to build a collaborative ecosystem across dealers, parts suppliers, service centres and end customers, enhancing value delivery and operational efficiency for all participants.

In terms of market expansion, we will further strengthen and replicate Shaanxi Automobile's overseas business model integrating vehicle sales with aftermarket services, advancing the localisation of our international operations. Our Hong Kong subsidiary will formally commence operations in 2026 and will serve as a central platform for overseas investments. Through this platform, we plan to establish additional overseas operating subsidiaries while developing risk management frameworks based on local conditions where such subsidiaries to be operated. Going forward, our overseas subsidiaries will undertake key functions including automobile sales, finance leasing and overseas product operations. This will enable us to transition from a product-focused export model to an integrated approach combining sales, financial services and localised support, thereby promoting the international expansion of our "products plus services" solutions.

In terms of ecosystem development, we will adopt a more open approach in 2026, placing greater emphasis on ecosystem building as a key dimension of our business model innovation. We will evolve from a company offering diversified services into an ecosystem platform that provides customers with integrated digital and intelligent services.

In 2026, we will prioritize building four major ecosystem brand matrices spanning Data, Finance, Logistics, and Vehicles. On this basis, we will empower ecosystem partners with resources, value propositions, data intelligence, and brand capital, thereby expanding the Company's market influence, deepening customer trust, and delivering superior product offerings and service experiences to end users through cross-stakeholder collaboration.

The following discussion and analysis are based on the Group's consolidated financial statements and notes thereto prepared in accordance with the IFRSs and are designed to assist readers in further understanding the data provided in this report so as to better understand the financial position and operating results of the Group as a whole.

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) IoV and data service sector.

The revenue of the Group increased by 5.1% to RMB2,762.2 million for the year ended 31 December 2025 from RMB2,627.8 million for the corresponding period of 2024.

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

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Logistics and Supply Chain Service Sector	**2,057,082**	**74.5**	1,944,229	74.0
— Sales of goods	**786,228**	**28.5**	304,303	14.3
— Logistics and warehousing service	**1,264,436**	**45.8**	1,636,299	59.6
— Others Note (1)	**6,418**	**0.2**	3,627	0.1
Supply Chain Financial Service Sector	**445,417**	**16.1**	463,261	17.6
— Interest income from financial leasing business	**364,137**	**13.2**	373,962	14.2
— Interest income from factoring services	**80,961**	**2.9**	88,487	3.4
— Others Note (2)	**319**	**0.0**	812	0.0
IoV and Data Service Sector	**259,726**	**9.4**	220,311	8.4
— Sales of goods	**203,445**	**7.4**	157,194	6.0
— IoV and data service	**56,281**	**2.0**	63,117	2.4
Total	**2,762,225**	**100.0**	2,627,801	100.0

Notes:

(1) Other revenue from logistics and supply chain service sector was mainly (i) financial leasing assistance service for customers of automobile sales business, and (ii) provisional automobile plate service.

(2) Other revenue from the supply chain financial service sector is derived from the provision of satellite positioning devices and related installation services to commercial vehicle brands other than Shaanxi Holding Group, which facilitates our provision of finance leasing services.

Logistics and Supply Chain Service Sector

Revenue for the Group was mainly derived from logistics and supply chain service sector for the year ended 31 December 2025. Such revenue was primarily derived from (i) sales of commercial vehicles and components, including tyres, lubricants and other automobile-related products, (ii) logistics and warehousing services, and (iii) other services, such as leased automobile management services. Revenue from the logistics and supply chain service sector increased by approximately 5.8% from RMB1,944.2 million for the year ended 31 December 2024 to RMB2,057.1 million for the year ended 31 December 2025, primarily due to (i) a decrease of approximately RMB371.9 million in revenue from logistics and warehousing services as compared to the same period last year as a result of a decrease in third party logistics business during the Reporting Period, and (ii) an increase in revenue from this sector as compared to the same period last year as a result of an increase of approximately RMB467.7 million in revenue from the automobile sales business as compared to the same period last year during the Reporting Period.

Supply Chain Financial Service Sector

Supply chain financial service sector was our second largest source of revenue for the year ended 31 December 2025. It represented the revenue generated from (i) interest income from financial leasing business operated under a sales and leaseback model, (ii) interest income from factoring service, and (iii) others, such as provision of satellite positioning device and the related installation service under our financial leasing service. Revenue from the supply chain financial service sector decreased by approximately 3.9% from RMB463.3 million for the year ended 31 December 2024 to RMB445.4 million for the year ended 31 December 2025, primarily because the Group lowered the internal return rates on leasing business to enhance competitiveness given the intensified competition in the domestic financial leasing industry in 2025, resulting in a decrease in revenue.

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. Revenue from the IoV and data service sector increased by approximately 17.9% from RMB220.3 million for the year ended 31 December 2024 to RMB259.7 million for the year ended 31 December 2025, primarily due to an increase in revenue from sales of intelligent IoV products as compared to the same period last year as a result of an increase in the sales of commercial vehicles by commercial vehicle manufacturers during the Reporting Period.

COST OF REVENUE

The cost of revenue for the Group primarily consisted of (i) for our logistics and supply chain service sector, procurement costs of commercial vehicles, services fees paid to third party transportation fleet involved in our logistics services, depreciation and maintenance of our own transportation fleet involved in our logistics services, (ii) for our supply chain financial service sector, interest expenses of our external financing and marketing expenses, and (iii) for our IoV and data service sector, procurement costs of hardware and data usage.

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

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Logistics and supply chain service sector	**1,962,111**	**71.0**	1,850,787	70.4
— Sales of goods	**772,921**	**27.9**	297,740	11.3
— Logistics and warehousing service	**1,184,273**	**42.9**	1,551,672	59.0
— Others	**4,917**	**0.2**	1,375	0.1
Supply chain financial service sector	**241,895**	**8.8**	215,539	8.2
— Interest income from financial leasing business	**217,048**	**7.9**	180,620	6.9
— Interest income from factoring services	**24,796**	**0.9**	34,269	1.3
— Others	**51**	**0.0**	650	0.0
IoV and data service sector	**161,782**	**5.9**	130,870	5.0
— Sales of goods	**151,021**	**5.5**	118,733	4.5
— IoV and data service	**10,761**	**0.4**	12,137	0.5
Total	**2,365,788**	**85.7**	2,197,196	83.6

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

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Transportation expenses	**896,622**	**32.5**	1,289,990	49.1
Purchase cost of commercial vehicles	**683,307**	**24.7**	218,855	8.3
Funding cost	**231,607**	**8.4**	202,864	7.7
Purchased goods consumed	**267,523**	**9.7**	183,591	7.0
Employee benefit expenses	**128,909**	**4.7**	131,055	5.0
Outsourced labour costs	**68,303**	**2.5**	81,243	3.1
Lease expenses	**23,630**	**0.9**	34,750	1.3
Depreciation of properties, plant and equipment	**20,269**	**0.7**	21,800	0.8
Amortisation of right-of-use asset	**12,086**	**0.4**	10,116	0.4
Network traffic costs	**8,059**	**0.3**	9,473	0.4
Others	**25,473**	**0.9**	13,459	0.5
Total	**2,365,788**	**85.7**	2,197,196	83.6

Cost of revenue for the Group increased by approximately 7.7% from RMB2,197.2 million for the year ended 31 December 2024 to RMB2,365.8 million for the year ended 31 December 2025, mainly due to the fact that cost of revenue increased in line with revenue during the Reporting Period.

For the year ended 31 December 2025, the cost of our logistics and supply chain service sector increased by approximately 6.0% as compared to 2024, generally in line with the increase of 5.8% in the sector's revenue for the same period.

For the year ended 31 December 2025, the cost of our supply chain financial service sector increased by approximately 12.2% as compared to 2024, while revenue decreased by 3.9% as compared to the same period in 2024. The relatively higher increase in cost of revenue was primarily due to an increase in business costs as the Group increased investment in commercial policy costs given the intensified competition in the domestic financial leasing industry in 2025.

For the year ended 31 December 2025, the cost of our IoV and data service sector increased by 23.6% as compared to 2024, mainly due to the increase in sales of IoV terminal products leading to an increase in corresponding costs during the Reporting Period as compared to the same period last year.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth a breakdown of the gross profit and gross profit margin by business segments for the periods indicated:

	Year ended 31 December			
	2025		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000 and % for gross profit margin)			
Logistics and supply chain service sector	**94,971**	**4.6**	93,442	4.8
— Sales of goods	**13,307**	**1.7**	12,195	3.3
— Logistics and warehousing service	**80,163**	**6.3**	78,995	5.0
— Others	**1,501**	**23.4**	2,252	62.1
Supply chain financial service sector	**203,522**	**45.7**	247,722	53.5
— Interest income from financial leasing business	**147,089**	**40.4**	193,342	51.7
— Interest income from factoring services	**56,165**	**69.4**	54,218	61.3
— Others	**268**	**84.0**	162	20.0
IoV and data service sector	**97,944**	**37.7**	89,441	40.6
— Sales of goods	**52,424**	**25.8**	38,461	24.5
— IoV and data service	**45,520**	**80.9**	50,980	80.8
Total	**396,437**	**14.3**	430,605	16.4

The Group's gross profit decreased by 7.9% from RMB430.6 million for the year ended 31 December 2024 to RMB396.4 million for the year ended 31 December 2025. Gross profit margin is calculated by dividing gross profit by revenue. The Group's gross profit margin decreased from 16.4% for the year ended 31 December 2024 to 14.3% for the year ended 31 December 2025, primarily due to a decrease in gross profit margin as compared to the same period last year, as the interest rate spread was narrowed given the intensified competition in the domestic financial leasing industry and the sales of commercial vehicles in 2025, meanwhile, the Group increased investment in commercial policy costs, resulting in an increase in business costs.

SELLING EXPENSES

Our selling expenses primarily consisted of (i) employee benefit expenses incurred for our sales and marketing staff, including salaries, bonuses, social insurance costs, housing provident funds and other employee benefits, (ii) travelling and accommodation costs incurred by business trips of our sales and marketing staff, (iii) business entertainment expenses incurred for our sales and marketing activities, (iv) advertisement expenses, (v) others, including primarily transportation allowance, office rental and overheads of our sales and marketing staff and conference expenses.

The following table sets forth a breakdown of the components of our selling expenses in absolute amounts and as percentages to the total selling expenses for the periods indicated:

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Employee benefit expenses	**33,210**	**78.0**	33,941	78.6
Travelling costs	**6,382**	**15.0**	6,239	14.5
Business entertainment expenses	**369**	**0.9**	651	1.5
Advertising expenses	**322**	**0.8**	620	1.4
Others	**2,312**	**5.3**	1,713	4.0
Total	**42,595**	**100.0**	43,164	100.0

Our selling expenses decreased by approximately 1.3% from RMB43.2 million for the year ended 31 December 2024 to RMB42.6 million for the year ended 31 December 2025. Such decrease was mainly attributable to the decrease in business entertainment expenses and advertising expenses during the Reporting Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses primarily consisted of (i) employee benefit expenses incurred for our management and administrative staff, including wages, salaries, bonuses, social insurance costs, housing provident funds and other employee benefits, (ii) depreciation of property, plant and equipment used for administrative and general use, (iii) amortisation of intangible assets for administrative and general use, (iv) office rental for management and administrative staff, (v) business entertainment expenses incurred by our management and administrative staff, (vi) conference expenses, (vii) advisory fees paid to external advisors in connection with general consulting projects, and (viii) others, including primarily travelling and accommodation costs incurred by business trips and overheads of our management and administrative staff and advertising expenses for general purposes.

The following table sets forth a breakdown of the components of our administrative expenses in absolute amounts and as percentages to the total administrative expenses for the periods indicated:

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Employee benefit expenses	**68,047**	**62.0**	67,602	52.9
Advisory fees	**5,419**	**4.9**	10,653	8.3
Office rental	**5,244**	**4.8**	6,682	5.2
Amortisation of intangible assets	**4,101**	**3.7**	3,829	3.0
Depreciation of properties, plant and equipment	**3,219**	**2.9**	1,895	1.5
Business entertainment expenses	**853**	**0.8**	1,859	1.5
Conference expenses	**680**	**0.6**	42	0.0
Others	**22,230**	**20.3**	35,151	27.6
Total	**109,793**	**100.0**	127,713	100.0

Administrative expenses decreased by approximately RMB17.9 million from RMB127.7 million for the year ended 31 December 2024 to RMB109.8 million for the year ended 31 December 2025. Such decrease was mainly due to (i) a decrease of approximately RMB7.7 million in advisory fees, office rental and business entertainment expenses as compared to the same period in 2024, and (ii) a decrease of approximately RMB12.9 million in technical service fees and outsourced labour costs of other projects as compared to the same period in 2024.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses primarily consisted of (i) employee benefit expenses incurred for our research and development staff, including wages, salaries, bonuses, social insurance costs, housing provident funds and other employee benefits, (ii) technical service fees incurred for our outsourced research and development activities and testing fees, (iii) depreciation of property, plant and equipment used for research and development activities, (iv) office rental for our research and development team and activities, and (v) others, including primarily amortisation of intangible assets used for research and development activities.

The following table sets forth a breakdown of the components of our research and development expenses in absolute amounts and as percentages to our total research and development expenses for the periods indicated:

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Employee benefit expenses	**21,765**	**54.1**	19,922	58.3
Office rental	**5,408**	**13.4**	6,398	18.7
Depreciation of properties, plant and equipment	**2,688**	**6.7**	2,466	7.2
Technical service fees	**1,694**	**4.2**	1,489	4.3
Others	**8,662**	**21.6**	3,924	11.5
Total	**40,217**	**100.0**	34,199	100.0

Research and development expenses increased by approximately 17.6% from RMB34.2 million for the year ended 31 December 2024 to RMB40.2 million for the year ended 31 December 2025. Such increase was mainly due to an increase in employee benefit expenses as a result of increased in-house research and development projects during the Reporting Period.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Net impairment losses represented the provision for impairment of certain financial assets and the provision for expected credit losses of our financial assets during the years ended 31 December 2024 and 2025. The Group calculates the expected credit loss based on the default risk exposure and the expected credit loss rate, which is in turn determined based on the default probability and the default loss rate. In determining the expected credit loss rate, the Group mainly considers internal historical credit losses and other relevant data, and adjusts such data for current conditions and forward looking data. In considering the forward looking data, the Group considers macroeconomic factors including gross domestic products, consumer price index, fixed asset investment, industrial added value, export, RMB Loan and M2.

Net impairment losses on financial assets increased by approximately 131.4% from RMB52.9 million for the year ended 31 December 2024 to RMB122.4 million for the year ended 31 December 2025. Such increase was mainly attributable to (i) an increase of approximately RMB104.9 million in the loss allowances in the logistics and supply chain service sector during the Reporting Period as compared to the same period last year, which was mainly due to the Group, in light of the changes in overall market risks and on a prudent basis, appropriately increasing the ECL ratio for impairment of accounts receivable and the credit loss allowances for certain individual customers in 2025; and (ii) a decrease of approximately RMB34.9 million in the provision for credit impairment loss in the supply chain financial service sector as compared to the same period last year, as the Group increased the amount of investment in financial leasing business, while intensifying the collection efforts for loans receivable.

OTHER INCOME

Other income decreased by approximately 30.4% from RMB31.6 million for the year ended 31 December 2024 to RMB22.0 million for the year ended 31 December 2025, which was mainly due to a decease in the receipt of special government subsidy during the Reporting Period.

OTHER GAINS/(LOSSES) — NET

Other gains/(losses) — net consist of (i) notes receivable discount expenses; (ii) gains or losses on disposal of property, plant and equipment, and (iii) others (primarily including penalty income and liquidated damages).

Other gains/(losses) — net decreased by approximately 161.5% from net losses of RMB1.3 million for the year ended 31 December 2024 to net gains of RMB0.8 million for the year ended 31 December 2025. The decrease was mainly due to the increase in the liquidated damages and fines received from customers in the logistics and supply chain service business during the Reporting Period.

FINANCE COSTS — NET

Finance income primarily derived from the interest income of our bank deposits. Finance costs primarily represented the interest expenses incurred for our borrowings to fund our operations other than the supply chain financial service sector, the interest expenses resulted from the unwinding of lease liabilities and exchange losses arising from settlement of foreign exchange.

The following table sets forth a breakdown of the components of net finance costs in absolute amounts and as percentages of total net finance costs for the periods indicated:

	Year ended 31 December			
	2025		2024	
	Amount	**%**	Amount	%
	(RMB'000, except for percentages)			
Finance income	**14,877**	**(93.2)**	21,504	(242.3)
Finance costs	**(30,838)**	**193.2**	(30,378)	342.3
Net	**(15,961)**	**100.0**	(8,874)	100.0

We recorded finance net costs of RMB8.9 million and RMB16.0 million for the years ended 31 December 2024 and 2025, respectively, which represented the combined effect of our finance income and finance costs for the years indicated.

PROFIT BEFORE INCOME TAX

Profit before income tax decreased by 53.2% from RMB199.2 million for the year ended 31 December 2024 to RMB93.2 million for the year ended 31 December 2025. The decrease was mainly due to (i) the general decrease in gross profit margin of the business as compared to last year, as the interest rate spread was narrowed given the intensified competition in the domestic financial leasing industry and the supply chain logistics industry in 2025, meanwhile, the Group increased investment in commercial policy costs to enhance competitiveness, resulting in an increase in business costs, and (ii) the Group, in light of the changes in overall market risks and on a prudent basis, appropriately increasing the ECL ratio for impairment of trade receivables and the credit loss allowances for certain individual customers, leading to a decline in the Group's overall profit before income tax.

INCOME TAX EXPENSE

Our income tax expense was approximately RMB33.5 million for the year ended 31 December 2025, as compared to RMB42.4 million for the year ended 31 December 2024. The decrease was due to a decrease in profit before income tax during the Reporting Period.

PROFIT FOR THE YEAR

Our profit for the year ended 31 December 2025 was approximately RMB59.6 million, as compared to RMB156.7 million for the year ended 31 December 2024. Net profit margin for the year ended 31 December 2025 was 2.2%, as compared to 6.0% for the year ended 31 December 2024. The decrease was mainly due to a decrease in the profit before income tax during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

Current Assets and Current Liabilities

As at 31 December 2025, the Group's net current assets amounted to approximately RMB2,384.0 million, representing an increase of approximately 67.4% from RMB1,424.4 million as at 31 December 2024. Such increase was mainly because (i) the current assets increased by approximately RMB1,001.3 million as compared to 2024, and (ii) the current liabilities increased by approximately RMB41.7 million as compared to 2024.

The Group's current assets increased by RMB1,001.3 million from approximately RMB7,015.8 million as at 31 December 2024 to approximately RMB8,017.1 million as at 31 December 2025. Such increase was mainly due to (i) an increase of approximately RMB1,317.8 million in the total of inventories, trade receivables, loans receivable due within one year, prepayments, restricted cash at banks, time deposits due within one year and other receivables as compared to the end of 2024; and (ii) a decrease of approximately RMB316.5 million in notes receivable, cash and cash equivalents as compared to the end of 2024.

The Group's current liabilities increased by approximately RMB41.7 million from approximately RMB5,591.4 million as at 31 December 2024 to approximately RMB5,633.1 million as at 31 December 2025. Such increase was mainly due to (i) an increase of approximately RMB2,026.4 million in the total of short-term borrowings, notes payable, employee benefits payable and taxes payable as compared to the end of 2024, and (ii) a decrease of approximately RMB1,984.7 million in accounts payable, other payables, bonds payable due within one year and long-term borrowings due within one year as compared to the end of 2024.

Other Receivables

Other receivables increased by approximately RMB129.7 million from RMB92.2 million as at 31 December 2024 to RMB221.9 million as at 31 December 2025. Such increase was mainly due to the increase in advances for commodity purchase on behalf of customers as a result of expansion of the aftermarket business.

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets at fair value through other comprehensive income increased by approximately RMB50.9 million from RMB116.5 million as at 31 December 2024 to RMB167.4 million as at 31 December 2025. The increase was mainly due to an increase in notes receivable at the end of the year as a result of an increase in notes receivable in repayments from customers during the Reporting Period.

Loans Receivable

Loans receivable increased by approximately RMB1,549.2 million from RMB6,939.0 million as at 31 December 2024 to RMB8,488.2 million as at 31 December 2025. The increase was mainly due to an increase in the invested funds in financial leasing business during the Reporting Period.

Inventories

Inventories increased by approximately RMB71.7 million from RMB73.3 million as at 31 December 2024 to RMB145.0 million as at 31 December 2025. The increase was mainly due to an increase in purchases of IoV terminal products, spare parts and consumables during the Reporting Period.

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:

	Year ended 31 December	
	2025	2024
Average turnover days of inventories of the logistics and supply chain service sector[Note (1)]	**45.9**	58.1
Average turnover days of inventories of the IoV and data service sector[Note (2)]	**28.9**	3.1

Notes:

(1) Average turnover days of inventories of the logistics and supply chain service sector equal to the average of the opening and closing inventory balances of the logistics and supply chain service sector of the indicated year divided by the cost of revenue of the logistics and supply chain service sector for such year and multiplied by the number of days contained in that period.

(2) Average turnover days of inventories of the IoV and data service sector equal to the average of the opening and closing inventory balances of the IoV and data service sector of the indicated year divided by the cost of revenue of the IoV and data service sector for such year and multiplied by number of days contained in that period.

Average turnover days of inventories of the logistics and supply chain service sector in 2024 and for the year ended 31 December 2025 were 58.1 days and 45.9 days, respectively, which was mainly due to shorter average turnover days of inventories as a result of the faster digestion of inventory vehicles during the Reporting Period.

Average turnover days of inventories of the IoV and data service sector in 2024 and for the year ended 31 December 2025 were 3.1 days and 28.9 days, respectively, mainly due to an increase in inventory turnover days as the Group increased the stock at the end of 2025, in preparation for demand of commercial vehicle manufacturer customers in the next year.

Trade Receivables

Trade receivables increased by approximately RMB83.8 million from RMB796.7 million as at 31 December 2024 to RMB880.5 million as at 31 December 2025. The increase was mainly due to a rise in the volume of commercial vehicle sales business during the Reporting Period, resulting in an increase in the balance of trade receivables for the year.

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

	Year ended 31 December	
	2025	2024
Average turnover days of trade receivables *Note (1)*	**155.8**	147.9

Note:

(1) Average turnover days of trade receivables equal to the average of the opening and closing trade receivables divided by revenue generated during the year (other than revenue generated from our supply chain financial service sector) and multiplied by the number of days contained in that year.

In 2024 and the year ended 31 December 2025, the average turnover days of trade receivables were 147.9 days and 155.8 days, respectively. The increase in turnover days was mainly due to the increase in the closing balance of trade receivables, resulting in longer turnover days of trade receivables during the year.

Trade and Other Payables

Trade and other payables increased by approximately RMB906.2 million from RMB2,673.8 million as at 31 December 2024 to RMB3,580.0 million as at 31 December 2025. The increase was primarily because: (i) the short-term portion decreased by approximately RMB1,259.9 million as compared to the end of 2024, which mainly comprised an increase of approximately RMB442.5 million in the total of notes payable, employee benefits payable, taxes payable, deposits and guarantee payable, etc., as compared to the end of 2024, and an decrease of approximately RMB1,702.4 million in the total of trade payables, financial leasing deposit due within one year and related party borrowings due within one year as compared to the end of 2024; and (ii) the long-term portion increased by approximately RMB2,166.1 million as compared to the end of 2024, which was mainly due to an increase of approximately RMB2,166.1 million in the total of related party borrowings due after one year and financial leasing deposit, etc., as compared to the end of 2024.

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

	Year ended 31 December	
	2025	2024
Average turnover days of trade payables *Note (2)*	**67.5**	73.2

Note:

(2) Average turnover days of trade payables equal to the average of the opening and closing trade payables divided by cost of revenue for the same year and multiplied by the number of days contained in that year.

In 2024 and for the year ended 31 December 2025, the average turnover days of trade payables were 73.2 days and 67.5 days, respectively, primarily due to the shorter settlement cycle for the sales of goods business in the logistics and supply chain service sector during the Reporting Period, and the shorter settlement cycle for freight charges of third-party logistics, resulting in decreased average turnover days of trade payables.

Liquidity and Capital Resources

We have financed our operations primarily through cash generated from our operating activities, capital contribution from our Shareholders, bank borrowings, loan from related parties and asset-backed securities. As at 31 December 2024 and as at 31 December 2025, we had cash and cash equivalents of RMB893.5 million and RMB610.9 million, respectively.

The following table sets forth our cash flows for the periods indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Operating profit before changes in working capital, excluding non-cash items	**288,557**	314,145
Changes in working capital:		
— Restricted cash at banks	**(91,959)**	22,923
— Financial assets at fair value through other comprehensive income (FVOCI)	**(50,915)**	(4,196)
— Notes receivable	**36,866**	(581,784)
— Trade receivables	**(198,506)**	(25,953)
— Loans receivable	**(1,558,243)**	(457,026)
— Other receivables	**(128,397)**	89,833
— Prepayments	**(39,750)**	17,077
— Inventories	**(71,699)**	(55,441)
— Trade and other payables	**905,472**	1,316,687
— Contract liabilities	**(11,299)**	(21,419)
— Borrowings	**1,087,217**	(647,143)
— Provisions for warranty	**649**	(376)
— Deferred government grants	**1,027**	(3,613)
Changes in working capital	**(119,537)**	(350,431)
Cash flow from operating activities		
Cash generated from/(used in) operations	**169,020**	(36,286)
Interests received	**14,877**	21,504
Income tax paid	**(50,697)**	(61,840)
Net cash generated from/(used in) operating activities	**133,200**	(76,622)
Net cash used in investing activities	**(245,080)**	(36,655)
Net cash (used in)/generated from financing activities	**(170,553)**	30,628

Net Cash Generated from Operating Activities

Our primary source of cash generated from operating activities consists of revenue from our logistics and supply chain service sector, supply chain financial service sector and IoV and data service sector. Our cash used in operating activities are mainly used to fund the purchase of commercial vehicles, financing costs and marketing, research and development activities. Our net cash generated from operating activities primarily reflected the combined effect of (i) operating profit before changes in working capital adjusted for non-operating items such as finance costs, and non-cash items such as provision, depreciation and amortisation, (ii) the effect of movements in working capital, including changes in restricted cash at banks, financial assets at fair value through other comprehensive income, trade receivables, loans receivable, other receivables, prepayments, inventories, trade and other payables, contract liabilities and borrowings, (iii) interests received, and (iv) income tax paid.

For the year ended 31 December 2025, net cash generated from operating activities was RMB133.2 million, representing an increase of RMB209.8 million as compared to the same period in 2024, which was primarily due to the increase in the bank borrowings drawn by the financial leasing business and factoring business during the Reporting Period.

Net Cash Used in Investing Activities

Our cash generated from investing activities primarily reflected the proceeds received from disposal of equity interest, property, plant and equipment and wealth management products. Our cash used in investing activities primarily reflected the payments made for wealth management products and property, plant and equipment and intangible assets.

For the year ended 31 December 2025, net cash used in investing activities was RMB245.1 million, representing an increase of RMB208.4 million compared with the same period in 2024, which was mainly due to (i) the increase of RMB8.4 million in cash payment for the purchase and construction of fixed assets, intangible assets and other long-term assets during the Reporting Period compared with the same period of the previous year; and (ii) payment for purchase of term deposits of RMB200.0 million during the Reporting Period.

Net Cash Used in Financing Activities

Our cash generated from financing activities primarily represented the proceeds we received from bank borrowings and bond issuance. Our cash used in financing activities primarily represented the repayment of borrowings and bond, dividend payment to our Company's Shareholders and non-controlling interests of our subsidiaries and repayment of lease liabilities.

For the year ended 31 December 2025, net cash used in financing activities was RMB170.6 million, representing a decrease of RMB201.2 million as compared to the same period in 2024, which primarily reflected the combined effects of (i) an increase of approximately RMB189.8 million in proceeds from borrowings and bond issuance during the Reporting Period as compared to the same period of 2024; (ii) an increase of approximately RMB372.7 million in cash payments for the repayment of debts and asset-backed securities during the Reporting Period as compared to the same period of 2024, and (iii) a decrease of RMB12.3 million in dividend distributions as compared to the same period of 2024.

Capital Expenditure

For the year ended 31 December 2025, the Group's capital expenditures amounted a total of RMB77.0 million, of which investments in property, plant and equipment was RMB27.5 million in total. The capital expenditure investments in intangible assets and right-of-use assets amounted to RMB22.8 million and RMB26.7 million, respectively.

The following table sets forth our capital expenditures for the periods indicated:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Property, plant and equipment	**27,543**	56,808
Intangible assets	**22,811**	23,709
Right-of-use assets	**26,650**	14,194
Total	**77,004**	94,711

INDEBTEDNESS

Bank Borrowings

Our bank borrowings increased by 69.7% from RMB2,200.2 million as at 31 December 2024 to RMB3,733.4 million as at 31 December 2025, mainly because our new bank borrowings is more than the due amount as a result of the increase in amount invested into financial leasing business during the Reporting Period.

Loan from Related Parties

Our loan from related parties increased by 32.9% from RMB1,725.0 million as at 31 December 2024 to RMB2,292.3 million as at 31 December 2025, mainly due to an increase in borrowings payable to Shaanxi Automobile Holding in 2025.

Asset-Backed Securities

Our asset-backed securities decreased by 36.7% from RMB1,076.0 million as at 31 December 2024 to RMB681.2 million as at 31 December 2025, primarily due to the fact that the amount of asset-backed securities (ABS) that matured and were repaid during the Reporting Period was greater than the amount of newly issued ABS.

Other Borrowings

Our other borrowings obtained from other financial institutions decrease by 100.0% from RMB83.6 million as at 31 December 2024 to RMB0 million as at 31 December 2025, mainly due to the fact that all other borrowings were repaid and no new borrowings were made during the Reporting Period.

Notes Payable

Our notes payables increased by 508.7% from RMB66.7 million as at 31 December 2024 to RMB406.0 million as at 31 December 2025, primarily due to (i) the increase of approximately RMB212.1 million in the amount of notes at the end of the period as compared with the end of last year as a result of an increase in the issuance of notes for the purchase of commercial vehicles and new energy batteries in the logistics and supply chain service sector during the Reporting Period; (ii) in financial leasing business, the increase of RMB128.0 million in the notes payable issued by banks to customers for fund investment as compared with the end of last year.

The maturity date of financial liabilities is as follows:

31 December 2025	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years** (RMB'000)	**Over 5 years**	**Total**
Trade and other payables	1,256,273	1,548,132	813,743	—	3,618,148
Lease liabilities	20,484	7,032	1,149	287	28,952
Borrowings	3,722,228	20,338	49,572	—	3,792,138
Bonds payable	634,647	54,065	—	—	688,712
Total	**5,633,632**	**1,629,567**	**864,464**	**287**	**8,127,950**

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

Items	**Weighted average interest rate**
Bank borrowings	2.85%
Loan from related parties	2.34%
Asset-backed securities	2.38%

Lease Liabilities

Our lease liabilities represent the lease of office buildings and facilities for our logistics and warehousing services. Our lease liabilities amounted to RMB23.1 million and RMB27.7 million, respectively, as at 31 December 2024 and 31 December 2025. The lease term of our lease of buildings and facilities ranges from one year to ten years.

Charges on Assets

Details of the Group's charges on assets as at 31 December 2025 are set out in note 29 to the consolidated financial statements.

Contingent Liabilities

As at 31 December 2025, our Group did not have any unrecorded significant contingent liabilities, guarantees or any litigation against us.

As at 31 December 2025, 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, financial leasing commitments, hire purchase commitment.

Save as disclosed above, our Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of our Group since 31 December 2025 and up to the Latest Practicable Date.

Gearing Ratio

The Group's gearing ratio increased from 55.5%% as at 31 December 2024 to 63.5% as at 31 December 2025. This was mainly due to a decrease of RMB394.8 million in bonds payable at the end of 2025 as compared to the end of 2024, an increase of RMB2,021.5 million in borrowings, related party borrowings and lease liabilities at the end of 2025 as compared to 2024, and an increase of RMB16.0 million in cash and cash equivalents, restricted cash at banks and time deposits due within one year as compared to 2024, leading to an increase in the gearing ratio.

Exposure to Fluctuations in Exchange Rates

During the Reporting Period, the Group mainly operates in Chinese mainland with most of the transactions settled in RMB, and there is no significant exchange rate risk. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange movements to best preserve the Group's cash value.

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.

Market Risk

Our market risk primarily includes cash flow and fair value interest rate risk, which is mainly attributable to our cash and cash equivalents, restricted cash at banks, loans receivables, borrowings, bonds payable, trade and other payables and lease liabilities. Specifically, we are exposed to cash flow rate risk with our financial assets and liabilities at variable interest rates and are exposed to fair value interest rate risk with our financial assets and liabilities at fixed interest rates.

As at 31 December 2025, if interest rates on our cash and cash equivalents, restricted cash at bank, trade and other payables and bank borrowings had been 10% higher/lower with all other variables held constant, our profit after income tax for the year would have been RMB0.6 million higher/lower, mainly as a result of higher/lower net interest income/expense being recognised/incurred.

Credit Risk

We are exposed to credit risk primarily in relation to our cash and cash equivalents, restricted cash at banks, loans receivable and trade and other receivables.

We do not expect any 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.

Our management has credit policy in place and the exposures to those credit risk are monitored on an ongoing basis. We have policies to monitor the credit exposure, trade receivables, loans receivable and other receivables. We assess the credit quality of and set credit limits on our customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. We regularly monitor the credit history of our customers. In respect of customers with a poor credit history, we will use written payment reminders, or shorten or cancel credit periods, to ensure that our overall credit risk is limited to a controllable extent.

Our loans receivable are mainly receivables generated from our financial leasing business. For such receivables, we perform standard credit management procedures, which include primarily project due diligence and proposal submission, credit guarantee review and approval, disbursement, post-lending monitoring and management of non-performing financial lease receivables. We enhance our credit risk management by strictly complying with our credit management procedures, strengthening customer investigation, lending approval and post-lending monitoring measures, enhancing risk mitigation effect of loans receivable through obtaining collateral, security deposits and corporate or individual credit guarantee.

We write off financial assets when there is no reasonable expectation of recovery with the indicators of bankruptcy, cancellation, revocation or closure of the debtor, and the debtor has no enforceable property.

We made provision for financial instruments measured at amortised cost, financial lease receivables, loan commitments and financial guarantee contracts using the "expected credit loss model" by dividing the financial instruments and loans receivable into 3 stages: (i) stage 1 is "the credit risk has not increased significantly since its initial recognition", at which we only need to measure the expected credit loss in the next 12 months; (ii) stage 2 is "the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired", at which we need to measure lifetime expected credit loss but do not perform credit impairment; and (iii) stage 3 is "financial instrument is credit-impaired", at which we need to measure lifetime expected credit loss and perform credit impairment.

Liquidity Risk

We aim 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, we monitor rolling forecasts of our Group's liquidity reserve (comprising undrawn banking facilities) and cash and cash equivalents on the basis of expected cash flows. All the borrowings are in compliance with the relevant covenants. We expect to fund the future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions.

Capital Risk

Our primary objective for capital management is to safeguard our ability to continue as a going concern in order to provide returns for equity holders. We manage our capital structure and make adjustments to it, based on changes in economic conditions. In order to maintain or adjust our capital structure, we may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

We monitor capital on the basis of the gearing ratio. This 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.

EMPLOYMENT, REMUNERATION POLICY AND TRAINING

As at 31 December 2025, the Group had a total of 1,539 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. Details of the employee benefit expenses are set out in notes 7 & 9 to the Financial Statements.

The Group also emphasizes employee training 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 (same period in 2024: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS AND 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 of the Company, the Group did not have any existing plan to acquire other material investments or capital assets.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Zhao Peng (趙鵬), aged 43, was appointed as an executive Director on 29 May 2025. He is also the general manager of the Company. Mr. Zhao is primarily responsible for the overall management and operations of the Group. Mr. Zhao graduated with a bachelor's degree in automobile operation engineering from Chang'an University (長安大學) in 2004 and graduated from Shaanxi Master of Business Administration College with an executive master of business administration (EMBA) in 2023. From July 2004 to February 2006, Mr. Zhao worked in the heavy truck sales and marketing department of the marketing company of Anhui Jianghuai Automobile Co., Ltd. (安徽江淮汽車股份有限公司). From February 2006 to February 2012, he successively served as a sales representative of the Shenyang office and a commercial representative of the specialized vehicle department of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. (陝西重型汽車有限公司). From February 2012 to August 2012, he served as the assistant to the general manager in Shaanxi Automobile Group Wenzhou Yunding Automobile Co., Ltd. (陝西汽車集團溫州雲頂汽車有限公司). From August 2012 to January 2020, he successively served as the marketing research project manager, the director of Nanchang office and the director of Jinan office of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. From January 2020 to July 2022, he served as the deputy director of the group management department of Shaanxi Automobile Holding Group Co., Ltd. (陝西汽車控股集團有限公司). From July 2022 to January 2025, he served as the deputy general manager of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. From January 2025, he has been the general manager of the Company.

Mr. Wang Wenqi (王文岐), aged 54, was appointed as an executive Director on 25 December 2020. He is also the vice general manager of the Company. Mr. Wang is primarily responsible for the overall management and operations of the Group.

Mr. Wang has more than 34 years of experience in the commercial vehicle industry. From December 1990 to March 2002, he worked at Shaanxi Automobile (formerly known as Shaanxi Automobile Manufacturing Plant (Engine branch)* 陝西汽車製造總廠發動機分廠) as a staff. From April 2002 to November 2007, he worked at the Shanghai branch, the Nanjing branch and the Shandong branch of Shaanxi Automobile. From December 2007 to November 2010 and from November 2010 to April 2012, he served as officer of the Wuhan branch and the Shanghai-Ningbo branch of Shaanxi Heavy Duty Automobile, respectively. Mr. Wang served as general manager of the leasing division from June 2012 and then served as deputy general manager since January 2014 in Deewin Financial Leasing. From January 2016 to January 2017, he served as the deputy general manager of the Company. He served as the general manager of Tonghui from January 2017 to December 2020, and chairman of Tonghui since April 2019, and was responsible for the overall management and operation of Tonghui. He has been the deputy general manager of the Company since December 2020.

Mr. Wang graduated from Shaanxi Automobile Technical School* (陝西汽車技工學校) in the PRC in August 1990 and he studied major of business administration (MBA) in Xi'an Jiaotong University* (西安交通大學) in the PRC in April 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Gang (李剛), aged 52, was appointed as an independent non-executive Director on 25 December 2020. Mr. Li is primarily responsible for supervising and providing independent judgement to our Board. Mr. Li is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Mr Li has been engaged in teaching and scientific research in the field of supply chain management and e-commerce, internet business innovation, as well as business analytics and intelligent decision-making for over 24 years. Mr. Li worked as an assistant professor and associate professor of Xi'an Jiaotong University* (西安交通大學) from February 2005 to December 2014. He has been a professor and Ph.D. supervisor of Xi'an Jiaotong University since December 2014. From October 2011 to February 2012, he was an International Faculty Fellow at The Massachusetts Institute of Technology Sloan School of Management. From July to August 2016, he was a Visiting Professor at Hong Kong Polytechnic University. From September 2017 to August 2018, he was a Fulbright Visiting Research Scholar at the University of Florida.

Mr. Li graduated with a bachelor's degree in computer and application from Xidian University* (西安電子科技大學) in the PRC in July 1996. He also obtained a master's degree in computer and application from Xi'an Shiyou University* (西安石油大學) in the PRC in June 2001. He obtained a doctor degree in management science and engineering from Xi'an Jiaotong University* (西安交通大學) in the PRC in May 2005.

Mr. IP Wing Wai (葉永威), aged 47, was appointed as an independent non-executive Director on 25 December 2020. Mr. Ip is primarily responsible for supervising and providing independent judgement to our Board. Mr. Ip is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee.

Mr. Ip has over 26 years of experience in the accounting, auditing and corporate management field. Mr. Ip worked in KPMG from September 2000 to September 2003, and later served as company secretary, chief financial officer, and senior executive in a number of listed companies, responsible for financial reporting, corporate financing, mergers and acquisitions, company secretarial affairs, regulatory compliance, and investor relations. From June 2015 to May 2018, Mr. Ip served as an executive director of Beijing Beida Jade Bird Universal Sci-Tech Company Limited (a company listed on the GEM of the Stock Exchange (Stock Code: 8095)) and then served as a non-executive director of Beijing Beida Jade Bird Universal Sci-Tech Company Limited from May 2018 to May 2021. Mr. Ip served as an independent non-executive director of 8088 Investment Holdings Limited (formerly known as AID Life Science Holding Limited) (a company listed on the GEM of the Stock Exchange (Stock Code: 8088)), from 2020 to August 2022. He has served as an independent director at Amber International Holding Limited (formerly known as iClick Interactive Asia Group Limited) (NASDAQ: AMBR) since 24 June 2024. He is currently a partner at Tripital CPA Limited.

Mr. Ip holds a bachelor's degree in Business Administration in Accounting from The Hong Kong University of Science and Technology in Hong Kong in 2000. He is also a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

Mr. Yu Qiang (余強), aged 64, was appointed as an independent non-executive Director on 25 December 2020. Mr. Yu is primarily responsible for supervising and providing independent judgement to our Board. Mr. Yu is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Yu has been engaged in teaching and scientific research in the field of transportation and vehicle engineering specialising in smart cars, new energy automobiles and vehicle system dynamics for over 25 years. From 2000 to 2003, Mr. Yu served as the head of the department of vehicle engineering, then from 2003 to 2008 as the deputy dean, from 2009 to 2018 as the dean and from 2019 to 2021 as a professor of the School of Automobile, Chang'an University* (長安大學汽車學院) and from 2023 as a vice principal of Xi'an Vocational University of Automobile* (西安汽車職業大學).

From October 1978 to July 1982, Mr. Yu studied for an undergraduate degree in automobile application engineering and obtained a bachelor's degree in engineering at Xi'an Highway University* (西安公路學院) in the PRC. From September 1982 to September 1985, he studied for a postgraduate in automobile application engineering and obtained a master's degree in engineering at Xi'an Highway University* (西安公路學院). From September 1997 to June 2000, he studied for a postgraduate degree in transport engineering and obtained a doctoral degree in engineering at the Chang'an University (formerly known as Xi'an Highway and Jiaotong University) in the PRC.

NON-EXECUTIVE DIRECTORS

Mr. Guo Wancai (郭萬才), aged 52, was appointed as a non-executive Director and the chairman of our Board on 17 July 2020. Mr. Guo is primarily responsible for the overall affairs of the Board, and organizing the formulation of overall strategic planning, business overall planning and co-ordination of the Group. Mr. Guo is also the chairman of the Nomination Committee.

Mr. Guo has over 29 years of experience in corporate finance and accounting. During the period from June 1997 to March 2014, Mr. Guo served in various positions of the Financial Assets Division of Shaanxi Nuclear Industry Geology Bureau* (陝西省核工業地質局財務資產處), including as a staff member, assistant accountant, accountant, chief staff member and deputy director. From March 2014 to June 2017, he served as the deputy director of the finance and accounting department of China Shaanxi Nuclear Industry Group Corporation* (中陝核工業集團公司). From March 2014 to December 2015, he acted as the chairman of the board of supervisors of Shaanxi Hechang Electromechanical Equipment Co., Ltd.* (陝西核昌機電裝備有限公司). From June 2017 to August 2019, he served as chief financial officer of Shaanxi Hexin Mining Co., Ltd.* (陝西核鑫礦業有限責任公司), and from October 2018 to August 2019, he also served as the head of the audit department of China Shaanxi Nuclear Industry Group Corporation* (中陝核工業集團公司). Since August 2019, Mr. Guo has been serving as a chief accountant of Shaanxi Automobile Holding and was primarily responsible for relevant work in finance. From July 2020 to March 2021, he served as a director of Shaanxi Automobile. From July 2020 to date, he serves as the general accountant Shaanxi Automobile.

Mr. Guo graduated with a bachelor's degree in economics, majoring in accounting, from Central South Institute of Technology* (中南工學院) in the PRC in June 1997.

Mr. Tian Qiang (田強), aged 46, was appointed as a non-executive Director on 30 May 2023. Mr. Tian is primarily responsible for participating in the formulation of business plans, strategies and major decisions of the Group.

Mr. Tian graduated from the School of Economics and Management of Hubei Shashi University majoring in accounting and the Correspondence College of Yangtze University (長江大學函授學院) majoring in computer science. From July 2000 to October 2004, Mr. Tian Qiang worked as an employee of the finance department of Shaanxi Automobile Manufacturing Plant. From October 2004 to March 2013, he worked in the financial and accounting department of Shaanxi Heavy Duty Automobile Co., Ltd. (陝西重型汽車有限公司), and successively served as employee of the financial and accounting department, section officer of management accounting section, section officer of fund management section and section officer of management accounting section, and section officer of fund management section. From March 2013 to February 2014, he served as the deputy manager of the general management department of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. (陝西重型汽車有限公司). From February 2014 to January 2016, he served as the deputy head of the finance and accounting department of Shaanxi Heavy Duty Automobile Co., Ltd. (陝西重型汽車有限公司). From January 2016 to January 2019, he served as the head of the operation management department and secretary of the Party branch of Shaanxi Automobile Holding Group Co., Ltd. (陝西汽車控股集團有限公司). From January 2019 to January 2023, he served as the general manager of Shandong Automobile Manufacturing Co., Ltd. (山東汽車製造有限公司) (later renamed Weichai New Energy Commercial Vehicle Co., Ltd. (濰柴新能源商用車有限公司)). Since January 2023 until now, he has been serving as the director of commercial vehicles of Shaanxi Automobile Group Co., Ltd. (陝西汽車集團股份有限公司); deputy secretary of the Party Committee, director and general manager of Shaanxi Group Commercial Automobile Co., Ltd. (陝汽集團商用車有限公司).

Mr. Zhao Chengjun (趙承軍), aged 47, was appointed as a non-executive Director on 30 May 2023. Mr. Zhao is primarily responsible for participating in the formulation of business plans, strategies and major decisions of the Group.

Mr. Zhao holds a junior college degree in marketing from Shaanxi University of Finance and Economics, a bachelor's degree in business management from Xi'an University of Technology, and a master's degree in business administration from the School of Business Administration of Xi'an University of Technology. From March 2003 to September 2005, Mr. Zhao Chengjun was engaged in market research in the marketing department of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. (陝西重型汽車有限公司). From October 2005 to February 2014, he worked in the sales company of Shaanxi Heavy Duty Automobile Co., Ltd. and successively served as the section officer of the market research section of the marketing department, the director, the manager of the sales department, the deputy general manager, the deputy general manager and the manager of the sales service department of the Zhengzhou office. From February 2014 to January 2022, he worked in the quality management department of Shaanxi Automobile Holding Group Co., Ltd. (陝西汽車控股集團有限公司), and successively served as the head of the quality management department and the secretary and head of the general party branch of the quality management department. Since January 2022 until now, he has been serving as the sales director, secretary of the Party Committee and general manager of the sales company of Shaanxi Heavy Duty Automobile Co., Ltd.

Ms. Feng Min (馮敏), aged 38, was appointed as a non-executive Director and an employee representative Director on 27 August 2021. Ms. Feng Ms is also a member of the Nomination Committee. Ms Feng is primarily responsible for participating in business plans, strategies and major decisions of the Group.

Ms. Feng has over 15 years of experience in financial management and accounting. From 2011 to 2014, she worked in the accounts department of Shaanxi Heavy Duty Automobile as a staff. Ms. Feng served as a financial staff from April 2014 to December 2014 at the financial and information department of Xi'an Kangmingsi Generator Co., Ltd.* (西安康明斯發動機有限公司). From January 2015 to December 2016, she served as head of accounting and accounting manager of the operations centre of the Company. Since January 2017, Ms. Feng served as the deputy director and director of the financial management department of the Company.

Ms. Feng graduated with a bachelor's degree in management from Wuhan University of Technology* (武漢理工大學) in the PRC in 2011.

SENIOR MANAGEMENT

For the biographical details of Mr. Zhao Peng and Mr. Wang Wenqi, see the sub-section named "Executive Directors" above in the section headed "Directors and Senior Management".

Mr. Lin Jun (林俊), aged 55, was appointed as the vice general manager of the Company on 21 January 2016. Mr. Lin is primarily responsible for the overall management and operations of the Group.

From August 1990 to January 2003, Mr. Lin served as officer of Handan No. 1 Transportation Corporation No. 2 Auto Repair Factory* (邯鄲市第一運輸總公司第二汽車修理廠). Mr Lin served as manager of sales and credit department, deputy general manager and chairman of the labour union of Handan Group Automobile Trading Service Co., Ltd.* (邯運集團汽車貿易服務有限公司) from January 2003 to April 2010. From April 2010 to April 2011, Mr. Lin served as deputy director of the property management department of Handan Transportation Group Co., Ltd* (邯鄲交通運輸集團有限公司). From April 2011 to September 2012, Mr. Lin served as deputy director of the security technology department then as vice chairman of the labour union of Wanhe Group Co., Ltd.* (萬合集團股份有限公司). He served as general manager of the supply chain division of Deewin Financial Leasing from June 2012 to October 2013. He then served as general manager of Fargo from March 2016 to February 2018. Since January 2016, he has been serving as deputy general manager of the Company.

Mr. Lin graduated (online courses) in law from the Xi'an Jiaotong University (西安交通大學) in the PRC in 2013.

Mr. Li Rui (李銳), aged 42, was appointed as the vice general manager of the Company on 15 February 2021. Mr. Li is primarily responsible for the overall management and operation of the Group.

Mr. Li has over 20 years of experience in research and development of heavy truck electronic, electrical systems and intelligent product. Mr. Li served in various positions in the Department of Electronics and Electrical Appliances of the Automotive Engineering Research Institute* (汽車工程研究院電子電器所) of Shaanxi Heavy Duty Automobile, including as a staff of the Department of Electronics and Electrical Appliances from August 2006 to October 2011, the deputy officer and the officer of the General Electrical Layout Room from October 2011 to August 2012 and from August 2012 to July 2015 respectively, the officer of the Applied Technology Research and Development Room from July 2015 to March 2016 and the deputy director of the Department of Electronics and Electrical Appliances from March 2016 to June 2018. Mr. Li served as the director of the Department of Electronics and Electrical Appliances from June 2018 to February 2021. Since February 2021, he has been serving as the vice general manager of the Company.

Mr. Li graduated with a bachelor's degree in electrical engineering and automation from the School of Electrical Engineering of the Xi'an Jiaotong University* (西安交通大學電氣工程學院) in the PRC in July 2006. He then obtained a master's degree in automotive engineering from the School of Automobile of the Chang'an University* (長安大學汽車學院) in the PRC in June 2015.

Mr. Liu Lulu (劉錄錄), aged 41, was appointed as the financial director of the Company on 29 January 2019, Board secretary of the Company on 25 December 2020, the joint company secretary of the Company on 20 January 2021, and the company secretary of the Company on 15 July 2025. Mr. Liu is primarily responsible for the financial management of the Group, Board related matters, information disclosure and liaison with regulatory authorities.

Mr. Liu has over 16 years of experience in corporate finance. From July 2010 to April 2013, he served as officer of the financial management department of Shaanxi Huazhen Industry and Trade Service Co., Ltd.* (陝西華臻工貿服務有限公司). From November 2013 to April 2016, he served as financial director of Xinjiang Fargo Supply Chain Management Co., Ltd. From April 2016 to February 2018, he served as financial director of Shanghai Fargo. He then served as deputy director of the financial services department of Shaanxi Automobile Holding from January 2018 to January 2019. Since January 2019, he has been serving as financial director of the Company.

Mr. Liu graduated with a master's degree in financial science in 2010 from the Xinjiang University of Finance and Economics* (新疆財經大學) in the PRC.

COMPANY SECRETARY

Mr. Liu Lulu (劉錄錄) is the company secretary of the Company. For the biographical details of Mr. Liu Lulu, see the sub-section named "Senior Management" above in the section headed "Directors and Senior Management" for his detailed background.

Report of the Board of Directors

The Board of Directors (the "**Board**") is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is a joint stock company with limited liability under the PRC Company Law. The Company provides various value-added services, including logistics and supply chain services, supply chain financial service, IoV and data service, to players along the commercial vehicle industry chain. The business scope of the company covers the following: automobile components (excluding assembly) sales; automobile after-sales services; machinery and equipment leasing, automobile leasing; second-hand automobile information consulting, automotive marketing planning; site leasing; investment in automobile and automotive products, management and consulting (investment with own assets only; for items subject to approval according to law, business activities can only be carried out after the approval by relevant authorities).

Results and Dividend Distribution

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on page 130.

Based on the operating results of the Group for 2025 and taking into account the overall financial position and cash flow of the Group, the Board recommended the payment of final dividend of RMB0.3147 (tax inclusive) per 10 Shares for 2025. The proposed 2025 final dividend will be paid on Wednesday, 26 August 2026 or earlier to Shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026.

To determine the identity of Shareholders who are entitled to the proposed 2025 final dividend, the register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026 (both days inclusive). In order to establish entitlements to the proposed 2025 final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 2 June 2026.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group during the year ended 31 December 2025, a discussion and analysis on the Group's future business development and the key financial and operational performance indicators employed by the Directors in measuring the performance of the Group's business are set out in the section headed "Management Discussion and Analysis" on pages 17 to 35 of this annual report.

Environmental Policies and Performance

Discussions on the Group's environmental policies and performance, relationships with key stakeholders, and compliance with the relevant laws and regulations are contained in the "Environmental, Social and Governance Report" section of this report.

Compliance with Relevant Laws and Regulations

Our business has been and will continue to be governed in accordance with the relevant Chinese laws and regulations, which were promulgated and implemented by Chinese government authorities, including national and local laws and regulations related to logistics and supply chain services, supply chain financial services, IoV and data services. As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group and has obtained all material licenses, approvals and permits from relevant regulatory authorities for the operations of the Group in the PRC. During the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on 28 May 2026. Notice of the 2025 AGM will be published in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed during the following periods: For ascertaining eligibility to attend and vote at the AGM:

- Latest time to lodge transfers documents for registration: before 4:30 p.m. on Monday, 27 April 2026
- Closure of register of members: from Tuesday, 28 April 2026 to Thursday, 28 May 2026 (both days inclusive)

To be eligible to attend and vote at the AGM, all duly stamped instruments of transfers, accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than the respective latest time as stated above.

FINANCIAL SUMMARY

A summary of the published results and the assets and liabilities of the Group in the form of a comparative table for the last five financial years is set out on page 6 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTY

Our Group has designed and implemented risk management policies to address various potential risks we have identified in relation to our operations. Our risk management policy sets forth procedures to identify, analyse, mitigate and monitor the relevant risks. We are dedicated to establishing a risk management system which operates effectively and is suitable for our long-term business development.

Our Audit Committee under the Board is responsible for overseeing the overall risk management practice and closely works with the senior management to evaluate the implementation and effectiveness of our risk management policies. We make timely adjustment to our risk management policies in response to the rapid development of our operations.

EVENTS AFTER REPORTING PERIOD

Mr. Wang Wenqi (王文岐) ("**Mr. Wang**"), due to age concern, has tendered his resignation as (i) the vice general manager of the Company with effect from 11 February 2026; and (ii) an executive Director of the second session of the Board with effect from the date on which a new Director is appointed. In accordance with the Articles of Association of the Company, Mr. Wang will continue to perform his duties as an executive Director. His resignation as an executive Director shall only take effect upon the appointment of a new Director to the Board by the general meeting of the Company. Mr. Wang has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the Stock Exchange and the Shareholders and the creditors of the Company.

Further announcement(s) and arrangement will be made by the Company in respect of the proposed appointment of a new Director as and when appropriate in compliance with the requirements under the Listing Rules and the Articles of Association.

Save as disclosed above, as at the date of this report, the Company did not have any material events after the Reporting Period.

USE OF PROCEEDS FROM GLOBAL OFFERING

The Company's H Shares were listed on the Stock Exchange on 15 July 2022. The net proceeds from the Listing were approximately HKD1,011.0 million (equivalent to approximately RMB868.8 million) (after deducting the underwriting commissions and other related listing expenses payable by the Company in connection with the Global Offering).

For the year ended 31 December 2025, the Company used approximately RMB108.7 million of the proceeds raised from H Shares, and the cumulative utilised proceeds raised from H Shares amounted to RMB385.0 million, and the balance of the unutilized proceeds raised from H Shares amounted to RMB483.8 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 details of the use of the net proceeds:

	Actual net proceeds received		Amount available for utilisation as at the beginning of the Reporting Period	Amount utilised during the Reporting Period	Accumulated amount utilised	Unutilized amount	Expected timetable for utilizing the net proceeds
	HKD/ 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 vehicle aftermarket	379.1	325.8	209.1	63.0	179.7	146.1	by the end of 2026
Online business development — ongoing establishment of online service platform for commercial vehicle aftermarket (being CLGG Online Platform)	227.5	195.5	186.1	3.8	13.2	182.3	by the end of 2025
Enhance the core technology capabilities and data service capabilities of IoV and data service sector	303.3	260.6	197.3	41.9	105.2	155.4	by the end of 2026
Replenishment of general working capital	101.1	86.9	—	—	86.9	—	fully utilized in 2022
Total	**1,011.0**	**868.8**	**592.5**	**108.7**	**385.0**	**483.8**	

Note: We engaged PricewaterhouseCoopers Zhong Tian LLP to verify the increase in registered capital and share capital of the Company as of 12 August 2022 due to the proceeds raised from the initial issuance of overseas-listed foreign shares (H Shares) and over-allotment of H Shares to domestic/foreign investors, and issued the Capital Verification Report (PwC Zhong Tian Yan Zi (2022) No. 0794) on 28 November 2022.

The expected timetable for certain uses of the above-mentioned proceeds is delayed compared with that disclosed in the Prospectus. The Company will continuously review the plan of the use of the unutilized net proceeds and may amend such plan where necessary so as to cope with the changing market conditions and strive for better business performance of the Company.

SHARE CAPITAL

The changes in share capital of the Group during the Reporting Period are set out in note 32 to the financial statements.

RESERVES

Details of the changes in reserves of the Group during the Reporting Period are set out in note 32 to the financial statements.

As at 31 December 2025, the reserves of the Company available for distribution to Shareholders was approximately RMB386.0 million.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

The Company's major customers mainly included commercial vehicle manufacturers and automobile sales dealers, components suppliers, logistics companies, commercial vehicle and aftermarket product end-users and governmental or industry regulatory bodies. For the year ended 31 December 2025, the Group's five largest customers accounted for approximately 25.7% of the Group's total revenue, as compared to approximately 42.0% of the Group's total revenue for the year ended 31 December 2024.

The Group's single largest customer for year ended 31 December 2025 accounted for approximately 14.6% of the Group's total revenue, as compared to approximately 11.1% of the Group's total revenue for the year ended 31 December 2024. For the year ended 31 December 2025, Shaanxi Heavy Duty Automobile and its subsidiaries collectively was the largest customer of the Group, and Shaanxi Commercial Automobile was the second largest customer of the Company. Save as disclosed above, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5.0% of the issued Shares of the Company) had any interest in the Group's five largest customers.

Major Suppliers

The Company's major suppliers mainly included commercial vehicle manufacturers, carrier and transportation fleet for logistics and supply chain services, aftermarket product suppliers and intelligent IoV product manufacturers. For the year ended 31 December 2025, the Group's five largest suppliers accounted for approximately 20.4% of the Group's total purchases, as compared to approximately 44.3% of the Group's total purchases for the year ended 31 December 2024.

For the year ended 31 December 2025, the Group's single largest supplier accounted for approximately 5.2% of the Group's total purchases, as compared to approximately 16.0% of the Group's total purchases for the year ended 31 December 2024. During the year ended 31 December 2025, Shaanxi Heavy Duty Automobile and its subsidiaries collectively was the second largest supplier of the Group. Save as disclosed above, none of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5.0% of the issued Shares of the Company) had any interest in the Group's five largest suppliers.

PROPERTY, PLANT AND EQUIPMENT

The changes in property, plant and equipment during the Reporting Period are set out in note 12 to the financial statements.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors in office during the Reporting Period and as at the date of this annual report were as follows:

Executive Directors

Mr. Zhao Peng *(appointed on 29 May 2025)*
Mr. Wang Wenqi
Mr. Wang Runliang *(resigned on 29 May 2025)*

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 *(dismissed on 29 May 2025)*
Mr. Zhang Shaojie *(dismissed on 29 May 2025)*
Mr. Qin Xiaohui *(dismissed on 29 May 2025)*

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Mr. Wang Wenqi, our executive Director, due to age concern, has tendered his resignation as (i) the vice general manager of the Company with effect from 11 February 2026; and (ii) an executive Director of the second session of the Board with effect from the date on which a new director is appointed.

Save as disclosed above, since the date of the Company's 2025 Interim Report, there are no changes in any information of current Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS AND SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract/signed an appointment letter with the Company and is appointed for a specific term of three years with effect from the respective date stated therein until the expiry of the term of the current session of the Board of Directors.

Each of the Non-executive Directors and the Independent non-executive Directors has signed an appointment letter with the Company and is appointed for a specific term of three years with effect from the respective date stated therein until the expiry of the term of the current session of the Board of Directors.

None of the Directors and Supervisors has or is proposed to have a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Save as disclosed in the section headed "Connected Transactions" in the Report of the Board of Directors and in note 35 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, the Company's holding company, any of the Company's subsidiaries or any fellow subsidiaries was a party and in which a Director or Supervisor of the Company or an entity connected with them had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CONTROLLING SHAREHOLDER'S INTEREST

Save as disclosed in this annual report, no Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

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

As of 31 December 2025, none of the Directors or chief executives 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 31 December 2025, the following persons and entities (other than the Directors or chief executives) 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 Company as at the Date of This Report[(2)]
Shaanxi Automobile[(3)]	Beneficial owner	Domestic Shares	1,500,146,100 (L)	68.77%
	Interest in a controlled corporation	Domestic Shares	117,125,100 (L)	5.37%
	Interest in a controlled corporation	Domestic Shares	11,728,800 (L)	0.54%
Shaanxi Heavy Duty Automobile[(3)(4)]	Beneficial owner	Domestic Shares	117,125,100 (L)	5.37%
Weichai Power Co., Ltd.[(4)]	Interest in a controlled corporation	Domestic Shares	117,125,100 (L)	5.37%
Shaanxi Automobile Holding[(3)]	Interest in a controlled corporation	Domestic Shares	1,629,000,000 (L)	74.68%
SDIC Taikang Trust Co., LTD.[(5)]	Trustee	H Shares	136,333,500 (L)	6.25%
Shanghai International Trust Co., Ltd. (上海國際信託有限公司)[(6)]	Trustee	H Shares	130,801,500 (L)	6.00%
Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥))[(7)]	Beneficial owner	H Shares	107,997,000 (L)	4.95%
Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司)[(7)]	Interest in a controlled corporation	H Shares	107,997,000 (L)	4.95%
CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 84 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金84號單一資產管理計劃))[(8)]	Investment Manager	H Shares	44,551,500 (L)	2.04%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares or Underlying Shares Held[(1)]	Approximate Percentage of Shareholding in the Company as at the Date of This Report[(2)]
CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 85 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金85號單一資產管理計劃))[(9)]	Investment Manager	H Shares	31,185,000 (L)	1.43%
HWABAO TRUST CO., LTD[(10)]	Trustee	H Shares	44,104,500 (L)	2.02%
CCB Trust (Jianhang No. 9 Single Fund Trust Scheme) (建航9號單一資金信託計劃))[(11)]	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 pool.

(2) The percentage is calculated based on the total number of issued Shares as at 31 December 2025. As at 31 December 2025, 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, who was beneficially interested in 117,125,000 Domestic Shares, was owned as to 49.00% by Shaanxi Automobile; Shaanxi Commercial Automobile, who was beneficially interested in 11,728,800 Domestic Shares, 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 SDIC Taikang Trust Co., LTD. on 16 August 2022, SDIC Taikang Trust Co., LTD., 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.

(6) According to the equity disclosure filed by Shanghai International Trust Co., Ltd. (上海國際信託有限公司) on 5 January 2026, 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-13-22006) and the Single Fund Trust in Hong Kong Market under the Platinum Collection of Shanghai Trust (GJ-13-22007), holds 87,201,000 H Shares and 43,600,500 H Shares of the Company through these trusts, respectively.

(7) According to the equity disclosure filed by Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司) on 8 May 2024, Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥)) was owned as to 0.01% by Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司). By virtue of the SFO, Hainan Tiankun Private Equity Investment Fund Management Co., Ltd. (海南天堃私募股權投資基金管理有限公司) is deemed to be interested in all the Shares in which Hainan Tiankun Tianzhi Private Equity Investment Fund Partnership (Limited Partnership) (海南天坤天致私募股權投資基金合夥企業(有限合夥)) is interested.

(8) According to the equity disclosure filed by CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 84 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金84號單一資產管理計劃)) on 28 December 2025, CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 84 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金84號單一資產管理計劃)), as an investment manager, holds 44,551,500 H Shares of the Company.

(9) According to the equity disclosure filed by CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 85 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金85號單一資產管理計劃)) on 13 January 2026, CCB Principal Asset Management Co., Ltd. (On behalf of CCB Overseas Nuggets No. 85 Single Asset Management Plan) (建信基金管理有限責任公司(代建信海外掘金85號單一資產管理計劃)), as an investment manager, holds 31,185,000 H Shares of the Company.

(10) According to the equity disclosure filed by HWABAO TRUST CO., LTD on 26 July, 2022, HWABAO TRUST CO., LTD, as a trustee of HWABAO OVERSEAS INVESTMENT SERIES 2 NO 46-1 QDII SINGLE MONEY TRUST, holds 44,104,500 H Shares of the Company through these trusts.

(11) According to the equity disclosure filed by CCB Trust (Jianhang No. 9 Single Fund Trust Scheme) on 28 December 2023, CCB Trust (Jianhang No. 9 Single Fund Trust Scheme), as a trustee, holds 32,500,500 H Shares (long position) of the Company, comprising 8,695,500 H Shares available for lending, and 23,805,000 H Shares (short position).

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons (other than Directors or chief executives) who had interests or short positions in the Shares or 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' 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 year ended 31 December 2025 and up to the date of this annual 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.

PERMITTED INDEMNITY PROVISION

The Company has maintained directors' liability insurance to protect the Directors of the Company against any loss that may arise from their actual or alleged misconduct. Such insurance was in force during the Reporting Period and remained in force as at the date of this report.

EQUITY-LINKED AGREEMENTS

As at the date of this annual report, no equity-linked agreements were entered into by the Company during the Reporting Period or subsisted up to 31 December 2025.

SHARE OPTION SCHEME

As of the date of this annual report, the Company did not have any share option scheme.

SHARE AWARD SCHEME

As at the date of this annual report, the Company did not have any share awards scheme.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Company for the year ended 31 December 2025 are set out in note 35 to the consolidated financial statements. Certain related party transactions as referred to in note 35 to the consolidated financial statements also constituted connected transactions (including continuing connected transactions) as defined under Chapter 14A of the Listing Rules. In relation to the related party transactions of the Group, save for the connected transactions disclosed in the section headed "Connected Transactions" on pages 51 to 58 of the Report of the Board of Directors set out in the 2025 Annual Report, none of other related party transactions set out in note 35 to the consolidated financial statements of the 2025 Annual Report constituted a connected transaction which was required to be disclosed pursuant to Chapter 14A of the Listing Rules.

DEBENTURES

In order to facilitate the Group to adjust its debt structure and reduce financing costs, the Group issued asset-backed securities (ABS) in an aggregate principal amount of RMB1,130 million with interest rates ranging from 2.00% to 3.50% during 2025.

Details of the principal terms of the Group's ABS are set out in note 27 to the consolidated financial statements.

CONNECTED TRANSACTIONS

Non-exempt Continuing Connected Transactions

We have entered into the following transactions with Shaanxi Automobile Holding and/or its associates in the ordinary and usual course of our business, which constitute continuing connected transactions of our Company subject to the annual reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules (the "Non-exempt Continuing Connected Transactions").

New Framework Agreement for Procurement of Products and Services

On 23 June 2022, we entered into a products purchasing framework agreement (the "Products Purchasing Framework Agreement") with Shaanxi Automobile Holding, pursuant to which Shaanxi Automobile Holding, the ultimate Controlling Shareholder of the Company, and/or its associates will provide certain products to our Company and/or our subsidiaries. These products include commercial vehicles, commercial vehicle components and others, such as commercial vehicle components management and storage services. As the validity period of the above Products Purchasing Framework Agreement and the annual caps for the continuing connected transactions thereunder expired on 31 December 2024, on 18 December 2024, the Company entered into a new framework agreement for procurement of products and services with Shaanxi Automobile Holding for a period of three years commencing on 1 January 2025 and ending on 31 December 2027 (the "New Framework Agreement for Procurement of Products and Services"). For details of the transactions, please refer to the announcement of the Company on the Hong Kong Stock Exchange dated 18 December 2024.

Our Group procured commercial vehicles, commercial vehicle components and others from Shaanxi Automobile Holding and/or its associates. Given our industry experience and our deep understanding of customer needs, we have accumulated many quality customers, which provides us with more bargaining power when we purchase commercial vehicles or commercial vehicle components and others from Shaanxi Automobile Holding and/or its associates. At the same time, we also benefit from Shaanxi Automobile Holding's customised services and our long-term stable business relationship with Shaanxi Automobile Holding to enhance our market competitiveness.

While we have readily available access to identical or similar commercial vehicles, commercial vehicle components and others from other commercial vehicle sales dealers which are independent third parties in the regions where our businesses operate in the PRC, we believe that such direct procurement from independent third parties would not be as efficient either on a cost basis or an operational basis as our current arrangement to procure through Shaanxi Automobile Holding and/or its associates. In addition, since Shaanxi Automobile Holding and/or its associates have been providing us with a long-term stable supply of commercial vehicles, commercial vehicle components and others, we believe that Shaanxi Automobile Holding and/or its associates have a deep understanding of our business and operational requirements.

Principal Terms:

(1) Term

The agreement shall take effect from 1 January 2025, and expire on 31 December 2027. Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and the requirements of the securities regulatory authorities, the New Framework Agreement for Procurement of Products and Services may be renewed automatically for a further term of three years from time to time, unless terminated by the Company by notice in writing during its term or for other reasons stated in the agreement.

(2) Major Matters

The Group (the "Purchaser") will purchase certain products and services from Shaanxi Automobile Holding and its associates (the "Supplier"). Such products and services include (1) commercial automobiles, commercial automobile components and others, such as commercial automobile components management and storage services; and (2) leasing services, including leasing and use of plant, equipment and other assets. The Purchaser has the right to purchase the products and services of the Supplier at its own choice according to its own business needs, and has no obligation to purchase products and services from the Supplier.

(3) Pricing Policy

The rates charged for the products and services provided by the Supplier will be determined after arm's length negotiations between the parties with reference to the market rates and taking into account factors such as technical specifications and purchase quantity of the purchased products, as well as nature, characteristics and purchase quantity of the purchased services. The "market rate" represents the price provided by the Supplier to an independent third party in respect of the same or a similar product or service in the same area on normal commercial terms during the ordinary course of business of the parties.

Prior to purchase of products and/or services from the Supplier, the Group will compare quotation list (which is applicable to all customers of the Supplier) for the products/services obtained from the Supplier with the results of market research conducted by the Group (based on the factors such as overall market prices (i.e., the prices at which independent third-party suppliers sell the same category of products and services to their customers, as learned by the Group through information exchanges with industry peers or suppliers), technical specifications, market share, and order performance of the relevant products and services) for analysis, and finally determine the specific prices after negotiation with the Supplier based on the purchase needs of the Group.

If the Group considers that the final price offered by the Supplier is not in the best interests of the Company and its Shareholders or is not fair and reasonable, having regard to all relevant factors including the Group's customer needs, purchase price, the Group's comprehensive costs, profit, quality of products and services, etc. and having conducted all necessary internal reviews and approval procedures, it will not purchase such products from the Supplier.

The annual caps of the continuing connected transactions contemplated under the New Framework Agreement for Procurement of Products and Services for the three years ending 31 December 2027 are as follows:

	Proposed annual caps for the years ending 31 December (RMB'000)		
	2025	**2026**	**2027**
Purchase of the commercial vehicles and other products			
Commercial vehicles	569,599	738,061	893,005
Commercial vehicle components and others	81,013	121,686	217,042
Lease of assets			
Lease fee	36,682	47,686	61,992
Right-of-use assets	1,103	3,758	710
Total	**688,397**	**911,191**	**1,172,749**

The New Framework Agreement for Procurement of Products and Services and the proposed annual caps were approved at the extraordinary general meeting of the Company held on 2 January 2025.

Annual Caps and Actual Transaction Amounts

The annual caps and actual transaction amounts of the continuing connected transactions contemplated under the Products Purchasing Framework Agreement for the year ended 31 December 2025 are as follows:

	Proposed annual caps for the year ended 31 December 2025 (RMB'000)	**Actual transaction amounts for the year ended 31 December 2025 (RMB'000)**
Purchase of the commercial vehicles and other products		
Commercial vehicles	569,599	102,993
Commercial vehicle components and others	81,013	176
Lease of assets		
Lease fee	36,682	15,930
Right-of-use assets	1,103	459
Total	**688,397**	**119,558**

Supply of Products and Services Framework Agreements

(1) Shaanxi Automobile Holding Supply of Products and Services Framework Agreements and Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreements

(a) Original Shaanxi Automobile Holding Supply of Products and Services Framework Agreement and Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement

On 23 June 2022, we entered into a supply of products and services framework agreement (the "Original Shaanxi Automobile Holding Supply of Products and Services Framework Agreement") with Shaanxi Automobile Holding, pursuant to which our Company and/or our subsidiaries will supply the following types of products and services to Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile): (i) supply chain services, (ii) commercial vehicle-related goods and (iii) data-related services.

On 29 August 2024, we entered into an amended Shaanxi Automobile Holding supply of products and services framework agreement (the "Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement") with Shaanxi Automobile Holding to supersede and terminate the Original Shaanxi Automobile Holding Supply of Products and Services Framework Agreement, pursuant to which, (i) the service coverage under the Original Shaanxi Automobile Holding Supply of Products and Services Framework Agreement is expanded to cover supply chain financial services (including finance lease and factoring related services); (ii) the original pricing policy of products and services provided by the Group under the Original Shaanxi Automobile Holding Supply of Products and Services Framework Agreement is adjusted, and the pricing policy of supply chain financial services is correspondingly added; and (iii) the exclusivity terms specifying the Group as the sole supplier under the agreement are deleted. For details of the transactions, please refer to the announcement of the Company published on the Hong Kong Stock Exchange on 29 August 2024.

(b) *Original Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement and Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement*

On 23 June 2022, we entered into a supply of products and services framework agreement (the "Original Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement") with Shaanxi Heavy Duty Automobile, pursuant to which our Company and/or our subsidiaries will supply the following types of products and services to Shaanxi Heavy Duty Automobile and/or its subsidiaries: (i) supply chain services, (ii) commercial vehicle-related goods and (iii) data-related services.

On 29 August 2024, we entered into an amended Shaanxi Heavy Duty Automobile supply of products and services framework agreement (the "Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement") with Shaanxi Heavy Duty Automobile to supersede and terminate the Original Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement, pursuant to which, (i) the service coverage under the Original Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is expanded to cover supply chain financial services (i.e. finance lease); (ii) the original pricing policy of products and services provided by the Group under the Original Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is adjusted, and the pricing policy of supply chain financial services is correspondingly added; and (iii) the exclusivity terms specifying the Group as the sole supplier under the agreement are deleted. For details of the transactions, please refer to the announcement of the Company published on the Hong Kong Stock Exchange on 29 August 2024.

(c) *New Framework Agreement for Supply of Products and Services*

As the validity period of the above supply of products and services framework agreements and the annual caps for the continuing connected transactions thereunder expired on 31 December 2024, on 18 December 2024, the Company entered into a new framework agreement for supply of products and services with Shaanxi Automobile Holding for a period of three years commencing on 1 January 2025 and ending on 31 December 2027 (the "New Framework Agreement for Supply of Products and Services"). For details of the transactions, please refer to the announcement of the Company on the Hong Kong Stock Exchange dated 18 December 2024.

Principal Terms:

(i) Term

Upon being affixed with corporate seals of the parties and approved at the general meeting, the agreement shall take effect from 1 January 2025, and expire on 31 December 2027. Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and the requirements of the securities regulatory authorities, the New Framework Agreement for Supply of Products and Services may be renewed automatically for a further term of three years from time to time, unless terminated by the Company by notice in writing during its term or for other reasons stated in the agreement.

(ii) Major Matters

The Group will provide Shaanxi Automobile Holding and its associates with products and services, namely (1) supply chain services, including components collection, transportation, distribution, warehousing, sorting, packaging, precision distribution and other supply chain logistics services, automobile logistics services, etc.; (2) commercial vehicle-related products, i.e., intelligent IoV products, aftermarket products and new energy batteries; (3) data-related services, including platform operation and platform development and other services; and (4) supply chain financial services, including finance lease and factoring services, etc.

(iii) Pricing Policy

The sales prices or the services fees of the supply of products and services charged by the Group under the New Framework Agreement for Supply of Products and Services will be determined based on the market rate after arm's length negotiations between both parties. The "market rate" represents the price provided by the Group to an independent third party in respect of the same or a similar product or service in the same area on normal commercial terms during the ordinary course of business of the parties. If the market rate is unavailable, it will be determined on a "cost-plus" basis (principle of cost plus a reasonable margin). In particular:

With respect to the supply chain services, the service fee of supply chain services will be determined based on the market rate. If the market rate is unavailable, the service fee of supply chain services will be determined on a "cost- plus" basis. If it is determined on a "cost-plus" basis, the Group will update its fee rates in relation to its provision of logistics services on an annual basis by taking into account relevant factors, including but not limited to gasoline and diesel prices, national toll billing policies, transportation methods, management expense, tax rates and reasonable gross profit margins, and for each transaction entered into by both parties under the New Framework Agreement for Supply of Products and Services, the service fee charged by the Group will be in line with such fee rates.

With respect to the commercial vehicle-related products, the sales price of such products will be determined based on the market rate. If the market rate is unavailable, the sales price of such products will be determined on a "cost-plus" basis. If it is determined on a "cost-plus" basis, the Group will take into account relevant factors, including but not limited to costs of the products, management expense, tax rates and reasonable gross profit margins.

With respect to the data-related services, the service fee will be determined based on the market rate. If the market rate is unavailable, the service fee will be determined on a "cost-plus" basis. For each transaction entered into by both parties under the New Framework Agreement for Supply of Products and Services, if it is determined on a "cost-plus" basis, the parties will take into account relevant factors, including but not limited to research and development costs, labor and operating costs as well as reasonable gross profit margins.

With respect to the supply chain financial services, the service fee will be determined based on the market rate. If the market rate is unavailable, the service fee of the supply chain financial services will be determined on a "cost-plus" basis. If it is determined on a "cost-plus" basis, the Group will take into account relevant factors, including but not limited to labor, materials and time cost.

The annual caps of the continuing connected transactions contemplated under the New Framework Agreement for Supply of Products and Services for the three years ending 31 December 2027 are as follows:

	Proposed annual caps for the years ending 31 December (RMB'000)		
	2025	2026	2027
Supply of commercial vehicle-related goods			
Intelligent IoV products	186,458	212,058	242,058
Aftermarket products	15,000	18,000	20,000
New energy battery products	96,072	130,383	161,023
Supply of supply chain services	410,822	527,664	678,437
Supply of data-related services	44,060	48,610	52,470
Supply of supply chain financial service			
Principal	1,030,000	1,117,000	1,098,000
Interest and commission fees	18,805	38,983	52,646
Total	**1,801,217**	**2,092,699**	**2,304,635**

The New Framework Agreement for Supply of Products and Services and the proposed annual caps were approved at the extraordinary general meeting of the Company held on 2 January 2025.

(d) *Annual Caps and Actual Transaction Amounts*

The annual caps and actual transaction amounts of the continuing connected transactions contemplated under the New Framework Agreement for Supply of Products and Services for the year ended 31 December 2025 are as follows:

	Proposed annual caps for the year ended 31 December 2025 (RMB'000)	Actual transaction amounts for the year ended 31 December 2025 (RMB'000)
Supply of commercial vehicle-related goods		
Intelligent IoV products	186,458	183,353
Aftermarket products	15,000	14,543
New energy battery products	96,072	27,553
Supply of supply chain services	410,822	348,234
Supply of data-related services	44,060	6,650
Supply of supply chain financial service		
Principal	1,030,000	20,000
Interest and commission fees	18,805	1,214
Total	**1,801,217**	**601,457**

The Company confirms that the execution and enforcement of the specific agreements under the above continuing connected transactions for the year ended 31 December 2025 have followed the pricing principles of such continuing connected transactions.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this report, Shaanxi Automobile Holding is a Controlling Shareholder of the Company, and holds over 30% of the equity interest in Shaanxi Heavy Duty Automobile through its subsidiary Shaanxi Automobile. As such, Shaanxi Automobile Holding is a connected person of the Company. As a result, the transactions contemplated under the New Framework Agreement for Procurement of Products and Services and the New Framework Agreement for Supply of Products and Services constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the proposed annual caps for the transactions contemplated under the New Framework Agreement for Procurement of Products and Services and the New Framework Agreement for Supply of Products and Services for the year ending 31 December 2027 exceeds 5%, such continuing connected transactions are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of each of the proposed annual caps for the supply chain financial services contemplated under the New Framework Agreement for Supply of Products and Services for the year ending 31 December 2027 exceeds 25% but is less than 100%, such supply chain financial services constitute major transactions of the Company under Chapter 14 of the Listing Rules and are subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

Mr. Guo Wancai, Mr. Zhao Chengjun and Mr. Tian Qiang, the non-executive Directors of the Company, also work at Shaanxi Automobile and/or its subsidiaries. Therefore, they are deemed to have a material interest in the entering into the New Framework Agreement for Procurement of Products and Services and the entering into the New Framework Agreement for Supply of Products and Services. As a result, they have abstained from voting on the relevant resolutions at the Board meeting. Save for the above, none of the other Directors had a material interest in the above transactions and were required to abstain from voting on the relevant resolutions at the Board meeting.

INTERNAL CONTROL PROCEDURES IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

Our Company has adopted the following internal control procedures to ensure that the continuing connected transactions are fair and reasonable and on normal commercial terms or better:

- we have adopted and implemented a management system on connected transactions. Under this system, our designated departments (including finance management department, audit department and operation management department) will be jointly responsible for reviewing and evaluating the terms of the continuing connected transactions and, in particular, the fairness of the pricing terms and will provide periodic reports on connected transactions to our management team, which is responsible for ensuring that the annual caps of the continuing connected transactions have not been exceeded and that the price of each of the continuing connected transactions remains fair and reasonable;

- the financial management department of the Group prepares monthly cumulative annual transaction amounts for each continuing connected transaction (as the case may be) and reconciles the cumulative annual transaction amounts for each continuing connected transaction against the relevant pre-approval caps. If any cumulative annual transaction amount exceeds 70% of the pre-approved annual caps, the relevant continuing connected transaction will be reported to the office of the Board of the Company for monitoring, follow-up and, if necessary, amendment of the annual caps in accordance with the requirements of the Listing Rules. The Group's financial management department conducts quarterly internal reviews and assesses the effectiveness of the relevant internal control measures;

- the independent non-executive Directors have reviewed the continuing connected transactions every year pursuant to Rule 14A.55 of the Listing Rules and confirmed in the annual report of our Company that the transactions have been entered into: (i) in the ordinary and usual course of business of our Group; (ii) on normal commercial terms or better to our Group; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of our Shareholders as a whole. If our independent non-executive Directors cannot so confirm, we will duly comply with Rule 14A.59 of the Listing Rules by promptly notifying the Stock Exchange and publishing an announcement. The independent non-executive Directors have also reviewed our management system on connected transactions, supervising our implementation and making recommendations to our Board and review and approve connected transactions of our Company and other related matters to the extent authorised by our Board; and

- the external auditor of our Company has also conducted an annual review and reported on the continuing connected transactions pursuant to Rule 14A.56 of the Listing Rules. We have disclosed in the annual report the work performed by the Company's external auditors on our continuing connected transactions and their review conclusions on the continuing connected transactions.

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2025 are set out in note 9 and note 10 to the consolidated financial statements of the Group in this annual report. None of the Directors waived his/her emoluments nor has agreed to waive his/her emoluments for the year ended 31 December 2025. Details of the remuneration of the current senior management of the Company by band for the year ended 31 December 2025 are set out as follows:

Range	Number of individuals
RMB0 to RMB1,000,000	3

PURCHASE, SALE AND REDEMPTION OF SHARES

During the year ended 31 December 2025, there was no purchase, sale or redemption of any listed securities (including treasure shares (as defined under the Listing Rules)) of the Company by the Company or any of its subsidiaries.

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

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability. The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board has established the following mechanisms to ensure the Board can obtain independent opinions when necessary for enhancing an objective and effective decision-making. The Board also reviews the implementation and effectiveness of the following mechanisms annually:

1. among the nine Directors of the Board, there are three independent non-executive Directors, which fulfill the requirement which there shall be at least three independent non-executive Directors in the Board and the number of independent non-executive Directors shall be at least one-third of the Board under the Listing Rules;

2. the independent non-executive Directors are required to be assessed in terms of independence, qualification and ability at the time of appointment and continue to be assessed on the aforementioned matters upon appointment;

3. the Board listens to the work report of independent non-executive Directors every year, and evaluates the time that independent non-executive Directors have devoted to the affairs of the Company and the situation of expressing independent opinions during the year. The attendance record of Directors in 2025 is set out in the "Corporate Governance Report" of this annual report;

4. the Directors can seek independent professional advice at the Company's expense, if necessary;

5. the Directors (including independent non-executive Directors) with a material interest in contracts, arrangements or other proposals shall not vote on any Board resolution approving such matters or be counted in the quorum;

6. the chairman meets with independent non-executive Directors every year without the presence of executive Directors and non-executive Directors;

The Audit Committee, consisting of all three independent non-executive Directors, namely Mr. Ip Wing Wai (chairman of the Audit Committee), Mr. Li Gang and Mr. Yu Qiang, is responsible for reviewing the Company's corporate governance policies and the Company's compliance with the CG Code and will make relevant recommendations to the Board accordingly.

CONFIRMATION OF INDEPENDENT STATUS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of 31 December 2025, none of the Directors or their respective close associates had interests in businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

SUFFICIENT PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient public float required under the Listing Rules as at the date of this annual report.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group recognises that the employees, customers and suppliers are keys to corporate sustainability and are keen on developing long-term relationships with stakeholders. The Company places significant emphasis on human capital and strives to foster an environment in which the employee can develop their full potential and to assist their personal and professional growth. The Company provides a fair and safe workplace, promoting diversity to our staff, providing competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts on-going efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-term cooperative relationships with quality suppliers on the basis of mutual trust. To maintain the competitiveness of the Group's brand and products, the Group abides by the principles of honesty and trustworthiness and commits itself to consistently provide quality products and services to establish a reliable service environment for its customers.

During the Reporting Period, there was no material and significant legal dispute between the Group and its suppliers and/or customers.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

REVIEW OF ANNUAL RESULTS

The Audit Committee had reviewed this annual report (including the Financial Statements) and the annual results announcement of the Company for the year ended 31 December 2025 and had submitted the same to the Board for approval. Members of the Audit Committee were of the opinion that the Financial Statements, the annual results announcement and this annual report had been prepared in compliance with the applicable accounting standards and the Listing Rules and that adequate disclosure had been made.

AUDITOR'S CONFIRMATION

Pursuant to Rule 14A.56 of the Listing Rules, a listed issuer must engage its auditors to report on the continuing connected transactions every year. The Board engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unmodified letter containing the auditor's findings and conclusion in respect of the continuing connected transactions disclosed by the Group on pages 51 to 58 of the Annual Report. It was stated in the letter that nothing has come to their attention that causes them to believe that:

i. the above continuing connected transactions have not been approved by the Board of the Company;

ii. for transactions involving the provision of goods or services by the Group, the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

iii. the above continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and

iv. the above continuing connected transactions have exceeded the annual caps set by the Company.

AUDITOR

Reference is made to the announcement of the Company dated 21 May 2025 that after the AGM of the Company held on 29 May 2025, both PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) retired as auditors under the International Financial Reporting Standards (IFRSs) and China Accounting Standards for Business Enterprises (CAS) of the Company, respectively, upon the expiry of their respective terms of office.

References are made to the Company's announcement dated 25 June 2025, the circular and notice of the extraordinary general meeting dated 27 June 2025, and the announcement dated 14 July 2025, relating to, among other things, the appointment of KPMG and KPMG Huazhen LLP ("**KPMG**") as the Company's auditors in 2025 under the International Financial Reporting Standards and China Accounting Standards for Business Enterprises, respectively. Their term of office commenced upon the passing of the relevant resolution at the extraordinary general meeting of the Company held on 14 July 2025. KPMG will retire at the 2025 AGM and, being eligible, has offered itself for re-appointment. A resolution to re-appoint KPMG as the Company's auditor will be proposed at the 2025 AGM.

Save as disclosed above, there is no other change in the auditor of the Company in the preceding three years.

The financial statements of the Company for the year ended 31 December 2025 have been audited by KPMG. All references above to other sections, reports or notes in this report form part of this Report of the Board of Directors.

By order of the Board of Directors
Chairman
Guo Wancai
27 March 2026

The Company is committed to maintaining and enhancing the standard of corporate governance so as to enhance the accountability and transparency of the Group and to enhance long-term returns to the Shareholders. During the Reporting Period, the Company has complied with the code provisions and principles of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Listing Rules.

During the Reporting Period and as of the date of this report, Mr. Guo Wancai is the Chairman and non-executive Director of the Company, Mr. Wang Runliang resigned as the general manager on 21 January 2025, and Mr. Zhao Peng was appointed as the general manager of the Company on 21 January 2025, and was appointed as the executive Director of the Company on 29 May 2025. Mr. Zhao Peng has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 28 May 2025 in respect of the requirements of the Listing Rules applicable to him as a director of the Company, and Mr. Zhao Peng has confirmed that he understood his obligations as a director of the Company.

BOARD GOVERNANCE STRUCTURE

As of the end of the Reporting Period, the Board comprised nine Directors, three of whom are independent non-executive Directors. The Board has established three committees, namely the Audit Committee comprising three independent non-executive Directors, Ip Wing Wai (Chairman), Li Gang and Yu Qiang; the Remuneration Committee comprising Li Gang (Chairman), an independent non-executive Director, Yu Qiang, an independent non-executive Director, and Ip Wing Wai, an independent non-executive Director; and the Nomination Committee comprising Guo Wancai (Chairman), a non-executive Director, Li Gang, an independent non-executive Director, Yu Qiang, an independent non-executive Director, Mr. Ip Wing Wai, an independent non-executive Director and Ms. Feng Min, a non-executive Director.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

The attendance records of each Director at Board meetings, general meetings (the "general meetings"), and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

Name of Director	General meetings (No. of meetings attended/ No. of meetings held)	The Board of Directors (No. of meetings attended/ No. of meetings held)	Audit Committee (No. of meetings attended/ No. of meetings held)	Remuneration Committee (No. of meetings attended/ No. of meetings held)	Nomination Committee (No. of meetings attended/ No. of meetings held)
Executive Directors					
Zhao Peng *(note 1)*	2/3	5/9	N/A	N/A	N/A
Wang Wenqi	3/3	9/9	N/A	N/A	N/A
Wang Runliang *(note 2)*	2/3	4/9	N/A	N/A	N/A
Non-executive Directors					
Guo Wancai *(Chairman)*	3/3	9/9	N/A	N/A	2/2
Tian Qiang	3/3	9/9	N/A	N/A	N/A
Zhao Chengjun	3/3	9/9	N/A	N/A	N/A
Feng Min *(note 3)*	3/3	9/9	N/A	N/A	N/A
Independent Non-executive Directors					
Li Gang	3/3	9/9	4/4	2/2	2/2
Ip Wing Wai *(note 3)*	3/3	9/9	4/4	2/2	N/A
Yu Qiang	3/3	9/9	4/4	2/2	2/2

Notes:

1. Mr. Zhao Peng was appointed as an executive Director on 29 May 2025. Following his appointment, the Company held 5 Board meetings during the Reporting Period.

2. Mr. Wang Runliang resigned as an executive Director with effect from 29 May 2025. Prior to his resignation, the Company held 4 Board meetings during the Reporting Period.

3. Ms. Feng Min and Mr. Ip Wing Wai were appointed as members of the Nomination Committee on 25 April 2025. No Nomination Committee meeting was held during the Reporting Period after their appointments.

During the Reporting Period, the number of Board meetings held, procedures for convening Board meetings, record keeping, rules for conducting meetings and relevant matters were in compliance with the relevant code provisions.

THE DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is accountable to the general meeting, and exercises its powers in accordance with the Articles of Association and the Rules of Procedures of Meetings of the Board. According to the Articles of Association, the main duties of the Board include: (1) to convene general meetings and report its work to the general meetings; (2) to determine the Company's operation plans, investment plans, investment proposals, financing proposals and annual financial budget plans; (3) to formulate the Company's annual financial accounting plans; (4) to formulate the Company's profit distribution plans and loss recovery plans; (5) to determinate the structure of the Company's internal management organization; and (6) to appoint or dismiss the general manager and Secretary to the Board of the Company; to appoint or dismiss the deputy general manager and financial officer according to the nomination of the general manager, and to decide on matters of their remuneration, rewards and punishments.

The Board is responsible for performing the corporate governance functions including: (1) to develop and review the Company's policies and practices on corporate governance and make recommendations; (2) to review and monitor the training and continuous professional development of Directors and senior management members; (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (4) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and (5) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report. During the Reporting Period, the Board actively performed its corporate governance duties. For specific implementation, please refer to the disclosure in this Corporate Governance Report.

THE DUTIES OF THE MANAGEMENT

The management shall strictly abide by various responsibilities stipulated by laws, regulations and the Articles of Association, and its main tasks are to ensure that the Company's business practises comply with economic policies and market regulatory requirements, and to ensure transparent financial conditions through responsible and supervision of the daily operation of the Company, so as to achieve the Company's strategic goals. The management shall also diligently perform their duties, conscientiously implement the tasks and plans determined by the Board, and promote the implementation of operation and management. At the same time, safeguarding the rights and interests of corporate property is also the primary responsibility of the management. Members of the management are required to deal with the conflict between their personal interests and the interests of the Company, and are prohibited from taking advantage of their personal positions to seek business opportunities that belong to the Company, or cooperating with others on their own to compete in the same industry and disclosing the Company's trade secrets to the detriment of the interests of the Company and its Shareholders.

The main duties and powers performed by the management include: (1) to promote the production, operation and management of the Company, organise the implementation of the Company's annual business plan and investment plan, and formulate and implement the Company's internal management structure and basic management system; (2) to be responsible for the daily financial management of the Company, organise and urge the departments to complete the corresponding responsibilities, such as monitoring and reporting major economic activities that may cause economic losses to the Company in a timely manner, organising the preparation of financial budgets, final accounts and tax payments in a timely manner, and being responsible for asset verification of the Company; (3) to formulate and supervise the implementation of corporate human resources strategic plans; (4) to strengthen the internal scientific governance of listed companies and to carry out compliance information disclosure, equity investment and external investor relations; (5) to promote other daily management affairs of the Company.

PROCEEDINGS OF THE BOARD MEETING

According to the Articles of Association of the Company, the Board shall hold at least two meetings each year, which shall be convened by the Chairman and notified to all the Directors 14 days prior to the meeting in writing. Shareholders representing more than one-tenth of the voting rights, or more than one-third of the Directors or Audit Committee may propose an interim Board meeting. The Chairman of the Board shall convene and preside over a Board meeting within 10 days after receiving the proposal. The notice of interim Board meeting held by the Board shall be served by hand, email or facsimile 5 days before the date of the meeting. If an interim meeting of the Board needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral method, provided that the convener gives an explanation thereof at the meeting and the same is entered into the meeting minutes.

ELECTION OF DIRECTORS

According to the Articles of Association, the Directors of the Company who are not employee representatives shall be elected or replaced by the general meeting, and Directors who are employee representatives shall be elected or replaced by the employees representative meeting of the Company. The Directors shall have a term of office of 3 years. Upon the expiration of the term, the Directors may be re-elected and serve consecutive terms. In addition, the Chairman of the Board shall be elected by more than half of votes casted by all Directors at the meeting of the Board for a term of three years, and eligible for re-election.

PROCEDURES FOR THE ELECTION AND APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT MEMBERS

The Nomination Committee shall conduct a comprehensive assessment and analysis of the Company's existing Directors and senior management members, fully communicate with relevant departments of the Company, learn the Company's needs for new Directors and senior management members, and prepare written materials; extensively identify candidates for Directors and senior management members through various channels including the Company, its subsidiaries, and talent market in accordance with the job requirements and the Board Diversity Policy; obtain information of the occupation, educational background, job title, detailed work experience and all the part-time positions of the preliminary candidates and prepare written materials; seek the consent of the candidates for the nomination of Directors and senior management members by relevant institutions or personnel in accordance with the provisions of laws and regulations and the Articles of Association; otherwise, the candidates shall not be selected as Directors and senior management members; convene a meeting of the Nomination Committee to review the qualifications of the preliminary candidates according to the job descriptions of Directors and senior management members; formulate the resolutions of the Nomination Committee meeting, and to propose candidates and relevant materials to the Board of the Company; and carry out other follow-up work according to the decision(s) and feedback of the Board.

BOARD DIVERSITY POLICY

The Nomination Committee shall consider relevant factors according to the Company's business model and specific needs in reviewing the size and composition of the Board, searching for and proposing candidates for Directors to achieve the diversity of board members. The Committee may consider board diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service period. After considering the above-mentioned relevant factors, the Committee will make a final appointment recommendation to the Board based on the strengths of the Director candidates and their contribution to the Board. At least one female Director has been appointed among the Directors of the Company (Ms. Feng Min was appointed as a non-executive Director of the Company on 27 August 2021). As at the end of the Reporting Period, the proportion of female Director on the Board was approximately 11%. The Nomination Committee considered that the board diversity had been achieved. The Company will also endeavor to achieve gender diversity when recruiting staff at all levels (including mid to senior level) so that suitable succession planning for the Board can be made to ensure gender diversity of the Board. As Ms. Feng Min was appointed as a member of the Nomination Committee of the Board on 25 April 2025, the Nomination Committee now has at least one Director of a different gender.

EMPLOYEE DIVERSITY

The Group values and cultivates the diversity, and is committed to creating an equal, inclusive, healthy and comfortable working environment for all employees. We treat all employees equally, so that all employees can gain a sense of belonging and respect. Any form of discrimination regarding gender, ethnicity, race, religion and other aspects is prohibited. The Group's recruitment strategy is to hire the right staff for the right positions, regardless of gender. The Group welcomes all people to join, and promises to provide equal opportunities for employees in terms of recruitment, training and development, job promotion, salary and benefits, and protect employees' rights and interests from infringement. As at the end of the Reporting Period, the male to female ratio of all employees of the Group (including senior management) was approximately 1.87:1.

THE TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The management of the Company provides appropriate and sufficient information to the Directors in a timely manner to keep them abreast of the latest development of the Company and enable them to perform their duties.

Newly appointed Directors (if any) are provided with an induction programme on the Company's activities to help them familiarise themselves with the management, business and governance practises of the Company. The Company also encourages the Directors to attend seminars and courses organised by qualified institutions to ensure that they continuously update their skills and keep abreast of the latest developments or changes in the regulations, the Listing Rules and the Code that are required to be complied with when performing their duties.

The Directors confirmed that they have complied with the code provision C.1.4 of the Code on Directors' training. All Directors have participated in continuous professional development by attending training and courses or reading materials to develop and refresh their knowledge and skills and provided a record of training to the Company. Details of the training are as follows:

Directors	Special Training
Executive Directors	
Zhao Peng *(appointed on 29 May 2025)*	GHIJK
Wang Wenqi	ABCDFHIJK
Wang Runliang *(resigned on 29 May 2025)*	BCD
Non-executive Directors	
Guo Wancai *(Chairman)*	ABCDFHIJK
Tian Qiang	ABCDFHIJK
Zhao Chengjun	ABCDFHIJK
Feng Min	ABCDFHIJK
Independent Non-executive Directors	
Li Gang	BCDFHJK
Ip Wing Wai	DFHJK
Yu Qiang	BCDFHJK

A. On 7 January 2025, the Directors completed the learning of the Training Program on Corporate Governance for State-owned Enterprises during their term of office.

B. On 10 January 2025, the Directors completed the learning of the Exchange Publishes Conclusions on Corporate Governance Code Enhancements during their term of office.

C. On 15 January 2025, the Directors completed the learning of the Compliance and Regulatory Updates on Hong Kong Stocks (《港股合規監管速遞》(January 2025) and the Exchange's New ESG Requirements during their term of office.

D. On 20 January 2025, the Directors completed the learning of the Compliance Management Training for Listed Companies (《上市公司合規管理事項培訓》) during their term of office.

E. On 18 February 2025, the Directors completed the learning of the Special Training on Supervisory Committee Reform and Board of Directors Optimization for Subsidiaries (《監事會改革、子公司董事會建設優化專項培訓》) during their term of office.

F. On 28 February 2025, the Directors completed the learning of the Training on Accountability for Non-compliant Business Operations and Investments (《違規經營投資責任追究培訓》) during their term of office.

G. On 29 May 2025, the Directors completed the learning of the Pre-appointment Training for Directors during their term of office.

H. On 7 July 2025, the Directors completed the learning of the Exchange's Conclusions on Frequently Asked Questions Regarding Relevant Guidelines of Corporate Governance (《聯交所發佈的企業管治相關指引常見問答資訊總結》) during their term of office.

I. On 20 October 2025, the Directors completed the learning of the Specialized Training Program for Dispatched Directors (《派出董事專題培訓》) during their term of office.

J. On 20 November 2025, the Directors completed the learning of the Hong Kong Stocks Regulatory Compliance Developments for June — November 2025 (《2025年6–11月港股合規監管動態》) during their term of office.

K. On 29 November 2025, the Directors completed the learning of the Results of Review of Issuers' Annual Reports 2024 Presented by the Stock Exchange (《聯交所發佈的2024年年報審閱情況報告》) during their term of office.

The Board has delegated certain of its functions to the Board committees, details of which are set out below.

BOARD COMMITTEES

Audit Committee

Functions of the Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with the relevant requirements of the Listing Rules. The main responsibilities of the Audit Committee include: to make recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the external auditor, and supervise and evaluate the external auditor; to guide the internal auditing; to review and comment on the Company's financial reports; to evaluate the effectiveness of the financial reporting system and internal controls; to coordinate the communication between the management, the internal audit department, and relevant departments and external auditor; to review and monitor the Company's policies and practices regarding compliance with legal and regulatory requirements; to review the Company's compliance with the applicable corporate governance code and the corporate governance reports required to be disclosed by the listing rules of the place where the shares of the Company are listed; to ensure that the Company establishes appropriate channels so that employees can report or raise questions about potential improper behaviors in financial reporting, internal control or other aspects under the premise of confidentiality; and to review relevant arrangements from time to time to allow the Company to conduct a fair and independent investigation into such matters and take appropriate follow-up actions, and to report its decisions or suggestions to the Board, unless prevented from doing so by law or by other restrictions.

Members of the Audit Committee and the Audit Committee Meeting

As of 31 December 2025, the Audit Committee consists of three members, all of whom are independent non-executive Directors. The chairperson of the Audit Committee is Mr. Ip Wing Wai and other members include Mr. Yu Qiang and Mr. Li Gang.

During the Reporting Period, the Company held four meetings of the Audit Committee. Analysed as:

On 26 March 2025, the Company convened the first meeting of the Audit Committee for 2025. All members attended the meeting. The meeting mainly approved the draft audited consolidated financial statements of the Group for the year ended 31 December 2024, the draft annual results announcement, the draft annual report and the continuing connected transactions. The Audit Committee reviewed the risk management and internal control systems and the effectiveness of the internal audit function of the Company.

On 25 June 2025, the Company convened the second meeting of the Audit Committee for 2025. All members attended the meeting. The meeting considered and approved the appointment of an audit service provider for 2025.

On 28 August 2025, the Company convened the third meeting of the Audit Committee in 2025. All members attended the meeting. The meeting considered and approved the financial position, the interim financial statements, the draft interim results announcement, the draft interim report of the Group for the half-year ended 30 June 2025 and amendments to the Company's basic internal audit system.

On 22 December 2025, the Company convened the fourth meeting of the Audit Committee for 2025. All members attended the meeting. The meeting mainly considered and approved the update to the Group's annual audit plan for 2025.

For the attendance records of the relevant committee members, please refer to the paragraph above headed "Attendance Records of Directors and Committee Members".

Decision-Making Procedures of the Audit Committee

The Company shall prepare for the preparatory work for the decision-making of the Audit Committee, and the coordination between the Company's internal audit department, financial department and other relevant departments to provide written information of the Company; the Audit Committee meeting shall review the reports provided by the relevant departments, and submit relevant written resolution materials to the Board for discussion.

Remuneration Committee

Functions of the Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with the relevant requirements of the Listing Rules. The main responsibilities of the Remuneration Committee include: to consider and draw up the evaluation criteria for Directors and senior management members, conduct evaluations and make recommendations; to study and review the remuneration policies and plans for Directors and senior management members, and submit relevant proposals to the Board for approval; to supervise and ensure the implementation of the resolutions of the Board in relation to the remuneration or assessment of the Directors and senior management of the Company; to review and monitor the training and continuous professional development of the Directors and senior management members; and to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Members of the Remuneration Committee and the Remuneration Committee Meeting

As at 31 December 2025, the Remuneration Committee consists of three members, all of whom are independent non-executive Directors. The chairperson of the Remuneration Committee is Mr. Li Gang, an independent non-executive Director, and other members include Mr. Yu Qiang (an independent non-executive Director) and Mr. Ip Wing Wai (an independent non-executive Director).

During the Reporting Period, the Company convened two Remuneration Committee meetings.

On 26 March 2025, the Company convened its first meeting of the Remuneration Committee for 2025. All members attended the meeting. The meeting reviewed the remuneration policy and structure of the Company's Board of Directors and senior management, remuneration packages of executive Directors and senior management, remuneration of independent non-executive Directors and made recommendations to the Board.

On 25 June 2025, the Company convened its second meeting of the Remuneration Committee for 2025. All members attended the meeting. The meeting discussed the adjustment to the remuneration of independent non-executive Directors of the Company and made recommendations to the Board.

For the attendance records of the relevant committee members, please refer to the paragraph above headed "Attendance Records of Directors and Committee Members".

Decision-Making Procedures for the Remuneration of the Directors and Senior Management Members

After the Company's Directors and senior management members report and make self-evaluation to the Remuneration Committee, the Remuneration Committee shall evaluate the performance of Directors and senior management members in accordance with the performance evaluation standards and procedures. The amount of remuneration and reward method for Directors and senior management members shall be proposed in accordance with the performance evaluation results of the post and the remuneration distribution policies, and shall be submitted to the Board after being approved by voting. Pursuant to the Terms of Reference of the Remuneration Committee of the Board, the remuneration plan for the Directors of the Company proposed by the Remuneration Committee shall be submitted to the Board for approval and submitted to the general meeting for deliberation and approval before implementation. The remuneration distribution plan for the senior management members of the Company shall be submitted to the Board for approval before implementation.

Nomination Committee

Functions of the Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the relevant requirements of the Listing Rules. The main responsibilities of the Nomination Committee include: to consider and draw up the criteria and procedures for selection of Directors and senior management members of the Company, including but not limited to the appointment or re-appointment of Directors and the succession plan for Directors (in particular the chairman and Chief Executive Officer), and make recommendations to the Board; to extensively identify qualified candidates for Directors and senior management members, and select and nominate relevant persons to serve as Directors or make recommendations to the Board; to review the candidates for Directors and senior management members, and make recommendations; to assess the independence of independent non-executive Directors; to advise the Board on the scale and composition of the Board based on the Company's business activities, asset size, and equity structure and review the structure, number of people, and composition of the Board (including the diversity of skills, knowledge, and experience) at least annually, assist the Board in preparing and maintaining a Board skills matrix and make recommendations on proposed changes to the Board in line with the Company's strategy; to support the Company for the regular evaluation of the Board's performance; to review the board diversity policy of the Company and any measurable objectives for implementing such board diversity policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosure of its review results in the annual report of the Company annually; to conduct an annual assessment of each Director's time commitment and contributions to the Board, as well as the ability to discharge his/her responsibilities effectively; to report its decisions or recommendations to the Board, unless prevented from reporting by laws or regulatory restrictions.

Members of the Nomination Committee and the Nomination Committee Meeting

As at 31 December 2025, the Nomination Committee consists of five members, including three independent non-executive Directors and two non-executive Directors. The chairperson of the Nomination Committee is Mr. Guo Wancai, and other members are Mr. Yu Qiang (an independent non-executive Director), Mr. Li Gang (an independent non-executive Director), Mr. Ip Wing Wai (an independent non-executive Director) and Ms. Feng Min (a non-executive Director). Among whom, each of Mr. Ip Wing Wai and Ms. Feng Min was appointed as a member of the Nomination Committee on 25 April 2025. During the Reporting Period, the Company held two meetings of the Nomination Committee.

On 16 January 2025, the Company held the first meeting of the Nomination Committee for 2025. All members attended the meeting. The meeting reviewed and made recommendations to the Board on the change of the executive Director and the appointment of general manager of the Company.

On 26 March 2025, the Company held the second meeting of the Nomination Committee for 2025. All members attended the meeting. The meeting reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors and noted that all independent non-executive Directors are considered independent. It reviewed and made recommendations to the Board on the board diversity policy, the measurable objectives and the progress on achieving the objectives. The meeting reviewed the Director nomination policy and resolved that the above policy remained in effect.

For the attendance records of the relevant committee members, please refer to the paragraph above headed “Attendance Records of Directors and Committee Members”.

Abolishment of the Board of Supervisors, Dismissal of Supervisors and Repeal of the Rules of Procedures for the Board of Supervisors

Pursuant to the new Company Law, a joint stock limited company may, in accordance with its articles of association, instead of establishing a board of supervisors, establish an audit committee which comprises its directors and discharges the duties of the board of supervisors as prescribed under the new Company Law.

On 25 April 2025, the Board resolved and proposed to abolish the Board of Supervisors, dismiss Mr. Ji Jianguo and Mr. Zhang Shaojie as non-employee representative Supervisors and repeal the Rules of Procedures for the Board of Supervisors in accordance with the provisions of the new Company Law.

The aforesaid ordinary resolutions have been approved by the Shareholders at the AGM held on 29 May 2025. As such, the Board of Supervisors has been abolished and each of the non-employee representative Supervisors has been dismissed as a non-employee representative Supervisors, with effect from 29 May 2025. In addition, the meeting of employee representatives of the Company resolved that Mr. Qin Xiaohui has been dismissed as the employee representative Supervisor of the Company, with effect from 29 May 2025, and the meeting of employee representatives of the Company will no longer elect any employee representative Supervisor. All duties of the Board of Supervisors have been discharged by the Audit Committee of the Board. The Rules of Procedures for the Board of Supervisors were also repealed on the same date (i.e. 29 May 2025).

For details, please refer to the announcements of the Company dated 25 April 2025 and 29 May 2025 and the circular of the Company dated 30 April 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

Review of Risk Management and Internal Controls

The Board acknowledges that it is responsible for maintaining sound and effective risk management and internal control systems and reviewing their effectiveness. The Company's risk management and internal control systems provide a comprehensive and organized structure with clearly defined scopes of responsibilities, authorities and procedures. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has in place an internal audit function, which is to have a designated risk management and internal control team (the "team") responsible for identifying and monitoring the Company's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. The Board receives regular updates from the senior management and reviews the Group's business plan, financial results, investment strategies and business indicators to ensure that the business risks are identified and managed. The senior management supervises the Group's business performance on an on-going basis via regular meetings with respective departments and project teams, to identify potential risks and develop strategies to address the risk. The Group monitors a wide range of indicators, such as overdue ratio of supply chain finance business, asset-debt ratio, the occupation of "two funds" and employee turnover rate, and responds promptly if any risk indicators arise. The Group also works with external legal, accounting and other professional advisers as required to ensure that it is in compliance with relevant legislation and regulations. All departments of the Company are required to adhere to the Company's internal control procedures and report to the team of any risks or internal control issues. The Audit Committee of the Board also regularly reviews the Company's financial controls, risk management and internal control systems at least on an annual basis.

The Board has received confirmation from the management that in respect of the year ended 31 December 2025:

— the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and

— the risk management and internal control systems of the Group are effective.

Based on the framework for risk management and internal control systems established by the Group, the Board and the Audit Committee considered that, through the review of risk management and internal control systems of the Group, it can evaluate and improve their effectiveness and resolve material internal control defects. The Board, with the concurrence of the Audit Committee, considered that the Company's internal control systems, including financial, operational and compliance, were effective and adequate for the year ended 31 December 2025 based on the work performed and report prepared by the team as well as the confirmation letter received by the management. The Company will perform ongoing assessments to update all material risk factors on a regular basis. In any case, review of risk management and internal control systems by the Board will be conducted annually.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board conducts regular review and assessment on inside information, discusses with the management or authorized persons of the Company about disclosure of inside information, reports to the Board once identified any inside information for dissemination.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 124 to 209 of this annual report.

DIVIDEND POLICY

We currently do not have any pre-determined dividend pay-out ratio. The payment and the amount of any future dividends will be at the discretion of our Board and will also depend on factors such as our results of operations, cash flow, capital requirements, general financial condition, contractual restrictions, future prospects and other factors that our Board deem relevant. Any declaration and payment as well as the amount of dividends will be subject to Articles of Association and the Company Law, including the approval of our Shareholders. In addition, dividends can only be paid out of profits or other distributable reserves.

Pursuant to the requirements of the Enterprise Income Tax Law of the People's Republic of China, the Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China (collectively, the "Enterprise Income Tax Law") and the Notice of the State Administration of Taxation on Issues Relevant to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Offshore Non-resident Enterprise Holders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897, the "Notice"), the Company is required to withhold enterprise income tax at the rate of 10% when distributing the final dividend to non-resident enterprise Shareholders whose names appear on the H Share register of members of the Company.

Pursuant to the regulations promulgated by the SAT, the dividend (bonus) received by the overseas resident individual shareholders from the shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax, which shall be withheld by the withholding agents according to the relevant laws. However, the overseas resident individual shareholders of the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties signed between the countries where they are residents and China as well as the tax arrangements between Mainland China and Hong Kong (Macau). The tax rate for dividends under the relevant tax treaties and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax treaties/arrangements stipulating a tax rate of lower than 10%, the withholding agents may file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and such shareholders shall timely submit application to withholding agents and collect and file related information for reference pursuant to the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements (《非居民納税人享受協定待遇管理辦法》) (Announcement No. 35 [2019] of the State Administration of Taxation) and related tax treaties/arrangement. Upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax treaties/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed upon effective tax rate when distributing dividends, and are not obligated to file an application; and (3) for citizens from countries without tax agreements/arrangements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

Should the holders of H Shares of the Company have any doubt in relation to the aforesaid arrangements, they are recommended to consult their taxation advisors regarding relevant tax laws and regulations in Mainland China, Hong Kong and other countries on the taxation implications of the dividend payment by the Company, holding, or dealing in the H Shares of the Company.

SECURITIES TRANSACTIONS CONDUCTED BY DIRECTORS AND SUPERVISORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the rules governing dealings by the Directors and Supervisors in the listed securities of the Company. Specific enquiries have been made to all Directors and former Supervisors who have confirmed that they have complied with the Model Code during the Reporting Period and/or during the period in which they held relevant positions, if applicable.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

In light of the Company's future audit needs and to uphold good corporate governance, the Board did not seek to re-appoint PricewaterhouseCoopers, the former auditor of the Company, at the AGM of the Company held on 29 May 2025. Accordingly, PricewaterhouseCoopers, the Company's former auditor, has retired on 29 May 2025. The Shareholders of the Company approved the appointment of KPMG as the new auditor of the Company at the extraordinary general meeting held on 14 July 2025, for a term from 14 July 2025 until the conclusion of the next AGM of the Company.

For the year ended 31 December 2025, a total of RMB3,177 thousand was paid/payable by the Group to KPMG as service fees.

Service item	**Amount of service fees (RMB'000)**
Audit services	2,800
Non-audit services	377
	3,177

Note: Service fees are exclusive of tax and disbursements. Non-audit services fee represents the service fee for Practice Note 740: Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules paid/payable to KPMG.

JOINT COMPANY SECRETARIES

Ms. Chan Yin Wah has resigned as the joint company secretary of the Company on 15 July 2025. Mr. Liu, current secretary of the Company, is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules upon expiry of the waiver on 14 July 2025. Mr. Liu continues to serve as the sole company secretary of the Company following the resignation of Ms. Chan.

In 2025, the joint company secretaries of the Company have received not less than 15 hours of training to update their professional skills and knowledge in compliance with Rule 3.29 of the Listing Rules during the year.

SHAREHOLDERS' RIGHTS

Shareholders who individually or collectively hold 10% or more of the Company's Shares shall have the right to request the Board to convene an extraordinary general meeting, which shall be submitted in writing to the Board. The Board shall, in accordance with the law, administrative regulations and these Articles of Association, give a written reply on whether to agree or disagree with the convening of the extraordinary general meeting within ten days after receiving the request. If the Board consents to hold an extraordinary general meeting, it should issue a notice of general meeting within 5 days after the resolution is approved by the Board, and any change to the original request in the notice shall be subject to consent from the relevant Shareholders. If the Board disagrees to hold an extraordinary general meeting, or fails to give a reply within 10 days after receiving the request, Shareholders who, individually or jointly, hold not less than 10% of the Shares of the Company shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and the request shall be submitted to the Audit Committee in writing. If the Audit Committee consents to hold an extraordinary general meeting, it should issue a notice of general meeting within 5 days after receiving the request, and any change to the original request in the notice shall be subject to consent from the relevant Shareholders. If the Audit Committee fails to issue a notice of general meeting within the prescribed period, the Audit Committee is deemed to refuse to convene and preside over the general meeting, and Shareholders who, individually or jointly, hold not less than 10% Shares of the Company for not less than 90 consecutive days may convene and preside over a general meeting. Where the Company convenes a general meeting, the Shareholders individually or jointly holding more than 1% of the Shares of the Company may raise a temporary proposal and submit it to the convener in writing 10 days before the general meeting is held. For details, please refer to Articles 57 and 61 of the Articles of Association of the Company. Shareholders who intend to put forward their enquiries to the Board of the Company may send their enquiries to the Company in writing. The Company will not normally deal with verbal or anonymous enquiries. Shareholders may put forward proposals or enquiries to the Board through the company secretary. The contact detail of the company secretary is as follows: ir@deewinfl.com.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company attaches great importance to communication with Shareholders and investors. The Company informs Shareholders of the Company's operations through various channels, especially periodic reports such as annual reports and interim reports. The Company publishes its circulars, notices, financial reports and other corporate information electronically through its corporate website at http://www.deewintx.com. The Company regards the AGM as an important event of the Company during the year. The Directors, Supervisors and senior management members attended the meeting and arranged a session for Shareholders to ask questions and communicate directly with Shareholders. As such, the Board members attended the AGM held on 29 May 2025 and the extraordinary general meeting of the Company held on 14 July 2025 to provide Shareholders with opportunities to understand the latest development of the Group and raise questions. The date, content, delivery method, announcement method and Shareholders' voting procedures of the circular to Shareholders and the notice of the general meeting of the Company strictly comply with the relevant provisions of the Company Law of the People's Republic of China, the Articles of Association and the Listing Rules to ensure the smooth realization of shareholders' right to attend the general meeting. According to the Articles of Association, Shareholders of the Company shall have the right to supervise the operation of the Company, and to put forward proposals or raise questions.

The Company is committed to promoting investor relations and maintaining good communication with investors through investor relations hotline, e-mail and investor reception. The Company has reviewed the implementation of the policies relating to communication with Shareholders during the Reporting Period and considered that such policies are appropriate and effective. In the coming year, the Company will further strengthen its communication with investors, increase their understanding of the Company, and at the same time, hope to receive more support and attention from investors.

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

According to Articles of Association, the Company shall amend the Articles of Association under any of the following circumstances: (I) after the PRC Company Law or relevant laws and administrative regulations are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones; (II) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association; and (III) the general meeting decides to amend the Articles of Association. Except as otherwise provided in the Articles of Association, the following procedures shall be followed to amend the Articles of Association: (I) the Board shall adopt a resolution in accordance with the Articles of Association to prepare a proposal to amend the Articles of Association or a proposal by the Shareholders to amend the Articles of Association; (II) notify the Shareholders of the amendment proposal and call a general meeting to vote on it; (III) the amendments submitted to the general meeting for voting shall be adopted by special resolution. The Board shall amend the Articles of Association in accordance with the resolutions of the general meeting and the approval opinions of relevant competent authorities.

In light of the implementation of the new Company Law, the China Securities Regulatory Commission promulgated the New Guidelines on 28 March 2025, which came into effect on the same date. The Board resolved to make certain amendments to the Company's Articles of Association, the Rules of Procedures for General Meetings and the Rules of Procedures for Board Meetings (the "Amendments") on 25 April 2025, in accordance with the new Company Law, the New Guidelines, the Listing Rules, the proposed abolishment of the Board of Supervisors, the proposed dismissals of non-employee representative Supervisors, and the proposed repeal of the Rules of Procedures for the Board of Supervisors.

The Amendments have been approved by the Shareholders at the AGM held on 29 May 2025. The current Articles of Association of the Company are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.deewintx.com).

For details, please refer to the announcements of the Company dated 25 April 2025 and 29 May 2025 and the circular of the Company dated 30 April 2025.

Save as disclosed above, there were no other amendments to the Articles of Association of the Company during the Reporting Period.

NON-COMPETITION UNDERTAKING

To avoid any actual or potential competition between the businesses of the Controlling Shareholders of the Company and the Company, on 23 June 2022, the Controlling Shareholders of the Company, namely Shaanxi Automobile, Shaanxi Automobile Holding and Shaanxi Commercial Automobile, had undertaken to the Group (the ''Non-Competition Undertaking") that, subject to certain exceptions, they shall not, and shall procure that their associates (other than members of the Group) will not, engage in any business which directly or indirectly competes with our core business within the Relevant Period (as defined in the Prospectus). Please refer to the Prospectus for details of the Non-Competition Undertaking.

As of 31 December 2025, the Controlling Shareholder of the Company did not hold any interest in any other business which may compete, either directly or indirectly, with the business of the Group.

The Company has received confirmation from the Controlling Shareholders of the Company, confirming their compliance with the Non-Competition Undertaking during the year ended 31 December 2025 for disclosure in this report.

The independent non-executive Directors have reviewed the compliance with the Non-Competition Undertaking for the year ended 31 December 2025 on the basis of the information and confirmations provided by or obtained from the Controlling Shareholder of the Company and are satisfied that the Non-Competition Undertaking has been duly complied with by the Controlling Shareholder of the Company.

The Company will review the signatures of the confirmations from the Controlling Shareholders of the Company in a timely manner prior to the publication of each annual report, and the independent non-executive Directors will review the compliance with the Non-Competition Undertaking by the Controlling Shareholders of the Company during the relevant reporting period. The Company will disclose the progress of the Non-Competition Undertaking during the relevant reporting period in a timely manner in the annual report.

Environmental, Social and Governance Report

1. ABOUT THE COMPANY

1.1 Introduction of Company

Deewin Tianxia Co., Ltd is a major player in China's commercial vehicle service industry, with business scopes covering three major sectors: logistics and supply chain services, supply chain financial services, and vehicle networking and data services — the Company integrates the "logistics flow," "capital flow," and "information flow" that span the entire commercial vehicle industry chain. Its customer base encompasses a wide range of stakeholders, including auto parts suppliers, commercial vehicle manufacturers and dealers, individual truck owners, logistics fleets and enterprises, cargo owners, and government regulatory agencies. By doing so, Deewin Tianxia Co., Ltd effectively addresses the diverse operational needs of its clients within the commercial vehicle sector.

1.2 Industry Culture

Deewin Tianxia Co., Ltd continuously enhances its corporate culture system, utilizing its "Mission — Vision — Values — Strategic Positioning" as a key guiding framework for organisational consensus and operational management. This approach drives the Company to achieve a unity of value creation and responsibility fulfillment in the course of high-quality development. The Group commits to evolving in close alignment with customer needs and the broader industry chain. Guided by the principles of serving customers, empowering partners, and creating value, it integrates the concepts of value sharing and collaborative innovation into its business operations, management optimisation, and stakeholder engagement. Through these efforts, the Company continuously strengthens its comprehensive service capabilities and enhances its long-term resilience.

Guided by its industry culture, the Group strategically advances its business around the vision of providing integrated and intelligent services for the commercial vehicle industry chain. With a strong focus on deep integration with the vehicle manufacturing business, the Company continuously improves its service quality, operational efficiency, and collaborative capabilities. It commits to generating long-term, stable, and sustainable value for its customers, partners, shareholders, and society.

Focus on the full vehicle lifecycle, comprehensive customer operations, and the upstream and downstream of the industrial chain, to serve customers, empower partners, and create value.	Mission
Become a domestically leading and internationally renowned integrator of digital and intelligent services across the commercial vehicle industry chain.	Vision
Build long-term trust through shared value, and achieve sustainable growth through innovation and collaboration.	Values
Based on the "three focuses" — focusing on the entire lifecycle of commercial vehicles, the full process of customer operations, and the upstream and downstream of the industrial chain — the Company is deeply integrated with its vehicle manufacturing business to develop optimal solutions that maximize the overall value of "vehicles + aftermarket". This approach aims to create value for shareholders and enhance the overall competitiveness of the Company.	Market Focus

2. ABOUT THE REPORT

2.1. Introduction of Report

Deewin Tianxia Co., Ltd (the "Company") and its subsidiaries (collectively, the "Group", "we", or "us") are pleased to present our Environmental, Social and Governance (ESG) Report. This report sets out our approach to managing environmental and social issues throughout the reporting period, highlighting key initiatives and performance. It also serves as a summary of our progress and achievements in advancing sustainable development.

2.2. Scope of Report

The report covers the Group's environmental and social performance during the reporting period from 1 January 2025 to 31 December 2025 (the "Year"), encompassing all our logistics and supply chain services, supply chain financial services, and connected vehicle and data services operations across the People's Republic of China ("PRC"). The scope of our key performance indicators disclosure covers the following subsidiaries and our Shanghai office: Shaanxi Tonghui Automobile Logistics Co., Ltd. ("Tonghui Logistics"), Shanghai Yuanxing Supply Chain Management (Group) Co., Ltd. ("Shanghai Yuanxing"), Deewin Financial Leasing Co., Ltd. ("Deewin Leasing"), Shanghai Deewin Commercial Factoring Co., Ltd. ("Deewin Factoring"), Shaanxi Tianxingjian Internet of Vehicles Information Technology Co., Ltd. ("Tianxingjian"), Shaanxi Yuanxing Supply Chain Management Co., Ltd. ("Shaanxi Yuanxing"), Shaanxi Zhongfu Wulian Technology Service Co., Ltd. ("Shaanxi Zhongfu"), Shanxi Deewin Yuanxing Supply Chain Management Co., Ltd. ("Shanxi Yuanxing"), Henan Deewin Supply Chain Management Co., Ltd. ("Henan Deewin"), and Xinjiang Yuanxing Supply Chain Management Co., Ltd. ("Xinjiang Yuanxing"). The scope of the report was set by the Group's operational control rights.

2.3. Reporting Framework

The ESG (Environmental, Social, and Governance) report, the Group has made relevant disclosures in accordance with the "Environmental, Social and Governance Reporting Guide" in Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited ("HKEX"). The Group have complied with the mandatory disclosure requirements and the "comply or explain" provisions.

2.4. Reporting Principles

Materiality

The content of the ESG report are determined according to the situation and materiality assessment conducted by the stakeholders. The assessment includes the identification of ESG related issues, collecting and examining suggestions from internal management and different stakeholders, evaluating the relevance and importance of company's issues, and the preparation and confirmation of data reported. The major issues which concerned various stakeholders are also included in the ESG report as well.

Quantitative

ESG report discloses the quantified environmental and social key performance indicators ("KPIs") to help stakeholders better understanding the Group's performance in different environmental and social aspects. The relevant calculation standards, methods, references, and data sources of each KPIs have been presented in the appropriate places within the ESG report, together with the conversion factors used for each KPIs.

Balance

The Group's performance during the reporting period has been presented in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgements. Performance data is reported in a way that allows information users to see negative and positive year-on-year trends in impacts.

Consistency

Where feasible, the Group will adopt a consistent reporting format and calculation method, as to facilitate the comparison of ESG performance in future years.

3. SUSTAINABILITY MANAGEMENT

3.1. Board Statement

The Group believes that sound and effective ESG governance enhances our ability to identify and respond to sustainability-related risks, thereby strengthening long-term investment value and delivering sustainable returns to our stakeholders. The Board of Directors ("Board") takes overall oversight responsibility for the Group's ESG matters. The Board is responsible for formulating and monitoring the Group's overall vision, approach, strategy, and initiatives related to ESG, and regularly reviews policies and evaluates the Group's ESG performance. The Board has also established a framework for sustainable development and maintains communication mechanisms with key stakeholders. These mechanisms include regular reviews of communication channels and stakeholder concerns on ESG issues, ensuring transparency and effective responsiveness to stakeholder expectations. Through Board meetings and other governance processes, the Board monitors the implementation of ESG initiatives and oversees the preparation and disclosure of this ESG Report, ensuring that its contents are compliant, accurate, and consistent.

In terms of risk identification and issue management, the Board has established clear criteria and methodologies to identify potential ESG-related risks and material topics. To assess the significance of each issue, the Board engaged an independent consultant to conduct a materiality assessment, with Board members participating in the evaluation process as stakeholders and providing input on issue prioritisation. The Board has reviewed, validated, and approved the materiality assessment results, which serve as the foundation for developing and refining relevant policies and measures to address ESG issues with significant impact.

To further strengthen ESG management, the Board sets management targets for the most material ESG issues based on the Group's business characteristics and stakeholder concerns. Progress against these targets and overall ESG performance are reviewed during annual Board meetings, enabling continuous improvement of management direction and future development strategies. This approach ensures that the Group remains steadfast on its sustainable development journey.

3.2. Stakeholder Engagement

The Group recognizes that stakeholder insights are essential to improving our operations and shaping our business strategies. Through various communication channels, the Group actively engages with stakeholders to understand their expectations on sustainability matters. This helps us identify potential risks and key concerns, enabling us to develop more targeted and responsive sustainability strategies.

The table below listed the requirements and expectations of stakeholders have on the Group, and our corresponding communication methods and responses.

Stakeholders	Requirements & Expectations	Communication & Responses
Government & Regulating Authority	• Adhering to national policies & regulations • Promoting local economic development • Leading local employment • Timely taxation • Production Safety	• Regular reports • Regular conversations with • regulatory authorities • Special report • Check-ups & monitoring
Shareholders	• Income return • Compliance operation • Raising company revenue • Information transparency and efficient communication	• shareholders meeting • Group Announcements and Circulars • Email, Telephone Communications and Company Website • Special report • On-site inspections
Partnerships	• Integrity management • Fair competition • Perform according to law • Mutual benefits	• Review and Evaluation • Meeting • Business communications • Exchange seminars • Cooperation talks
Clients	• Quality Products and Services • Health & Safety • Perform according to law • Integrity management	• Customer Service Centre and Hotline • Customer opinion survey • Customer communication meeting • Social media platform • Return visits
Environmental regulators	• Discharge quotas • Energy-savings • Ecological protection • Reasonable water usage	• Communicate with local environmental authorities • Communication with local residents • Report submission • Research and inspections

Stakeholders	Requirements & Expectations	Communication & Responses
Industry Partners	• Industry standard formulation • Promoting industry development	• Communicate with local labour authorities • Participate in industry forums • Mutual study tours
Employee	• Rights protection • Occupational health & safety • Remuneration and benefits • Career development • Humanistic care	• Employee meetings • Company Newsletter and Intranet • Employees' mailbox • Training Activities • Employee activities • Workers Congress • Democratic seminars
Community and public	• Community improvement • Participate in public welfare undertakings • Open and transparent information	• Company website • Company Announcement • Media interviews • Social media platforms • Community Communication Meeting

3.3. Materiality Assessment

The Group has carried out several materiality assessments throughout the year, helping us to identify the most crucial ESG issues regarding the company's businesses and its stakeholders. The data will help generate ESG management policy more effectively. This materiality assessment was established based on the results of internal stakeholder surveys, combined with the analysis from third-party ESG consultants and the materiality map1 provided by a well-known external organisation. The results of this evaluation are also used as a reference for the Group to strengthen our internal management.

Identifying potential significant ESG issues that may impact the group's business or stakeholder interests is illustrated as follows:

Environment and Resources	Employment and Labour Practices	Operation Practices	Community Investment
1. Environmental Compliance	19. Employment Compliance	27. Operation Compliance	39. Charity
2. Air Pollution Management	20. Employees' Remuneration and Benefits	28. Supply Chain Management	40. Promotion of Community Development
3. Fleet Emissions Management	21. Employees' Working Hours and Rest Period	29. Purchasing Practices	41. Poverty Alleviation
4. Wastewater Management	22. Diversity and Equality	30. Quality Management	
5. Noise management	23. Employee Health and Safety	31. Customer Health and Safety	
6. Greenhouse Gas Emission	24. Training and Education	32. Responsible Marketing and Promotion	
7. Air Quality	25. Prevention of Child Labour and Forced Labour	33. Customer Service Management	
8. Waste Management	26. Employee Rights	34. Intellectual Property Protection	
9. Energy Consumption		35. Research and Development	
10. Use of Water Resources		36. Information Security	
11. Green Office		37. Customer Privacy Protection	
12. Green Energy Project		38. Anti-corruption	
13. Green Building			
14. Use of Raw Materials and Packaging Materials			
15. Soil Contamination Management			
16. Ecological Protection			
17. Responding to Climate Change			
18. Prevention and Handling of Environmental Incidents			

During the Year, the Group identified 10 ESG related issues, and will be discussed in each chapter of this report.

Aspects	Important Issues	Corresponding chapter
Environmental Protection	Greenhouse Gas Emission	Metrics and Targets
	Air Quality	Emission of Exhaust Gases
	Use of Water Resources	Water Resources Management
	Responding to Climate Change	Climate Change
Employment and Labour Practices	Employment Compliance	Recruitment and Retention
	Remuneration and Benefits	Remuneration and Benefit
	Employee Health and Safety	Employee Health and Safety
Operation Practices	Quality Management	Product Responsibility and Quality Management
	Information Security	Information Security and Privacy
	Customer Privacy Protection	Customer Service and Rights Protection

3.4. Information and Feedback

For detailed information on the Group's environmental, social and corporate governance, please refer to the official website of Deewin Tianxia Co., Ltd (www.deewintx.com). Should you have any inquiry and suggestions about this report, feel free to contact us by email: ir@deewinfl.com.

4. CLIMATE CHANGE

As climate change becomes one of the most pressing global challenges, the Group places high priority on understanding and addressing its impacts. Beginning this reporting year, we have integrated climate-related considerations into our strategic planning and will disclose climate-related information in accordance with Appendix C2 of the Listing Rules, following the four-pillar framework of "governance, strategy, risk management, and metrics and targets."

4.1 Governance

Climate governance is embedded across all levels of the Group's management structure, with the Board holding the highest level of oversight and accountability. The Board is responsible for shaping our sustainability strategy and exercises full authority over the review, decision-making, management, and supervision of climate-related matters. At least once a year, the Board reviews climate-related issues during its regular meetings, assessing risks and opportunities, evaluating management's response measures, monitoring progress against established climate targets, and refining the climate strategy as needed to ensure alignment with the Group's broader strategic direction. When overseeing major strategic decisions and risk management processes, the Board proactively considers identified climate risks and opportunities, carefully weighing relevant trade-offs to support informed and balanced decision-making.

To equip the Board with the necessary expertise to fulfill its oversight responsibilities, the Group is committed to strengthening its members' knowledge and capabilities in climate-related matters. This is achieved through access to professional learning resources, internal training sessions, and support for Board members to participate in climate-related courses and seminars organized by external professional institutions. The Board receives training materials or direct training annually, and regularly engages in dedicated ESG training sessions where external experts are invited to share insights. These initiatives continuously enhance the Board's ability to identify and assess climate-related risks and opportunities, while keeping them informed of the latest developments in the field.

Building on the Board's strategic oversight, day-to-day climate governance responsibilities have been delegated to management (instead of a specific management-level position or management-level committee). Management is tasked with implementing strategic objectives, monitoring the progress of various climate initiatives and action plans, and reporting on the status of climate assessment work — all aimed at strengthening the Group's climate resilience. Relevant control requirements and implementation procedures have been fully integrated into the policies of each business division, enabling the Group to proactively identify potential climate-related risks and opportunities, make data-driven decisions, and drive the execution of concrete and actionable climate action plans.

4.2 Strategy

To strengthen its capacity to address climate change, the Group has refined its risk assessment processes to better analyze the potential impacts of climate change on its business and value chain, enabling the identification and development of optimal response measures. Recognizing the limitations of previous risk assessments in capturing long-term climate-related impacts, the Group conducted its first comprehensive climate scenario analysis during the 2025 reporting period. This analysis covered physical risks, transition risks, and climate-related opportunities, with each category undergoing detailed screening and evaluation.

- **Physical risks**: Risks arise from the direct environmental consequences of climate change, such as damage from sudden extreme weather events or the gradual degradation of assets due to persistent climatic shifts

- **Transition Risks**: Risks related to the economic and societal adjustments toward a low-carbon future, encompassing financial challenges posed by new regulations, technological advancements, legal actions, and evolving market dynamics.

To comprehensively assess the climate-related risks and opportunities that may arise during its business development, the Group considered various global temperature rise pathways, changes in climate policies, and time horizons of impact. Therefore, the Group utilised published scenario models and parameters from the *Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) and the Phase 5 public release of the Network for Greening the Financial System (NGFS)*. In the climate scenario analysis, it is assumed that the Group's existing mitigation measures, assets and operation locations remain the same, while the time horizon covers short-term (up to 2030), medium-term (up to 2040), and long-term (up to 2050). The scenarios and the time horizon selected not only align with the Group's operational budgeting cycle and strategic business planning cycle, but also remains consistent with the Hong Kong government's target of "achieving carbon neutrality by 2050"

For the purpose of this scenario analysis, the Group has assumed that emissions reduction policies and the reporting scope remain unchanged over the potential impact horizon of the risks considered. The table below presents the climate scenario models selected for this analysis, which cover both low-emission and high-emission scenarios. This approach enables a more comprehensive understanding of the potential impacts of climate change on the Group's operations.

Scope	**Same as the reporting boundary, which covers all principal operating activities of the Group's core businesses**
Scenario Used	IPCC for physical risks analysis : • **SSP 1-2.6:** Global warming exceeds 2.0°C, global transitions remain broadly aligned with historical trends. It is characterised by stringent regulations, resulting in severe transition risks for businesses, while physical risks remain notable. • **SSP 5-8.5:** Global warming exceeds 4°C, with governments acting slowly and mitigation efforts stalled — coupled with a lack of climate policies across many jurisdictions — impacts will become far more extreme, exposing businesses to significantly greater physical risks, both immediate and long-term. NGFS for transition risks analysis : • **Net Zero 2050:** Strict climate policies are adopted early to curb global warming at 1.5°C and achieve global net-zero CO_2 emissions around 2050, driven by reduced energy demand and the development of low-carbon technologies. • **Current Policies:** Only current policies remain in place, greenhouse gas emissions will continue to rise, pushing global warming above 3°C and resulting in severe physical risks.

The Group recognizes that integrating both quantitative and qualitative analysis would support a more comprehensive assessment of climate-related risks and opportunities. However, given that relevant operational data is distributed across various business units and that no universally recognized or industry-wide calculation standards currently exist, the Group is unable to reliably prepare various cross-industry climate metrics in a manner that is both reasonable and cost-effective. Furthermore, as the Group's climate-related actions are embedded within day-to-day operations — such as monitoring emerging climate regulations — there are no separately identifiable components dedicated specifically to addressing climate-related risks and opportunities. Consequently, the Group is also unable to provide quantitative data on current and anticipated financial impacts, quantitative data on the combined financial effects of climate-related risks or opportunities and other factors, or the amounts and percentages of assets or business activities that are vulnerable to climate-related transition risks, physical risks, or that aligned with climate-related opportunities.

Nevertheless, the Group has identified the core implications of key climate risks and opportunities and provided detailed qualitative disclosures in the tables below. The Group is also actively enhancing its internal data integration and modeling capabilities to progressively improve the disclosure of such quantitative information.

The following 6 climate-related risks and opportunities have been identified from assessment and analysis under the selected high/low carbon scenarios and time horizon (2030-2050). Detailed qualitative assessment results for these risks and opportunities are presented in the tables below.

Types of Risk	Key Affected Area	Materiality Level [note1] Short term	Medium Term	Long Term	Impact on Business	Impact on Financial Performance
Physical Risks						
Acute — Extreme Weather Events	All operating sites of the Group in Mainland China				**Business Model**: Extreme weather increases risks to logistics transportation safety, disrupts route planning and storage and transportation networks, and further challenges the operation of transportation businesses. Extreme weather may pose threats to employee safety and health, and cause inconvenience to employee commuting. **Value Chain**: Upstream and downstream partners (such as freight operators and warehousing service providers) are also affected by disasters, leading to disruptions in the overall supply chain services.	**Cost increase:** Increased vehicle maintenance and repair budgets, leading to higher operating expenses. **Compensation risk:** Extreme weather may lead to an increase in workplace injuries and fatalities, potentially exposing the Company to compensation claims or higher legal expenses arising from litigation.
Chronic — Change in Precipitation Patterns	All operating sites of the Group in Mainland China				**Business Model**: Owned or leased warehouse areas are at risk of flooding, leading to the suspension or relocation of related business operations. Outdoor operating conditions for connected vehicle equipment deteriorate, accelerating hardware wear and increasing maintenance frequency. **Value Chain**: Warehouses are used to store components, supplies, and other materials; damage to or shutdown of these facilities can directly disrupt the supply of upstream materials.	**Cost increase:** Higher frequency of vehicle and sensor equipment repairs, increased energy consumption, and costs for logistics routes. **Capital expenditure pressure:** Investment required in waterproofing facilities for smart warehouses, protective upgrades for onboard equipment, and backup power systems.
Transition Risks						
Change in Market Demand — Shifting consumer preference toward "electrified + intelligent" low-carbon logistics services.	All operating sites of the Group in Mainland China				**Business Model**: Declining demand for fuel vehicle logistics requires adoption of electric vehicles and smart dispatch systems. **Value Chain**: Delayed "electrification + intelligence" upgrades risk failing to meet customer demands for low-carbon and efficient logistics.	**Cost increase:** Rising investments in electric vehicles, batteries, lightweight components, and R&D. **Revenue decline:** Loss of high-value customers leading to lower revenue and profit.

Types of Risk	Key Affected Area	Materiality Level [note1] Short term	Medium Term	Long Term	Impact on Business	Impact on Financial Performance
Policy & Regulation Tightening — Tighter global auto emission standards require the Group to meet stricter low-carbon compliance requirements.	All operating sites of the Group in Mainland China				**Business Model**: Stricter emission standards may restrict or phase out traditional diesel commercial vehicles, limiting operational scope and flexibility in transport services. **Value Chain**: Compliance-driven fleet adjustments and route optimisation may temporarily disrupt transport scheduling and efficiency, affecting the smoothness of value delivery.	**Cost increase:** Failure to implement early emission reductions may require purchasing carbon credits, raising operational costs. **Higher operating costs:** Upgrading logistics systems and acquiring electric vehicles add to operational expenses.
Opportunities						
Products and services	All operating sites of the Group in Mainland China				**Business Model**: Developing connected vehicle platforms, autonomous driving, and remote emissions analytics to enhance logistics efficiency. Helping existing diesel vehicles stay compliant, improve quality, reduce operational restrictions, extend asset life, and smooth the transition. **Value Chain**: Deep collaboration with tech and component suppliers to secure R&D support, accelerate time-to-market, and drive industrial chain upgrades and innovation.	**Cost savings:** Upfront R&D investment in connected vehicle and autonomous driving technologies increases short-term expenses but reduces long-term operating costs such as fuel and labour
	All operating sites of the Group in Mainland China				**Business Model**: Leverage government policies and subsidies for new energy commercial vehicles to lower adoption costs, gradually replacing traditional diesel vehicles and mitigating phase-out risks. **Value Chain**: Partner with new energy vehicle suppliers and charging infrastructure providers to build a low-carbon supply chain.	**Cost savings**: Policy support for commercial vehicle energy transition helps reduce operating costs and increase profits. **Revenue growth:** Upgraded business models attract more high-value customers, boosting revenue.

[1] Materiality Definitions:

light color: Handle through standard existing processes;

regular color: Need to be monitored consistently;

dark color: Require management strategy planning and implementation tracking.

The Group has developed a strategic response framework tailored to identify climate-related risks and opportunities. The table below outlines the corresponding strategies for each category.

Types of Risks	Mitigation Measures
Extreme The weather Events	• Retrofit warehouses for climate resilience, enhance weather monitoring, stock emergency supplies, and clarify coordination. • Real-time monitoring via the connected vehicle backend ensures uninterrupted fleet tracking and route navigation services • Regularly review severe weather work arrangements and adjust policies to ensure employee safety.
Change in Precipitation Patterns	• Upgrade connected vehicle sensors with enhanced waterproof and dustproof specifications to extend outdoor equipment lifespan, supported by remote diagnostics and predictive maintenance. • Assess climate risks in key supplier regions and pursue supply chain diversification to mitigate concentration risk.
Change in Market Demand	• Conduct regular interviews with major logistics clients to stay updated on emerging service trends such as electric vehicle transport, low-carbon warehousing, and carbon footprint visualisation. • Use green financing to accelerate fleet electrification and optimize algorithms for low-carbon transport, boosting competitiveness and customer retention.
Policy & Regulation Tightening	• Phase in new energy vehicles, prioritizing battery-swapping trucks in mining and port areas using subsidies; optimize routes to avoid restricted zones and improve load efficiency. • Plan to build a carbon asset team, participate in carbon trading training, and convert reductions into credits to hedge quota costs.

Types of opportunities	Response Measures
Products and Services	• Develop smart charging and battery management for new energy vehicles, integrated into a digital lifecycle platform to improve power consumption data accuracy. • Continue R&D investment, explore customer needs, and strengthen digital product development and operations.
Policy Opportunity	• Explore integrated new energy logistics solutions, including platform development, battery asset management, and charging infrastructure. • Enable flexible fleet scheduling and diversified energy supply to lower electrification barriers, while optimizing green capacity structure to capture market opportunities in the green logistics transition.

The Group has not yet established a formal climate transition plan, but has allocated human resources and internal funds to implement the mitigation and response measures outlined above. All resource-related initiatives disclosed in the previous reporting period have been fully executed. During the reporting period, the Group also identified its material Scope 3 categories and advanced decarbonisation and climate resilience efforts. No capital expenditures, financing, or investments were specifically allocated to addressing climate-related risks and opportunities during the year.

Despite the proactive measures taken, the Group faces several uncertainties that may affect the future implementation of its climate resilience plans. These include: evolving global and regional climate policies; potential shifts in market demand and standards for low-carbon components; the unpredictable frequency and intensity of extreme weather events impacting operations and supply chains; and unclear timelines and stringency of future climate-related regulations. Nevertheless, the Group maintains strong adaptive capacity to adjust its strategy and business model across short, medium, and long-term horizons in response to climate developments. This adaptability is embedded in our strategic planning and operational management, enabling timely optimisation of business priorities, processes, and industry chain collaboration in light of evolving climate risks, regulatory changes, and market dynamics.

Moving forward, the Group will continue to monitor climate-related risks and opportunities, evaluate the effectiveness of emission reduction measures, and adjust strategies based on operational performance through regular progress tracking. We will also refine our mitigation and response measures as needed, taking into account actual performance and external climate developments. These efforts will guide the orderly implementation of climate actions and further strengthen the Group's resilience in addressing climate challenges.

4.3 Risk Management

The Group has fully integrated the identification, assessment, prioritisation, and management of climate-related risks and opportunities into its overall risk management framework and systems. This integration embeds climate risk management into daily operations, ensuring the Group is well-positioned to address climate-related challenges. The integration is consistent with the Group's existing risk management structure, and no significant changes were made to the risk management process during the reporting period.

Throughout the risk management process, the Group considers parameters such as asset location and type, historical extreme weather impacts, and energy consumption patterns. Analysis is conducted using publicly available climate scenario data as well as internal data sources, including operational logs. The following outlines the Group's process for managing climate-related risks and opportunities:

1. Identification	Conducted climate-related scenario analysis by researching climate trends, industry developments, and technological changes, along with peer benchmarking and stakeholder feedback. Based on its operational characteristics, the Group established a list of climate-related risks and opportunities, identifying and describing physical and transition risks — and corresponding potential opportunities — across its operations.
2. Evaluation	Through comprehensive analysis of the potential impacts of climate-related risks and opportunities on the Group's business model, value chain, and financial aspects — including the likelihood and magnitude of their occurrence — the Group has developed a full assessment of climate-related risks and opportunities.
3. Prioritisation	Based on the assessment results, the Group prioritizes identified climate-related risks and opportunities, focusing on those with higher likelihood and greater potential impact.
4. Monitoring	Based on the identified risks and opportunities, management develops response and action plans, and regularly evaluates their effectiveness. Progress and assessment results are reported to the Board periodically to strengthen oversight and ensure effective implementation.

4.4 Metrics and Targets

The Group has made enhancing climate resilience and promoting sustainable operations a core strategic priority, and is committed to aligning its sustainable development goals and related action plans with global sustainability standards. Priority is given to aligning with the national "Dual Carbon" strategy and the Hong Kong SAR Government's target of achieving carbon neutrality by 2050.

In support of these climate frameworks, the Group continuously evaluates its environmental, social, and governance (ESG) key performance indicators. Starting from 2025, the Group has transitioned its previous directional targets into quantifiable emission reduction and management targets. Although these targets have not yet been verified by an independent third party, nor developed using industry-specific decarbonisation methodologies, the Board will monitor progress and performance against these targets annually and assess the need for revisions. Furthermore, the Board will continue to refine the mechanisms for setting, evaluating, and verifying these targets to ensure the transparency and credibility of the Group's decarbonisation efforts.

To translate these established targets into concrete emission reduction actions, the Group focuses on achieving substantial decarbonisation through enhanced energy efficiency and optimized operational processes. At this stage, the Group has no plans to use carbon credits for emission offsetting. However, we will continue to monitor the carbon credit market and related policy developments, so as to utilize such instruments as a supplementary approach at an appropriate time to advance the achievement of our long-term carbon neutrality goals.

Carbon Reduction Targets for The Group：

Category of Target	Description	Relevance to the Business
GHG Emission (Note 1)	• Reduce the total greenhouse gas emission (Scope1 and Scope2) intensity by 5% by 2030 (with the year 2025 as the base year)(Note 2)	• The Group's GHG emissions primarily from vehicle fuel combustion and office heating, driven by high logistics vehicle demand and substantial office heating needs.
Energy Management	• Reduce the energy consumption intensity by 5% by 2030 (with the year 2025 as the base year)	• The Group's Energy use primarily from vehicle fuel combustion and office heating, driven by high logistics vehicle demand and substantial office heating needs.
Waste Management	• Reduce non-hazardous waste intensity by 5% by 2030 (with the year 2025 as the base year)	• The Group's packaging materials from logistics operations generate waste such as wooden pallets and cardboard.
Use of Water Resources	• Reduce water consumption intensity by 5% by 2030 (with the year 2025 as the base year)	• The Group's water use is relatively low, primarily for offices, warehouses, vehicles, and equipment washing, with no industrial water consumption.

Notes:

1. The GHG include carbon dioxide, methane, and nitrous oxide.

2. The Group's GHG emission target is an intensity target, which is calculated based on total GHG emissions and revenue.

The Group conducted greenhouse gas (GHG) identification, assessment, and verification during the Year to effectively manage its emissions. Scope 1 and Scope 2 emissions are calculated in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)*. Concurrently, in line with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*, the Group identified Scope 3 GHG emission categories in the current year. Based on the review and analysis of its business operations, and after considering factors such as emission scale, data availability, and stakeholder concerns, the Group ultimately identified two key categories closely related to its activities as the focus for Scope 3 GHG accounting. These include:

- Category 2: Capital Goods
- Category 5: Waste generated in operations
- Category 6: Business travel

During the Year, the summary of GHG emissions of The Group is illustrated as below:

GHG Emissions *(Note 1–2)*	**Unit**	**2025**	2024
Total GHG Emissions	tCO_2e	**7,499**	5,638
Scope 1 — Direct emissions *(Note 3)*	tCO_2e	**2,332**	3,497
Scope 2 — Energy indirect semissions *(Note 4)*	tCO_2e	**4,611** *(Note 6)*	2,038
Scope 3 — Other indirect emissions	tCO_2e	**556**	103
Category 2: Capital Good	tCO_2e	**161**	—
Category 5: Waste generated in operations	tCO_2e	**95**	103
Category 6: Business travel	tCO_2e	**300**	—
Total GHG Emissions intensity	tCO_2e/RMB millions revenue	**2.71**	2.15

Notes:

1. The group uses an operational control approach for GHG emission accounting. This methodology defines the accounting scope based on the group's authority to enforce operational policies across its business activities, which more accurately reflects its actual responsibilities in carbon emission management, helps strengthen GHG emission monitoring and governance, and ensures that accounting outcomes align with its sustainability goals

2. The Group's greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The emission factors used in the calculations are referenced from Appendix 2 "Guidelines for Reporting Environmental Key Performance Indicators" published by the Hong Kong Stock Exchange. The greenhouse gases covered in the Group's accounting include carbon dioxide, methane, and nitrous oxide. To enhance data readability, emissions are uniformly presented in tonnes of carbon dioxide equivalent (tCO_2e).

3. Scope 1 direct emissions include greenhouse gases produced by burning fossil fuels such as gasoline, diesel, and natural gas when using gas stoves and motor vehicles. The data is calculated according to the "Guidelines for Greenhouse Gas Emission Accounting and Reporting" published by the National Development and Reform Commission of the PRC and Appendix 2 "Guidelines for Reporting Environmental Key Performance Indicators" published by the Hong Kong Stock Exchange.

4. Scope 2 energy indirect emissions include indirect greenhouse gas emissions from purchased electricity and purchasing heating and the scope of locations is based on the locations of the Company's factories/offices. The data is calculated based on the "Corporate Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines Power Generation Facilities (Revised 2022)" issued by the Ministry of Ecology and Environment of the PRC.

5. Scope 3 Other Indirect Emissions covers other indirect emissions occurring outside the Group, including Category 2: Capital Goods — purchased machinery, electronic equipment, and vehicles; Category 5: Waste Generated in Operations — household waste and waste paper, as well as electricity used for freshwater and wastewater treatment; and Category 6: Business Travel — air travel. For Category 5 emissions, the emission factors used in calculations are referenced from Appendix 2: "Guidelines for Reporting Environmental Key Performance Indicators" published by the Hong Kong Stock Exchange, "Study on Energy Consumption of Urban Water Supply System in China" published by Tsinghua University, and 'Statistical Analysis and Quantitative Identification of Energy Consumption Patterns of Municipal Sewerage in China' published by Tsinghua University and National Water Supply and Drainage Engineering and Technology Research Centre. For Categories 2 and 6 emissions, the emission factors are referenced from the comprehensive set of supply chain emission factors developed by the U.S. Environmental Protection Agency (EPA).

6. The significant increase in Scope 2 emissions compared to 2024 is primarily attributable to an expansion in the scope of heating areas included in the calculation. In 2025, heating areas from various warehouses were added to the reporting scope, whereas the 2024 figures covered only office buildings. This adjustment in calculation methodology led to a corresponding increase in indirect carbon dioxide emissions from purchased heating.

The Group's strategic focus remains on optimizing core business performance and generating long-term value, which is consistent with its current risk management approach. At present, the Group has not yet incorporated an internal carbon pricing mechanism or climate-related factors into its remuneration policies or governance structure. This is primarily because these factors have not yet demonstrated a direct and material relevance to the Group's industry, current operational priorities, or financial decision-making needs. The Group will continue to monitor developments in climate-related metrics, industry best practices, and the application of internal carbon pricing, and will actively assess the feasibility of integrating these elements into its governance framework and remuneration policies when conditions mature.

5. RESOURCE USAGE AND ENVIRONMENTAL MANAGEMENT

The Group regards resource efficiency improvement and environmental impact management as essential components of its operational management, and is committed to minimizing potential environmental impacts while continuously enhancing resource utilisation efficiency throughout its business development. The Group has established corresponding management systems and operating procedures covering key areas such as energy, water resources, material usage, emission control, and waste management, ensuring that relevant activities comply with applicable environmental laws, regulations, and internal management requirements.

In daily operations, the Group promotes energy conservation, emission reduction, and optimal resource allocation through systematic management, target setting, and continuous monitoring, while integrating environmental management requirements into the operational processes of different business segments. Concurrently, the Group regularly reviews relevant environmental performance, identifies areas for improvement, and enhances employee awareness of resource conservation and environmental protection through internal communication and training.

The following sections elaborate on the Group's management approaches, key measures, and annual performance in energy management, water resource management, material usage, emission management, and waste management and resource recovery.

5.1. Energy Management

The Group strictly complies with applicable national laws and regulations regarding resource and energy use, including the “Energy Conservation Law of the People’s Republic of China”. By combining institutional development with day-to-day management, the Group strengthens its control over energy sources such as electricity and fuel, and continuously improves energy efficiency. To this end, the Group has established an energy conservation management system that defines energy management responsibilities and operational requirements. Through energy audits, monitoring, and internal management measures, the Group identifies opportunities for energy efficiency improvements and reduces unnecessary energy waste.

In terms of management measures, the Group enhances employee awareness and participation in energy conservation through staff training, internal communications, and the display of energy-saving reminder signs. At the same time, the Group continuously optimizes equipment configurations and operational processes, gradually introducing high-efficiency equipment. Supported by energy monitoring and statistical mechanisms, the Group regularly analyzes energy consumption data to facilitate timely adjustments to management measures. In addition, the Group promotes green procurement principles, prioritizing energy-efficient products and equipment where feasible.

In office management, the Group is committed to reducing electricity consumption by assigning office areas to individual departments for oversight, ensuring that lighting, air conditioning, and office equipment are turned off during non-working hours. Regular on-site inspections are conducted, and follow-up improvements are communicated with department heads. The Group also requires employees to follow the principle of “switch on when in use, switch off when leaving,” using lighting and office equipment reasonably, with computers set to automatically enter sleep mode when idle. Additionally, the adoption of virtualized computers and cloud-based servers and storage facilities reduces the need for physical equipment, improving resource efficiency and lowering overall electricity consumption.

For air conditioning and equipment cooling, the Group has established temperature range guidelines for air conditioning usage and appropriately relaxes employee dress code requirements during hot weather to reduce air conditioning load. For server cooling, the Group is gradually replacing traditional air conditioning systems with water-cooling brackets to enhance energy efficiency. Monthly electricity consumption statistics and monitoring are conducted to continuously review energy usage trends and formulate corresponding improvement plans.

Given that vehicle fuel consumption remains the primary source of the Group’s energy usage, the Group continuously monitors vehicle usage through reasonable allocation of vehicle resources, enhanced driving management, and increased driver awareness of energy conservation. Multiple energy efficiency optimisation measures are being promoted to reduce overall energy consumption levels.

The energy usage data of the Group are as follows:

Energy use	**2025**	2024
Total energy consumption (MWh)	**19,595**	17,226
Direct Energy	**8,909**	13,208
Energy consumption from natural gas (MWh) *(Note 1)*	**32**	26
Energy consumption from gasoline MWh)*(Note 2)*	**384**	395
Energy consumption from diesel (MWh)*(Note 3)*	**8,494**	12,787
Indirect Energy	**10,686**	4,018
Energy consumption from purchased electricity (MWh)*(Note 4)*	**2,820**	2,780
Energy consumption from purchased heating (MWh)*(Note 5)*	**7,866**	1,238
Energy consumption density (MWh/RMB millions revenue)	**7.09**	6.56

Notes:

1. Calculated based on the "Greenhouse Gas Emissions Accounting Method and Reporting Guidelines" published by the National Development and Reform Commission of PRC.

2. Calculated based on the Chinese national standard GB17930-2016 "Gasoline for Motor Vehicles" and the "Land Transportation Enterprises — Greenhouse Gas Emission Accounting Method and Reporting Guidelines (Trial)" issued by the National Development and Reform Commission of PRC.

3. Calculated based on the Chinese national standard GB19147-2016 "Vehicle Diesel" and the "Land Transportation Enterprises — Greenhouse Gas Emission Accounting Method and Reporting Guidelines (Trial)" issued by the National Development and Reform Commission of PRC.

4. Calculated based on the actual consumption of purchased electricity by the Group.

5. (1) Calculated based on the "Design Code for City Heating Network", "Design Criteria for Heating, Ventilation and Air Conditioning of Civil Buildings" and "Design Standard for Energy Efficiency of Residential Buildings in Severe Cold and Cold Zones" issued by the Ministry of Housing and Urban-Rural Development of the PRC.

   (2) The volume of purchased heating increased significantly compared to 2024, primarily due to an adjustment in the calculation methodology for heating area. In 2025, the heating area of various warehouses was included in the calculation, whereas in 2024, only the office building portion was accounted for. This led to a corresponding increase in purchased heating energy consumption.

In active response to the "energy conservation and consumption reduction" management initiative, the Group's wholly-owned subsidiary, Tonghui Logistics, formulated the "Energy Conservation and Consumption Reduction Work Plan" during the year. With core objectives centered on "solidifying the data foundation, understanding energy consumption patterns, establishing a management framework, and fostering a culture of conservation," the subsidiary progressively improved its metering system and normalized data management through approximately seven months of monitoring and institutional development. This initiative lays the groundwork for more precise energy forecasting, target management, and performance assessment in the future.

Phase	Time	Key Focus	Main Measures
Phase 1: Initiation & System Establishment	April 2025	Establish energy management system and promotion mechanism	• Issued energy management notification, designating Logistics Technology Department as the centralized energy management authority, and detailing departmental responsibilities for energy usage, metering, and repair processes • Conducted energy conservation promotion and obtained company-wide commitment signatures • Established an annual "Energy Conservation promotion Week" (held annually from June 16–22) as a long-term mechanism
Phase 2: Metering Enhancement & Data Collection	April – October 2025	Address metering gaps, establish routine monitoring	• Audited water/electricity metering points, installed/replaced meters for full coverage • Added 50+ electricity monitoring points • Established twice-daily energy data collection (recording time, output, shift, etc.) • Continuous monitoring and preliminary analysis
Phase 3: Analysis & Draft Targets	November 2025	Form analysis conclusions and basis for next year's targets	• Held analysis meeting on Apr–Oct energy data, presented monitoring results • Developed preliminary 2026 energy targets for company and departments based on actual data, considering area function and output
Phase 4: Outcome Consolidation & 2026 Planning	December 2025	Develop detailed rules, models, and metering upgrade plans	• Each energy-consuming unit formulated "Electricity Management Detailed Rules" and assigned responsibilities down to the operational level • Initiated optimisation of energy consumption prediction model (incorporating variables such as output, holidays, weather, new equipment like industrial fans/oil-to-electricity conversions) • Initiated preliminary research for incorporating water usage into the monitoring system • Formulated optimisation plan for electricity metering points (e.g., sub-metering for North 1 Warehouse, independent metering for office building and plaza)

Promoting "oil-to-electricity" technological innovation to enhance energy efficiency and carbon reduction benefits

In response to the national call for energy conservation, emission reduction, and green development, the Group prioritized a technological innovation project during the year focused on "converting fuel forklifts to electric forklifts" ("oil-to-electricity" conversion). Led by the Logistics Technology Department, this initiative addressed the high energy consumption and frequent malfunction issues of aging fuel forklifts by retrofitting the power system with electric components while preserving the original vehicle structure. The year 2025 marked a critical phase in transitioning this technology from pilot testing to large-scale application, with the Group successfully completing the conversion of 10 forklifts, thereby developing a replicable engineering solution.

The project focuses on key technologies including the integrated assembly of electric drive systems, customisation of high-voltage lithium battery packs, and intelligent battery monitoring, enhancing system reliability, safety, and battery life. Preliminary assessments indicate that each converted unit can save approximately RMB 60,000 annually in fuel and maintenance costs. The 10 units converted this year are projected to generate annual savings of around RMB 640,000. From an environmental perspective, the project reduces greenhouse gas and exhaust emissions from fuel combustion, lowers noise pollution, revitalizes aging assets, extends equipment lifespan, and fosters the development of an in-house technical team. Looking ahead, the Group will continue to refine and promote this technology, exploring synergies with energy management systems to further enhance overall energy efficiency.

5.2. Water Resources Management

The Group strictly complies with applicable national laws and regulations concerning water resource management, including the *Water Law of the People's Republic of China and the Law on the Prevention and Control of Water Pollution*, ensuring that all water-related activities in daily operations meet relevant compliance requirements. The Group's water usage is primarily concentrated in office premises for daily operational needs, and does not involve water-intensive production processes.

To improve water efficiency and minimize waste, the Group has established and implemented various water conservation measures, integrating water resource management into its daily operations. At the operational level, the Group promotes water-saving awareness through internal communications and the placement of water-saving reminder signs near water points and restrooms, encouraging employees to turn off taps after use. Regular inspections of water meter readings and water facilities are conducted to proactively identify potential leakage risks; any detected leaks from taps or pipes are promptly repaired to ensure the proper functioning of water facilities and the effective use of water resources.

In terms of equipment configuration, the Group has progressively adopted water-efficient facilities in its office premises, including dual-flush toilets and infrared sensor taps, to reduce unnecessary water consumption. Additionally, the Group continues to monitor developments in water-saving technologies and equipment, and evaluates their applicability in actual operations as appropriate, with the aim of further enhancing overall water efficiency.

During the reporting period, the Group has not encountered any issues in sourcing suitable water supplies.

The water consumption data of the Group are as follows:

Water consumption*(Note 1)*	**2025***(Note 2)*	2024
Total water consumption (cubic meter)	**14,616**	10,812
Water consumption density (cubic meter/RMB millions revenue)	**5.29**	4.11

Notes:

1. Calculated based on the Group's actual water consumption.

2. Total water consumption rose by approximately 40% this year, primarily driven by increased usage at Tianxingjian and Tonghui Logistics. This was due to new equipment, higher business volume leading to more frequent vehicle washing, and increased spray for dust suppression at loading points and production lines.

5.3. Packaging Material Usage

The Group involves a certain level of packaging material usage in the provision of logistics and supply chain services. Specifically, Tonghui Logistics utilizes packaging equipment during logistics distribution and supply chain operations, while Tianxingjian requires its suppliers to appropriately package hardware products, with Tonghui Logistics responsible for delivering such materials to the production line and handling subsequent packaging disposal. The Group is attentive to the environmental impact of packaging materials throughout the product lifecycle and aims to gradually reduce packaging material usage and enhance recycling and reuse levels through collaboration with upstream and downstream partners.

Currently, shared packaging has become a key business model for Tonghui Logistics. Guided by the principles of standardisation, modularisation, flexibility, and lightweight design, Tonghui Logistics promotes packaging rationalisation and reduction. Centered on the concept of packaging reuse, it provides full-cycle services including circular design, manufacturing, storage, maintenance, and leasing for idle packaging generated after product updates, thereby facilitating the establishment of a green and recyclable packaging system. The implementation of standardized packaging solutions not only helps reduce damage rates of raw materials and equipment during transportation but also minimizes the need for auxiliary packaging materials and single-use packaging.

Furthermore, Tonghui Logistics offers packaging leasing services to customers, with the Group responsible for the daily maintenance and upkeep of packaging equipment. This extends the service life of packaging materials and increases turnover rates, thereby reducing overall material consumption and carbon footprint. Looking ahead, the Group will continue to explore and promote more environmentally friendly packaging and recycling solutions in collaboration with upstream and downstream partners, further mitigating the environmental impact of packaging materials and supporting the Group's sustainable development goals.

This year, the Group's usage data of packaging materials are as follows:

Packaging material use(Note 1)	**2025**	2024
Total packaging materials (tonnes)	**19.98**	18
Packaging Material Density (tonnes/RMB millions revenue)	**0.01**	0.01

Note:

1. Calculated based on the actual usage of packaging materials of the Group.

5.4. Emission of Exhaust Gases

In the daily operations of logistics and supply chain services and other business activities, the Group utilizes motor vehicles, forklifts, and other equipment, the operation of which generates certain exhaust emissions. To mitigate the environmental impact of these emissions during operations, the Group strictly complies with applicable national laws and regulations, including the Air Pollution Prevention and Control Law of the People's Republic of China, in its emission management. While ensuring vehicle safety and operational efficiency, the Group integrates exhaust emission control into its daily environmental management, reducing environmental impact through systematic management and on-site control measures. The Group has established a working environment management control procedure to ensure that exhaust emissions from forklifts and motor vehicles used at production sites comply with applicable laws, regulations, and relevant standards. Irregular inspections of diesel forklift exhaust emissions are conducted; if emissions are found to exceed permissible limits, immediate corrective and improvement actions are taken to restore compliance.

To enhance vehicle utilisation efficiency and reduce additional emissions caused by poor equipment condition, the Group has formulated the Vehicle Safety Management Measures, which standardize vehicle usage, maintenance and repair, and safety management to ensure vehicles maintain good performance. In daily vehicle management, the Group also implements multiple emission reduction measures, including maintaining tire pressure at reasonable levels, reducing vehicle idling and prolonged idling, and optimizing transport and delivery routes and scheduling arrangements to lower emissions of major pollutants such as nitrogen oxides, sulfur dioxide, and particulate matter.

Furthermore, Tonghui Logistics, a subsidiary of the Group, has developed the Heavy Pollution Weather Emergency Response Plan, establishing a corresponding emergency organisational structure and clearly defining responsibilities. It also enhances employee awareness of risks and emergency requirements associated with heavy pollution weather through education and promotion. When heavy pollution weather occurs, Tonghui Logistics conducts on-site assessments and grades the severity of air pollution, activating the corresponding emergency response mechanism. Based on principles of targeted action, effectiveness, operability, and accountability, emission reduction measures are implemented to mitigate pollution impacts. Relevant measures include: increasing the frequency of watering on plant roads and areas prone to dust generation; implementing transport and operational controls for heavy trucks and diesel forklifts; requiring material transport vehicles to be covered with tarpaulins to reduce dust; and restricting maintenance operations such as electric welding and paint touch-ups that may generate additional pollution during periods of higher pollution severity, thereby lessening the environmental impact.

The Group will continue to strengthen its vehicle exhaust emission management and emergency emission reduction capabilities, striving to minimize air pollutant emissions to the greatest extent possible while ensuring operational continuity, contributing to a cleaner and safer environment for society.

The Group's vehicle exhaust emission data for the reporting year is as follows:

Air pollutants(Note 1)	**2025**(Note 2)	2024
Nitrogen oxides (kg)	**14,435**	25,535
Sulphur dioxide (kg）	**15**	21
Particulates (kg)	**1488**	2,164

Notes:

1. Calculated based on the "Land Transportation Enterprises — Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines (Trial)" issued by the National Development and Reform Commission of the PRC and Appendix 2"Guidelines for Reporting Environmental Key Performance Indicators" issued by the Hong Kong Stock Exchange.

2. The Group has phased out certain end-of-life fuel vehicles and introduced cleaner energy vehicles such as electric and natural gas-powered models to reduce pollutant emissions.

5.5. Waste Management

The waste generated by the Group during its daily operations is primarily categorized into non-hazardous waste and hazardous waste. To prevent adverse environmental impacts from waste, the Group and its subsidiaries have established corresponding management systems and operational procedures for the generation, classification, storage, and disposal of various types of waste, strictly complying with applicable laws and regulations, including the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. Adhering to the environmental management principle of "strengthening risk control and preventing environmental pollution," the Group integrates waste emission management into its daily operational management system, ensuring that relevant activities meet regulatory requirements and internal management standards.

Non-hazardous waste mainly includes general household waste, plastics, waste paper, waste wooden pallets, and kitchen waste. Hazardous waste includes waste oil, waste antifreeze, waste lead-acid batteries, and common special wastes from offices (such as ink cartridges, printer consumables, lamps, and batteries). The Group implements classified management based on waste characteristics, adhering to the management principles of "source reduction, classified recycling, and compliant disposal" to minimize the potential environmental impact of waste.

In terms of non-hazardous waste management, the Group primarily adopts recycling and reuse as the main treatment methods. Classified recycling facilities are set up in workplaces to facilitate the sorting and recycling of different types of waste. Concurrently, the Group promotes source reduction through daily management measures, including regularly reviewing material usage and procurement needs to avoid unnecessary stockpiling and waste; and encouraging employees to reduce the use of single-use and non-recyclable products. In office supplies management, the Group implements paper-saving measures, requiring employees to prioritize electronic means for information transmission to reduce printing. When printing is necessary, double-sided printing and paper reuse are encouraged to minimize paper consumption and related waste generation. Regarding consumable usage, the Group encourages selecting lower print quality or lighter print settings, where compliant with document retention and quality requirements, to extend cartridge life and reduce consumable waste.

In hazardous waste management, the Group has established a standardized hazardous waste management system and contingency plans, along with response mechanisms for potential spills or fires, to prevent the escalation of pollution incidents. The Group has compliant hazardous waste storage facilities and areas, where hazardous waste is collected separately and clearly labeled with waste name and category. A hazardous waste management ledger is maintained, and a hazardous waste management plan is formulated based on ledger records and operational plans to strengthen process control. Furthermore, the Group uses appropriate containers and packaging materials for hazardous waste to prevent risks of leakage or incompatible reactions. Hazardous waste is generally handed over to qualified collection vendors, suppliers, or property management parties for centralized collection and compliant disposal.

Additionally, the Group promotes the recycling of electronic waste, cooperating with capable partners to recycle waste computers and other electronic equipment, and encourages employees to replace disposable batteries with rechargeable ones, reducing the generation of hazardous office waste at the source. Looking ahead, the Group will continue to improve its waste classification, recycling, and compliance management measures, promoting waste reduction and resource recovery to lessen its environmental impact.

During the Year, the data of waste produced by the Group are as follows:

Waste	2025	2024
Total non-hazardous waste generated (tonnes)[(Note 1)]	**2,447**	2,355
Non-hazardous waste density (tonnes/RMB millions revenue)	**0.89**	0.90
Total hazardous waste generated (tonnes)[(Note 2)]	**14**	32
Hazardous waste density (tonnes/RMB millions revenue)	**0.005**	0.01

Notes:

1. According to the statistics of the actual weight of non-hazardous waste generated by the Group.

2. Calculated based on the actual weight of hazardous waste. The main reason for the increase in hazardous waste was the expiry of the batteries of the electric forklift trucks in the factory, and the uniform treatment of large quantities of waste batteries was carried out during the year.

6. TALENT DEVELOPMENT AND EMPLOYMENT MANAGEMENT

The Group regards its employees as its most valuable asset and firmly believes that their growth and well-being are key to driving steady business development and achieving long-term sustainability. Adhering to a "people-oriented" management philosophy, the Group is committed to fostering a respectful, inclusive, and safe working environment, implementing humane management in daily operations, and continuously focusing on employee rights protection, physical and mental health, and career development.

Regarding employment compliance, the Group strictly complies with relevant laws and regulations, including the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and the *Regulations on the Prohibition of Using Child Labour*, ensuring fair and transparent recruitment, employment, and promotion processes, and prohibiting any form of child labour or forced labour. The Group has also formulated the *Labour Contract Management Regulations* to further standardize labour contract management, clearly defining the rights and responsibilities of both parties. All labour contracts clearly outline key terms such as job nature, working hours, leave systems, and remuneration and benefits, to protect the legitimate rights and interests of employees and promote the establishment of stable and harmonious labour relations. If suspected violations (including mistaken recruitment of child labour, suspected forced labour, or employment discrimination) are identified during recruitment, employment management, or daily operations, the Group will immediately initiate corrective procedures: suspending the relevant arrangement and verifying the facts, with the Human Resources department leading the investigation in conjunction with relevant departments. If a violation is confirmed, the employment arrangement will be terminated or corrected in accordance with the law, and where necessary, reported to the competent authorities with appropriate assistance provided. Simultaneously, the root causes will be traced, processes improved, and training enhanced to prevent recurrence. Persons responsible for violations will be subject to disciplinary measures in accordance with applicable laws, regulations, and internal systems, with legal liability pursued for serious cases.

To standardize employment management and codes of conduct, the Group has formulated and implemented the *Employee Handbook* and management measures related to human resources, which clearly set out the ethical standards and behavioral norms that employees must adhere to, including compliance with applicable laws and regulations, company discipline, and relevant internal systems (such as environmental management and information confidentiality). The Group resolutely opposes any form of discrimination and is committed to providing all employees with an equal, fair, and harmonious working environment, regardless of gender, disability, age, race, nationality, family status, or other factors protected by law. This is an integral part of the Group's corporate culture.

The Group undertakes to continuously improve its employment management system while complying with legal and regulatory requirements, providing employees with a safe, healthy, respectful, and growth-oriented working environment, and growing together with its employees to achieve the common development of the enterprise and its talent.

6.1. Recruitment and Retention

The Group adheres to the principles of fairness, openness, and competency-based assessment in recruitment, promotion, and personnel management. All employment decisions are made without regard to age, gender, physical or mental health status, marital or family status, race, color, nationality, religious belief, striving to provide employees with equal employment and development opportunities. Simultaneously, the Group strictly complies with relevant laws and regulations, including the *Employment Promotion Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China*. To further standardize recruitment and employment management, during the year, the Group refined and implemented the *Recruitment, Employment, and Resignation Management System*, establishing unified standards for procedures including recruitment, selection, employment approval, onboarding arrangements, and resignation processing. This system is aligned with the existing *Employee Recruitment Management Measures* and related supplementary systems, ensuring that the recruitment process is compliant, transparent, and consistent.

In terms of recruitment management, the Group utilizes both internal and external recruitment channels, defining recruitment criteria and processes according to the requirements of different positions. Interview arrangements, including the composition of the interview panel, method, and duration, are determined based on the characteristics of the position. Structured interviews and skills assessments are employed to comprehensively evaluate candidates' management abilities, professional knowledge and skills, customer service awareness, teamwork capabilities, language proficiency, and adaptability and responsiveness. The Group also conducts background checks on candidates for key positions to verify the authenticity of the information provided and to understand their educational background and past work performance. Employment and remuneration approvals are finalized by integrating interview results and background check findings, ensuring the suitability and robustness of talent selection.

The Group strictly prohibits child labour and forced labour. During the recruitment process, the Human Resources department verifies applicants' identity documents, birth certificates, academic credentials, and other documents to confirm their identity and age information, thereby avoiding the mistaken recruitment of child labour or any form of forced labour. Should any such situation be discovered, the Group will immediately suspend the relevant personnel's work arrangements and initiate investigations and corrective measures to prevent recurrence.

To enhance the integration efficiency and retention performance of new employees, the Group has formulated the *New Employee Onboarding Management Measures*. Based on the new employee's job responsibilities and business division, mentors are assigned to provide support and guidance, covering aspects such as team integration, induction training, onboarding assessment, and the probationary review process. This assists new employees in quickly familiarizing themselves with the corporate culture, system requirements, and job skills. Concurrently, during the year, the Group implemented the *Confidentiality Agreement for New Employees*, clearly defining employees' responsibilities and requirements regarding information security and confidentiality at the onboarding stage, enhancing compliance awareness, and protecting the data security of the Group and its clients.

Regarding resignation management, the Group has formulated the *Employee Resignation Management Measures*, integrated into the unified process management of the *Recruitment, Employment, and Resignation Management System*. These measures clearly outline the requirements for resignation applications, handovers, and procedure processing to protect the legitimate rights and interests of both the company and the resigning employee, and to maintain orderly personnel flow. When an employee submits a resignation request, the Human Resources department promptly arranges an exit interview to understand the reasons for resignation, which serves as a reference for subsequent retention management and system optimisation.

The Group's employment data for the year is as follows:

Employment indicators	**31 December 2025**	31 December 2024
Total employees	**1,539**	1,702
By gender		
Male	**993**	1,114
Female	**546**	588
By age groups		
Age <30	**261**	330
Age 30–50	**1,198**	1,295
Age >50	**80**	77
By employment types		
Part-time	**1539**	0
Full-time	**0**	1,702
By location		
Mainland China	**1,539**	1,702
Other	**0**	0

Employment indicators	**As at 31 December 2025 Year ended 31 December 2025**	As at 31 December 2024 Year ended 31 December 2024
Total number of employees turnover	**258**	128
Employee turnover rate (%)	**16%**	8%
By gender		
Male	**17%**	8%
Female	**15%**	7%
By age groups		
Age <30	**23%**	13%
Age 30–50	**14%**	5%
Age >50	**15%**	19%
By location		
Mainland China	**16%**	8%
Other	**0%**	0%

6.2. Remuneration and Benefits

To attract and retain talent while enhancing organisational vitality, the Group adheres to the principles of "position-based pay, performance-based bonuses, and consideration of both internal and external equity" in its compensation management, continuously improving the linkage mechanism between compensation and performance through institutionalized approaches. The Group strictly complies with relevant laws and regulations, including the *Minimum Wage Regulations*, and has updated the *Compensation Management Measures*, the *Performance Management Measures*, and the supporting *Employee Performance Appraisal Form*. These documents clearly define compensation structure, salary adjustment and bonus arrangements, performance evaluation processes, and assessment criteria, ensuring transparency, consistency, and traceability in compensation management. To encourage long-term employee development and improve retention rates, the Group, in principle, prioritizes internal promotion when supervisory positions become vacant, considering external recruitment only subsequently. In alignment with promotion management arrangements, employees are evaluated based on their core competencies, management abilities, and professional skills, ensuring equal opportunities for advancement.

The Group has established a relatively clear performance appraisal mechanism. Employee assessments generally include monthly, semi-annual, and annual evaluations. The annual evaluation synthesizes the results of previous assessments to form an overall rating, serving as a key reference for compensation adjustments and bonus allocation. In addition to routine appraisals, the Group has implemented multi-level incentive arrangements, recognizing outstanding employees through monthly, quarterly, and annual "Excellent Employee" selections, with rewards such as cash bonuses. The Group has also established special corporate innovation awards tailored to different requirements, aimed at motivating employees and encouraging the enhancement of professional skills.

Regarding benefits and security, the Group has formulated and implemented the *Employee Benefits Management Measures*, which systematically define benefit standards, eligible recipients, and management processes, committing to providing employees with multi-tiered and sustainable benefits protection. In addition to statutory holidays, employees are entitled to annual leave, sick leave, marriage leave, bereavement leave, and various maternity-related leaves, including pre-natal leave, maternity leave, breastfeeding leave, and paternity leave, supporting employees' work-life balance across different life stages. Concerning working hours, the Group generally does not encourage overtime. Where increased working hours are necessary due to operational requirements, corresponding overtime compensation and transportation expenses are provided in accordance with company policies, and compensatory time off is arranged to safeguard employees' rights to rest.

Furthermore, the Group contributes to, or jointly contributes with employees to, social insurance and housing provident funds as required by law, covering work-related injury, maternity, pension, basic medical, and unemployment insurance. Supplementary security measures, such as enterprise annuities, are implemented based on actual circumstances. To effectively protect the rights of retired employees, the Group has formulated policies including the *Employee Retirement Management Measures and the Enterprise Annuity Management Plan*, standardizing retirement management procedures. Through organized care and appreciation visits, the Group maintains ongoing concern for and contact with retired employees regarding their living conditions and health status.

Beyond institutional benefits, the Group places high importance on employee care and corporate culture development, continuously enhancing employee well-being and sense of belonging through diversified welfare activities. During the year, the Group distributed festive benefits (such as food and daily necessities) to employees during traditional festivals including the Spring Festival, Lantern Festival, Labour Day, Dragon Boat Festival, and Mid-Autumn Festival, organizing related themed activities to foster a warm and harmonious working atmosphere. In terms of seasonal care, the Group conducted "Summer Relief" activities during periods of high temperature, providing beverages to employees and strengthening heatstroke prevention reminders. During the cold season, care packages were provided to employees through "Winter Warmth" activities, conveying corporate care.

Simultaneously, the Group continued to organize employee birthday celebrations, cultural and sports activities, and team-building events (such as sports competitions, team-building activities, and recreational events), promoting interaction and communication among employees and enhancing team cohesion. Additionally, the Group promoted public welfare initiatives, such as offering "Warm Traditional Chinese Medicine Consultation Activities," to increase employee awareness of physical and mental health, cultivate employees' sense of social responsibility, and further shape a corporate culture characterized by caring for employees and giving back to society.

Party-Building Film Screening Activity
— "Dead to Rights"

2025 Staff Basketball League

Hanfu Cultural Experience Activity for
International Women's Day

Summer Heat Relief Activities

Warm Traditional Chinese Medicine Consultation Activities

6.3. Employee Development and Training

The Group has always placed significant emphasis on employee development. We firmly believe that the sustainable growth of the enterprise stems from the growth of each individual employee. To this end, we have established comprehensive career development pathways, a systematic training framework, and fair and transparent promotion mechanisms, committed to providing employees with broad learning platforms and space for growth, enabling the synchronisation of personal value realisation with corporate development.

The Group has formulated and implemented the *Training Management Measures*. The training system is primarily divided into internal training and external training, with internal training as the mainstay supplemented by external training. Internal training is delivered by the Group's internal instructors, who are selected based on fair, just, and open principles and must undergo a comprehensive evaluation covering their professional qualifications, lesson planning abilities, and teaching techniques before being authorized to teach. To further enhance internal training resources, the Group has formulated the *Internal Trainer Cultivation and Management Measures*, which clearly define the selection criteria, cultivation mechanisms, and incentive policies for internal trainers. These measures encourage employees with professional expertise and teaching potential to participate in training work, promote knowledge sharing, and foster a learning-oriented team. Internal trainers are subject to annual teaching performance assessments to ensure training quality and continuous improvement.

During the year 2025, the Group continued to increase investment in talent development, constructing a multi-tiered training system. Throughout the year, a total of 14 training programs were organized and implemented, covering areas such as new employee orientation, professional skills enhancement, and advanced management capability development. These initiatives aim to strengthen the employee training mechanism and open diverse growth pathways for employees' career development.

Regarding training content and format, we adhere to the principle of "aligning with business needs and integrating learning with practice": For general employees, training focuses on strengthening job-specific skills and workplace safety. For professional core staff, advanced seminars on cutting-edge industry technologies and business innovation are conducted. For management personnel, external professional institutions are engaged, focusing on enhancing strategic thinking and corporate governance capabilities. Training programs conducted during the year encompassed information technology skills (such as information management, PMBOK project management, database practical skills enhancement, data security and networking), industrialized procurement management, contract management, intellectual property, corporate internal control management, business development and expansion, major business tiered review, on-site fundamental management, and sales capability enhancement, assisting employees in upgrading their job-related professional competencies.

Corporate Internal Control Specialized Training

Factoring Industry Group Standards Practical Training

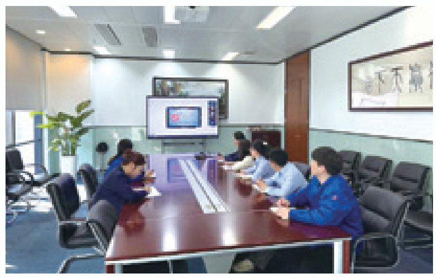
In addition, the Group provides systematic orientation training for new employees, including general induction training and pre-job training, to help them quickly familiarize themselves with the corporate culture, system requirements, and work processes, thereby accelerating the development of their business capabilities. The Group will continue to review and optimize the content and format of its training programs to ensure that the training system effectively supports employee development and the Group's long-term sustainable growth.

Specialized Training to Strengthen Compliance and Risk Awareness

To further enhance employees' compliance awareness and risk prevention capabilities, the Group organized a specialized training session on "Accountability for Violations in Business Operations and Investments" during the year. Focusing on the relevant requirements of state-owned enterprise reforms and key compliance management priorities in corporate operations and investment activities, the training aimed to strengthen a sense of responsibility, improve compliance management, and reduce risks associated with non-compliant operations and investments.

The training adopted a format combining policy interpretation with typical case analysis, systematically introducing the policy background, institutional framework, and key requirements of accountability for violations in business operations and investments. It also provided explanations on responsibility determination, accountability procedures, and common risk scenarios, helping participants understand the compliance boundaries and internal control requirements to be followed in daily operations and investment decisions. Through case analysis and interactive discussions, the training emphasized the working principle of "compliance with laws and regulations, and prudent decision-making," reminding employees to strengthen procedural compliance and risk identification in their practical work to avoid violations.

The Group will continue to promote the normalisation of compliance education through tiered and categorized training tailored to business scenarios, encouraging employees to translate institutional requirements into behavioral guidelines in their daily work, thereby further enhancing corporate governance standards and risk management capabilities.



Training on Accountability for Violations in Business Operations and Investments

Pre-Lease Operations and Large Project Practical Training

Specialized Training on Material Pass-Out Certificate Usage

During the Year, the training data of the employees of the Group are as follows:

Training indicators	2025	2024
Average hours of training for employees (% trained)	**22(99.7%)**	22(100%)
By gender		
Female employee average trained hours (% trained)	**24(100.0%)**	23(100.0%)
Male employee average trained hours (% trained)	**21(99.6%)**	21(100.0%)
By employment level		
Average hours of training for senior executives (% trained)	**37(98.9%)**	25(100.0%)
Average training hours for technical personnel (% trained)	**30(97.4%)**	21(100.0%)
Average training hours for executives (% trained)	**51(100%)**	41(100.0%)
Average training hours for salespeople (% trained)	**24(98.4%)**	29(100.0%)
Average training hours for production personnel (% trained)	**11(100%)**	14(100.0%)
Average hours of training for other employees (% trained)	**39(94.5%)**	38(100.0%)

6.4. Employee Health and Safety

The Group places high importance on employee occupational health and work safety, committing to providing employees with a safe, healthy, and protected working environment. In its daily operations, the Group strictly complies with the *Safety Production Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on Work-Related Injury Insurance*, the *Provisions on the Administration of Occupational Health at Workplaces*, and other applicable laws and regulations related to work safety and occupational health. Safety management is integrated into the corporate operations and management system to prevent and mitigate various operational safety and occupational health risks.

To implement primary responsibility for work safety, the Group has established and continuously improves its occupational health and safety management system, formulating and implementing multiple work safety management systems and operating procedures. These include, but are not limited to, the work safety responsibility system, post-specific safety operating procedures, work safety supervision and inspection system, employee safety management system, vehicle and facility safety management system, emergency rescue plans for accidents, vehicle satellite positioning monitoring management system, work safety expense extraction and usage management system, safety meeting system, and safety duty system. All subsidiaries, production workshops, and relevant employees are required to sign work safety commitment letters in accordance with regulations to strengthen safety responsibility awareness across the organisation.

In response to potential emergencies such as traffic accidents, fires, and electric shocks, the Group has formulated corresponding emergency response plans for work safety incidents and established an emergency rescue organisation mechanism. In the event of an incident, the emergency response procedure will be immediately activated, organizing personnel evacuation, incident control, and post-incident handling to prevent the incident from escalating. If personal injury or fatality is involved, it must be reported promptly according to established procedures and cooperate with incident investigations to ensure timely and proper handling.

During the year, the Group continued to advance work safety target management, setting safety management goals including 100% coverage and drill completion rate for work safety incident emergency plans. Through the implementation of a dual prevention mechanism, the Group strengthened hierarchical control over safety risks and the identification and rectification of potential hazards, continuously improving the intrinsic safety level of operational activities. Throughout the year, the Group regularly conducted safety hazard inspections and implemented corrective measures for identified issues, ensuring effective control of relevant risks.

In terms of occupational health management, the Group continuously promotes refined occupational hygiene management, regularly organizing the monitoring of occupational hazard factors and occupational health examinations for employees. This strengthens the prevention and control of occupational diseases and related health risks, safeguarding employees' physical and mental health. The Group also enhances employees' awareness of work safety and self-protection through diverse safety promotion and training activities, adhering to the management principle of "no safety, no production."

Furthermore, the Group provides employees with various types of safety and health-related training, including fire safety and skills training, team safety management training, occupational health knowledge training, and pre-job safety training for new employees. These initiatives aim to enhance employees' ability to identify potential risks and their emergency response capabilities, thereby reducing the occurrence of safety incidents.

Work Safety Emergency Rescue Skills Competition

To enhance employees' practical capabilities and emergency response levels in dealing with sudden safety incidents, Tonghui Logistics, a subsidiary of the Group, organized a work safety emergency rescue skills competition. The competition featured events centered around multiple practical scenarios, including fire protective equipment donning, emergency firefighting, hose connection, and personnel rescue, covering critical emergency response aspects in the company's daily operations.

Through this practice-oriented competition format, participating employees strengthened their emergency reaction speed, teamwork capabilities, and awareness of safe operating procedures under high-intensity simulated scenarios. This initiative contributed to improving the overall safety management level and accumulating experience for actual incident response.

Cardiopulmonary Resuscitation (CPR) and AED First Aid Training

To enhance employees' self-rescue and mutual aid capabilities during health emergencies, Tonghui Logistics, a subsidiary of the Group, organized CPR and automated external defibrillator (AED) operation training. The training adopted a combination of theoretical instruction and hands-on practice, systematically introducing the identification methods for cardiac arrest, first aid procedures, and correct steps for AED use. Participating employees were arranged to conduct practical training and assessments under the guidance of instructors.

Through this first aid training, the Group further improved employees' emergency response capabilities and safety awareness, supporting the protection of employee health and safety while fostering a more resilient working environment.

During the Year, the health and safety data of the Group are as follows:

Health and Safety Indicators	2025	2024	2023
Death incidents (cases)	0	0	0
Work-related fatality rate (%)	0	0	0

Health and Safety Indicators	2025	2024	2023
Work accidents (cases)	0	0	0
Lost work days due to work injury	0	0	0

7. RESPONSIBLE OPERATIONS

7.1. Supply Chain Management

The Group places high importance on supply chain stability and compliance management, committed to reducing procurement and supply risks through institutionalized supplier access, evaluation, and monitoring mechanisms, while promoting responsible and sustainable supply chain practices. In supply chain management, the Group strictly complies with relevant laws and regulations including the *Civil Code of the People's Republic of China* and the *Tendering and Bidding Law of the People's Republic of China*, and has formulated supplier access management measures and procurement management regulations that clearly define supplier qualification requirements, review procedures, and management standards.

The Group has established a supplier access system requiring suppliers to possess legitimate and compliant business qualifications, a comprehensive quality assurance system, and environmental and social risk management arrangements. The Group has established standardized procedures for supplier selection, requiring suppliers not only to have long-term stable supply capabilities but also good reputation and performance capabilities (e.g., no significant breach of contract records). During the preliminary supplier selection stage, the Group comprehensively considers factors such as supplier team stability, product supply capacity, after-sales service, and recourse capability, while also evaluating their environmental, health, and safety performance.

Where business needs permit, priority is generally given to suppliers with strong comprehensive capabilities and good reputation, followed by consideration of localized suppliers, and then evaluation of other potential suppliers. After completing preliminary selection, the Group conducts review and evaluation of suppliers, carrying out on-site assessments as needed. Based on the evaluation results, a supplier selection recommendation form is prepared and submitted for approval before inclusion in the approved supplier list. For suppliers that fail to consistently meet the Group's management requirements, the Group will take disciplinary measures in accordance with regulations, including requiring corrective actions, suspending cooperation, or disqualifying the supplier, to maintain controllable supply chain risks. As at the date of this annual report, all suppliers of the Company have been subject to the above-mentioned supplier access system and procedures.

To strengthen environmental and social risk control in the supply chain, the Group has formulated risk decision management measures and regularly identifies, assesses, manages, and monitors supply chain-related risks, reviewing risk registers and incorporating environmental and social factors into supplier management and selection considerations. The Group gives priority consideration to suppliers with robust systems in areas such as employment, health and safety, employee development and training, supply chain management, product responsibility, and anti-corruption. Priority is also given to suppliers with certifications such as ISO 14001 Environmental Management Certification, ISO 50001 Energy Management Certification, and low-carbon product certifications (where applicable), and suppliers are encouraged to obtain certifications such as ISO 9001:2015 Quality Management System certification.

The Group requires suppliers to sign safety and environmental protection acknowledgment letters, committing to comply with safety and environmental requirements during cooperation and operational processes, and ensuring that supplied products meet the Group's quality, safety, and environmental standards. Suppliers are also required to segregate waste generated during operations and hand it over to qualified entities for proper disposal to minimize environmental impact, and to comply with national labour and employment regulations, providing employees with a safe and healthy working environment.

During the year, the Group had a total of 325 supplies and are distributed of suppliers as follows:

Supplier distribution	**2025**	2024
Northern	**83**	44
Central	**22**	37
Eastern	**44**	40
Southern	**18**	18
North-west	**158**	169

Notes:

1. Northern areas: Beijing, Tianjin, Hebei Province, Shanxi Province, Shandong Province, Inner Mongolia (excluding Chifeng, Tongliao, Hulunbuir, and Hinggan League)

2. Central areas: Henan Province, Hubei Province, Hunan Province, Jiangxi Province, Sichuan Province, Chongqing City

3. Eastern areas: Shanghai, Jiangsu Province, Zhejiang Province, Anhui Province, Fujian Province

4. Southern areas: Guangdong Province, Guangxi Autonomous Region, Yunnan Province, Guizhou Province, Hainan Province

5. North-west areas: Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Autonomous Region, Xinjiang Autonomous Region

7.2. Product Responsibility and Quality Management

Adhering to the business philosophy of "winning with integrity, leading through service, and shaping the future with quality," the Group regards product and service quality as the core foundation of its sustainable development. The Group continuously improves its quality management systems to ensure the provision of safe, reliable, and high-quality products and services to customers. Guided by the "Three Comprehensives" management principle — comprehensive participation, comprehensive process control, and comprehensive system quality management — the Group implements systematic and refined controls across all stages, including customer needs identification, product design and validation, parts procurement, manufacturing, logistics distribution, sales, and after-sales service.

The Group strictly complies with relevant laws and regulations, including the *Product Quality Law of the People's Republic of China*, and has established a comprehensive quality management system and quality assurance framework covering product design, manufacturing, and service quality. The Group has formulated a quality manual and multiple quality control procedures that clearly define quality management responsibilities and workflows, including developing quality assurance plans, conducting quality inspections, handling non-conformities, and implementing corrective actions, ensuring that product and service quality meets applicable legal requirements and the Group's internal standards.

The Group's subsidiaries, including Tianxingjian, Shanghai Yuanxing, and Tonghui Logistics, have all obtained ISO 9001:2015 certification for their quality management systems and have established corresponding quality management arrangements tailored to their respective business characteristics. Specifically, Tianxingjian has formulated the *Supplier Hardware Quality Management Measures* to standardize supplier quality management processes during trial production and mass production phases, promoting continuous improvement in product quality. The Group also requires through contractual arrangements that products and services provided by suppliers and service providers comply with relevant national regulations and the Group's quality requirements. During the year, the percentage of products sold or shipped that required recall due to safety and health reasons was 0%.

To further ensure the quality stability of procured materials, the Group has established procurement material acceptance management regulations, arranging for corresponding departments and procedures to conduct acceptance inspections based on different material types. Materials that pass acceptance inspection are warehoused in accordance with procedures; those deemed non-conforming are subject to review for warehousing, rework, repair, or return processing under the non-conforming product control procedure. Suppliers are required to conduct root cause analysis for non-conforming products, formulate corrective actions, and submit non-conformance analysis reports, with the Group's quality management personnel responsible for monitoring the implementation of corrective measures to mitigate recurrence risks.

In terms of after-sales service, Tianxingjian has established "Tianxingjian Special Service Stations" in regions with high vehicle concentration and cooperates with qualified service providers and repair shops to deliver timely and reliable maintenance and support services to customers. All such service stations must undergo review and be established in accordance with established site selection criteria and approval processes to ensure consistent service quality.

Regarding marketing and product information disclosure, all product sales materials, promotional content, and product labels are subject to internal review to ensure compliance with relevant laws and regulations, including the *Advertisement Law of the People's Republic of China*, and to ensure that information is truthful, clear, and not misleading. The Group protects customers' right to information and legitimate interests through ongoing content monitoring and management, while upholding responsible communication principles.

Tonghui Logistics Received Shaanxi Heavy Duty Automobile Co., Ltd.'s "2025 Overall Production Support and Service First Prize"

To continuously improve logistics support efficiency and service quality, Tonghui Logistics, a subsidiary of the Group, has been optimizing its production support and distribution service processes while strengthening management and monitoring of key operational areas such as stock preparation organisation, time coordination, accurate parts delivery, and exception handling. During the reporting period, at the "2025 Annual Production Support and Service Overall Evaluation Commendation Conference" held by Shaanxi Heavy Duty Automobile Co., Ltd., Tonghui Logistics was awarded the "2025 Overall Production Support and Service First Prize," reflecting customer recognition of its logistics support capabilities and service quality.

According to internal statistics from Tonghui Logistics, it achieved a logistics production support rate of approximately 99.91% and a network plan completion rate of approximately 99% in its relevant service tasks. The Group will continue to be guided by customer needs and service quality, refining process controls and service standards, enhancing delivery stability and service response capabilities, thereby supporting customer operations and supply chain efficiency improvements.

7.3. Customer Service and Rights Protection

The Group values customer feedback and service experience, and is committed to enhancing customer satisfaction and protecting customers' legitimate rights and interests through institutionalized management and continuous improvement mechanisms. The Group has established a customer satisfaction management mechanism, formulated customer satisfaction survey procedures, and collects customer opinions and suggestions on products and services quarterly through the *Customer Satisfaction Survey Form*. Relevant survey tools and arrangements are implemented after internal review, with survey results compiled, analyzed, and followed up by designated personnel, serving as an important reference for service improvement and process optimisation.

In terms of after-sales service management, the Group has formulated after-sales service control procedures that clearly define service processes, service standards, and processing timelines. For general after-sales issues, service personnel directly contact customers and provide solutions, with the handling process and outcomes recorded. The Group has also established a performance management mechanism for after-sales service, evaluating relevant personnel based on indicators such as after-sales issue completion rate and timeliness of common issue resolution. Performance is assessed according to established systems if predetermined requirements are not met. For special issues involving multiple departments or complex situations, follow-up and handling are conducted within specified timeframes, with corresponding management measures taken for cases not completed within the stipulated time without justifiable reasons, ensuring timely and appropriate responses to customer feedback.

Tonghui Logistics, a subsidiary of the Group, has formulated parts "three guarantees" management regulations covering return, replacement, and repair arrangements to address functional failures caused by product quality issues and protect customer rights. For approved warranty claims, relevant returned parts are processed and returned to suppliers according to procedures, with appropriate protection and identification measures taken to ensure traceability and orderly management.

In terms of customer data protection, the Group attaches importance to customer privacy and information security, strictly complies with relevant laws and regulations including the *Network Security Law of the People's Republic of China*, and adopts corresponding data protection and information security measures to prevent unauthorized use, disclosure, or improper handling of customer data. The Group has clearly communicated customer data usage principles to employees, requiring collection and use of customer information only when there is a reasonable business need, and regularly enhances employee awareness of privacy and data protection through training.

The Group has established diversified customer communication and complaint channels, including WeChat public accounts, email, and telephone, facilitating customers to express opinions and file complaints. Meanwhile, the Group has formulated a customer complaint and dispute handling system that standardizes the processes for complaint acceptance, investigation, correction, and response. In principle, customer complaints are decided for acceptance within three working days of receipt and processed within thirty working days. The Group also conducts semi-annual statistics and analysis of customer opinions and rectification situations, summarizing trends in customer satisfaction changes and formulating subsequent improvement plans. During the reporting period, the Group received a total of 12 customer complaints, all of which were processed in accordance with the established system.

7.4. Information Security and Privacy

The Group places high importance on information security and privacy protection, committed to preventing unauthorized access, use, or disclosure of business secrets, operational data, and customer information. The Group has formulated and implemented a trade secret management system that clearly defines departmental responsibilities in confidentiality management, establishing a management mechanism covering "identification — classification — control — monitoring — improvement" in accordance with relevant data protection laws, regulations, and applicable standards. Documents identified as trade secrets are marked with confidentiality levels and expiration periods, with personnel required to sign *Confidentiality Agreements* committing to comply with company policies and confidentiality requirements, including refraining from transmitting trade secrets through non-secure means such as telephone, fax, or regular email; adopting security measures such as password protection when remote transmission of confidential information is necessary; and avoiding discussion of confidential content in public settings to mitigate information leakage risks.

To ensure effective implementation of policies, the Group has established a reward and punishment management mechanism, taking corresponding disciplinary measures (such as education or job reassignment) for violations of confidentiality provisions in accordance with established procedures. Where violations result in particularly serious consequences, the Group will pursue accountability through legal processes. Concurrently, employees demonstrating outstanding performance in fulfilling confidentiality responsibilities and protecting company secrets and intellectual property are recognized or rewarded in accordance with established policies. Additionally, the Group manages trade secret protection through a combination of routine and periodic inspections, conducting year-end reviews and assessments of information security-related documents and processes to continuously improve management requirements and enhance data protection standards.

Beyond data security, the Group also prioritizes intellectual property management, recognizing it as a valuable intangible asset for maintaining reputation and customer trust. The Group strictly complies with relevant laws and regulations including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Regulations,* establishing an intellectual property management system covering application, review and authorisation, maintenance, utilisation and implementation, as well as commercialisation, licensing, and transfer processes to strengthen the creation, application, management, and protection of intellectual property. During the year, the Group formulated the *Trademark Management Provisions* and the *Patent and Copyright Management Provisions*, further clarifying requirements for trademark, patent, and copyright application, ownership, licensing authorisation, external disclosure, and compliance review, enhancing management consistency and traceability. The Group also established a *Patent Inventory Sheet*, regularly reviewing and updating patent assets as a key tool for intellectual property ledger management and risk monitoring.

To address potential infringement risks, the Group has also established an intellectual property emergency management system. Upon discovery of patent, trademark, or copyright infringement, or when facing infringement allegations, the Group activates its emergency response mechanism, with the Operations Management Department leading the formation of an emergency team to assess risks and formulate response plans. Depending on circumstances, measures may include requesting administrative authorities to investigate, filing lawsuits with people's courts, or negotiating trademark licensing or transfer arrangements to protect the Group's legitimate rights and interests.

In terms of awareness and prevention, the Group regularly organizes basic intellectual property knowledge training to help relevant employees understand the importance of intellectual property and fundamental methods for identifying infringement. The Group has also established intellectual property risk avoidance arrangements and regular risk control mechanisms, such as conducting semi-annual software compliance checks to prevent copyright infringement, performing intellectual property assessments prior to new product launches or production, and conducting intellectual property reviews of promotional materials before marketing campaigns to mitigate infringement risks and ensure compliance and stability in customer relationships and business collaborations.

7.5. Anti-Corruption and Business Ethics

The Group has always adhered to the principle of integrity-based operation, advocating a corporate culture of self-discipline and strictly complying with laws and regulations related to anti-corruption, anti-bribery, and anti-money laundering, including the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. The Group is committed to preventing fraud risks and maintaining a fair and orderly business environment. Integrity requirements have been integrated into the employee management system, with the Employee Handbook clearly regulating conflicts of interest, adherence to duties, and compliant behavior. Employees are required not to seek improper personal gains or benefits for others in any form, proactively avoid conflicts of interest, and refrain from improper business dealings with entities having conflicting interests. The Group adopts a zero-tolerance policy towards any violations involving bribery, extortion, fraud, and money laundering, which will be subject to disciplinary action in accordance with regulations and may result in termination of labour contracts.

To further improve the anti-corruption management system, the Group has formulated and implemented relevant integrity management measures, strengthening self-discipline requirements for personnel in key positions through means such as signing integrity commitment letters with employees. Meanwhile, the Group encourages employees and relevant parties to report and complain about internal disciplinary violations, illegal activities, fraud, and behaviors damaging the Group's interests and image in accordance with laws and regulations. A reporting management mechanism has been established, along with reporting channels and handling procedures, including dedicated hotlines and reporting offices, with whistleblower identities kept strictly confidential. During the year, there were no corruption-related legal proceedings filed against the Group or its employees.

At the corporate governance level, the Group continuously enhances compliance in major decision-making and risk control, fully implementing the requirements of the "Three Majors and One Large" decision-making mechanism, which includes major decisions, major personnel appointments and removals, major project arrangements, and large-scale fund operations. Supporting implementation measures have been formulated to clarify responsibilities and work guidelines, improving decision quality and mitigating decision-making risks. The Group also coordinates with its subsidiaries to strengthen oversight and inspection, focusing on identifying risk points and root causes in production and operations, urging responsible units to implement corrective actions, and advancing the development of a robust integrity risk prevention and control system to enhance governance effectiveness.

In terms of integrity education and cultural development, the Group adopts a combined approach of preventive warning education and specialized training to enhance employees' awareness of ethical conduct. Integrity training and warning education are provided to new employees and personnel in key positions, along with specialized integrity training for sales personnel and related warning education activities. Additionally, during the year, the Group held special meetings dedicated to Party conduct and integrity construction, as well as meetings focused on maintaining discipline during holidays, deploying integrity risk prevention measures and addressing misconduct. Through the use of typical cases and educational materials, the Group strengthened the discipline awareness and ethical mindset of Party member leaders and employees in key roles.

Special Meeting on Party Conduct and Integrity Construction

Special Meeting on Maintaining Discipline and Integrity During Holidays

8. COMMUNITY CONTRIBUTION

The Group is deeply committed to giving back to society, viewing community engagement and philanthropic efforts as essential to sustainable development. We actively respond to the needs of local communities and vulnerable groups, encouraging employees to participate in volunteer services, donations, and charitable activities that contribute to a more inclusive and harmonious society.

To better understand and address community needs, the Group engages with local communities and the public through multiple channels, including social media, corporate announcements, and community meetings. Insights gathered through these channels help shape our community initiatives, ensuring they are both relevant to local interests and practically feasible, thereby strengthening the continuity and impact of our engagement.

The Group's community contributions focus on key areas such as charitable giving, livelihood support, education, cultural cultivation, environmental protection, community governance, and public safety advocacy. Employee participation remains central to our approach, with regular charitable initiatives and thematic volunteer actions that not only foster internal cohesion but also amplify our positive impact on communities.

The Group has organized multiple charitable donation and philanthropic activities, supported by both financial contributions and employee volunteers. During the year, the Group's employees contributed over 370 hours of volunteer service. In terms of educational support, the Group organized a book donation activity titled "Nourishing Hearts with Books, Uniting through Volunteering" collecting used books from neighboring communities and employees and donating them to underprivileged schools. By collecting and redistributing used books, this initiative promotes resource circulation while bringing educational resources to children in need.

Book Donation Activity

In the area of environmental protection and community governance, the Group regularly organizes volunteer clean-up activities in local communities. These initiatives engage employees in improving public spaces while raising their awareness of environmental issues and encouraging environmentally responsible behavior in daily life. Through such efforts, the Group extends its environmental commitment beyond internal operations to active participation in community co-governance.

The Group also integrates greening and environmental improvement of its facilities and surrounding areas into annual volunteer plans through initiatives like Volunteer Service Month, fostering more structured and replicable community engagement.

Looking ahead, the Group will continue to drive community engagement through employee participation and a focus on community needs. We will refine our charitable initiatives in areas such as education, environment, and public safety, optimizing resource allocation and deepening long-term projects to create lasting impact. Through these efforts, the Group aims to give back to society while building closer, more trusting partnerships with local communities.

CONTENT INDEX OF THE "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES"

ESG KPI	Description	Chapter
Environmental		
Aspect A1：Emissions	**General disclosure** Regarding waste gas and greenhouse gas emissions, discharge to water and land, generation of hazardous and non-hazardous waste, etc.: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Resource Usage and Environmental Management Exhaust Emission Management Waste Management Climate Change Metrics and Targets
KPI A1.1	Types of emissions and related emissions data.	Resource Usage and Environmental Management Exhaust Emission Management Waste Management
KPI A1.3	Total amount and density of hazardous waste generated.	Resource Usage and Environmental Management Waste Management
KPI A1.4	Total amount and density of non-hazardous waste generated	Resource Usage and Environmental Management Waste Management
KPI A1.5	Description of the emissions targets set and the steps taken to achieve them.	Climate Change Metrics and Targets
KPI A1.6	Description of the methods for handling hazardous and non-hazardous waste, and describe the waste reduction goals set and steps taken to achieve these goals.	Resource Usage and Environmental Management Waste Management Climate Change Metrics and Targets
Aspect A2：Use of resource	**General disclosure** Policies for the efficient use of resources, including energy, water and other raw materials.	Resource Usage and Environmental Management Energy Management
KPI A2.1	Total direct and/or indirect energy consumption and intensity by type.	Resource Usage and Environmental Management Energy Management
KPI A2.2	Total water consumption and density.	Resource Usage and Environmental Management Water Resources Management
KPI A2.3	Description of the energy efficiency goals set and the steps taken to achieve them.	Climate Change Metrics and Targets
KPI A2.4	Description of any problems in obtaining suitable water sources, the water efficiency goals established and the steps taken to achieve these goals.	Resource Usage and Environmental Management Water Resources Management Climate Change Metrics and Targets
KPI A2.5	The total amount of packaging material used for the finished product.	Resource Usage and Environmental Management Packaging Material Usage

ESG KPI	Description	Chapter
Aspect A3：Environment & natural resources	**General disclosure** Policies to minimize the issuer's significant impact on the environment and natural resources.	Resource Usage and Environmental Management Energy Management Exhaust Emission Management Waste Management
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage those impacts.	Resource Usage and Environmental Management Energy Management Exhaust Emission Management Waste Management
Part D	(i) Governance (ii) Strategy (iii) Risk Management (iv) Metrics and Targets	Climate Change
Community		
Employment and Labour Practices		
Aspect B1：Employment	**General disclosure** Regarding compensation and termination, recruitment and promotion, hours of work, vacation, equal opportunity, diversity, anti-discrimination, and other benefits and benefits: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development and Employment Management Recruitment and Retention Compensation and Benefits
KPI B1.1	Total number of employees by gender, employment type, age group and region.	Talent Development and Employment Management Recruitment and Retention
KPI B1.2	Employee turnover rates by gender, age group and region.	Talent Development and Employment Management Recruitment and Retention
Aspect B2：Health & Safety	**General disclosure** Regarding providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development and Employment Management Employee Health and Safety
KPI B2.1	The number and rate of work-related fatalities in each of the past three years (including the reporting year).	Talent Development and Employment Management Employee Health and Safety
KPI B2.2	Lost work days due to work-related injuries.	Talent Development and Employment Management Employee Health and Safety
KPI B2.3	Description of the occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Development and Employment Management Employee Health and Safety

ESG KPI	Description	Chapter
Aspect B3：Development & training	**General disclosure** Policies on enhancing the knowledge and skills of employees to perform job duties. Describe training activities.	Talent Development and Employment Management Employee Development and Training
KPI B3.1	Percentage of trained employees by gender and employee category.	Talent Development and Employment Management Employee Development and Training
KPI B3.2	The average number of hours of training completed by each employee, by gender and employee category.	Talent Development and Employment Management Employee Development and Training
Aspect B4：Labour standards	**General disclosure** Regarding the prevention of child labour or forced labour: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Talent Development and Employment Management Recruitment and Retention
KPI B4.1	Description of measures to review recruitment practices to avoid child and forced labour.	Talent Development and Employment Management Recruitment and Retention
KPI B4.2	Description of the steps taken to eliminate the situation when a violation was discovered.	Talent Development and Employment Management Recruitment and Retention
Operating Practices		
Aspect B5：Supply chain management	**General disclosure** Environmental and social risk policies for managing supply chains.	Responsible Operations Supply Chain Management
KPI B5.1	Number of suppliers by region.	Responsible Operations Supply Chain Management
KPI B5.2	Description of the practices related to engaging suppliers, the number of suppliers to whom the practices are enforced, and how they are enforced and monitored.	Responsible Operations Supply Chain Management
KPI B5.3	Description of the practice of identifying environmental and social risks in each link of the supply chain, and the related implementation and monitoring methods.	Responsible Operations Supply Chain Management
KPI B5.4	Describe the practice of promoting the use of environmentally friendly products and services in supplier selection, as well as related implementation and monitoring methods.	Responsible Operations Supply Chain Management

ESG KPI	Description	Chapter
Aspect B6：Product responsibility	**General disclosure** Health and safety, advertising, labeling and privacy matters and remedies for products and services offered: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Operations Product Responsibility and Quality Management
KPI B6.1	Percentage of total product sold or shipped that is subject to recall for safety and health reasons.	Responsible Operations Product Responsibility and Quality Management
KPI B6.2	The number of complaints received about products and services and how to deal with them.	Responsible Operations Customer Service and Rights Protection
KPI B6.3	Description of practices related to the maintenance and protection of intellectual property rights.	Responsible Operations Information Security and Privacy
KPI B6.4	Description of the quality verification process and product recall procedures.	Responsible Operations Product Responsibility and Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are enforced and monitored.	Responsible Operations Customer Service and Rights Protection Information Security and Privacy
Aspect B7: Anti-corruption	**General closure** Regarding the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Operations Anti-Corruption and Business Ethics
KPI B7.1	The number and outcome of concluded corruption litigation cases brought against the issuer or its employees during the reporting period.	Responsible Operations Anti-Corruption and Business Ethics
KPI B7.2	Description of preventive measures and reporting procedures, as well as related implementation and monitoring methods.	Responsible Operations Anti-Corruption and Business Ethics
KPI B7.3	Description of the anti-corruption training provided to directors and employees.	Responsible Operations Anti-Corruption and Business Ethics
Community		
Aspect B8：community investment	**General disclosure** Policies on community engagement to understand the needs of the communities in which it operates and to ensure that its business activities take into account the interests of the communities.	Community Contribution
KPI B8.1	Focus on areas of contribution.	Community Contribution
KPI B8.2	Resources used in areas of focus.	Community Contribution

Independent Auditor's Report

To the Shareholders of Deewin Tianxia Co., Ltd
(established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Deewin Tianxia Co., Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 130 to 209, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Expected credit loss allowance of loans receivable

Refer to Note 3(a)(i), Note 20 and Note 33(a) to the consolidated financial statements and the accounting policies in Note2(k).

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the gross carrying amount of the Group's loans receivable was RMB9,054 million, and the expected credit loss allowance amounted to RMB566 million. The Group calculates the expected credit loss ("ECL") allowance in accordance with IFRS 9, Financial instruments ("IFRS 9"). The Group classified loans receivable into three stages: stage one loans are loans of which the credit risk at the reporting date has not increased significantly since initial recognition; stage two loans are loans of which the credit risk at the reporting date has increased significantly since initial recognition; and stage three loans are loans that are credit-impaired. The ECL allowance for stage one loans is measured at an amount equal to 12-month ECLs and the ECL allowance for stages two and three loans is measured at an amount equal to lifetime ECLs.	Our audit procedures to assess the ECL allowance for loans receivable included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans receivable, the credit grading process and the measurement of ECL allowance; • with the assistance of KPMG financial risk specialists, assessing the appropriateness of the ECL model used by management and the reasonableness of the key parameters and assumptions used, including stage classification, probability of default, loss given default, exposure at default and adjustments for forward-looking information; • assessing the completeness and accuracy of data used for the key parameters in the ECL model. For key parameters derived from internal data, assessing the accuracy of input data by comparing against original documents on a sample basis. For key parameters derived from external data, assessing accuracy of selected data by comparing with public resources;

Expected credit loss allowance of loans receivable

Refer to Note 3(a)(i), Note 20 and Note 33(a) to the consolidated financial statements and the accounting policies in Note2(k).

The Key Audit Matter	How the matter was addressed in our audit
The determination of the ECL allowance is subject to a number of key parameters and assumptions, including the identification of staging of loans receivable, estimation of probability of default, loss given default, exposures at default, forward-looking information and collateral value. Management judgement is involved in the determination of those parameters and the application of the assumptions. We identified the assessment of the ECL allowance of loans receivable as a key audit matter because of the inherent uncertainty and management judgement involved and its significance to the financial results of the Group.	• evaluating the validity of management's assessment, on a sample basis, on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired, by checking to loan overdue information, making enquiries about the borrowers' business operations, and checking borrowers' financial information; • for credit-impaired loans receivable, evaluating management's ECL allowance, including performing market research on the value of collateral and other repayment sources of the borrowers; • recalculating the amount of ECL allowance based on the above parameters and assumptions; and • evaluating the reasonableness of the disclosure on expected credit loss allowance of loans receivable with reference to the requirements of the applicable accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Yu Wai Sum.

KPMG
Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

27 March 2026

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	**2,762,225**	2,627,801
Cost of revenue		**(2,365,788)**	(2,197,196)
Gross profit		**396,437**	430,605
Selling expenses		**(42,595)**	(43,164)
Administrative expenses		**(109,793)**	(127,713)
Research and development costs		**(40,217)**	(34,199)
Net impairment losses on financial assets	33(a)	**(122,358)**	(52,920)
Other income	5	**21,975**	31,584
Other gains/(losses) — net	6	**799**	(1,251)
Operating profit		**104,248**	202,942
Finance income	7(a)	**14,877**	21,504
Finance costs	7(b)	**(30,838)**	(30,378)
Finance costs — net		**(15,961)**	(8,874)
Share of results of an associate	17	**4,895**	5,100
Profit before income tax		**93,182**	199,168
Income tax	8	**(33,534)**	(42,444)
Profit and total comprehensive income for the year		**59,648**	156,724
Profit and total comprehensive income attributable to:			
Equity shareholders of the Company		**68,292**	153,229
Non-controlling interests		**(8,644)**	3,495
		59,648	156,724
Earnings per share			
— Basic or diluted (RMB)	11	**0.03**	0.07

The accompanying notes form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 32(b).

Consolidated Statement of Financial Position

At 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
		At 31 December	
Non-current assets			
Property, plant and equipment	*12*	**141,573**	138,395
Investment property	*13*	**7,233**	7,500
Right-of-use assets	*14*	**33,902**	28,176
Intangible assets	*15*	**71,175**	66,638
Investments in an associate	*17*	**9,396**	9,600
Loans receivable	*20*	**2,949,667**	2,043,729
Deferred tax assets	*31*	**197,962**	179,453
		3,410,908	2,473,491
Current assets			
Inventories	*18*	**144,985**	73,286
Trade receivables	*19*	**880,516**	796,706
Loans receivable	*20*	**5,538,529**	4,895,240
Other receivables	*21*	**221,938**	92,187
Financial assets at fair value through other comprehensive income ("FVOCI")	*22*	**167,395**	116,480
Notes receivable	*23*	**50,490**	84,356
Prepayments	*24*	**80,351**	40,601
Term deposits		**206,607**	—
Restricted cash at bank	*25*	**115,373**	23,414
Cash and cash equivalents	*26*	**610,911**	893,464
		8,017,095	7,015,734
Current liabilities			
Trade and other payables	*28*	**1,264,995**	2,524,930
Contract liabilities	*4(b)*	**37,743**	44,270
Bonds payable	*27*	**627,335**	921,741
Borrowings	*29*	**3,665,984**	2,075,435
Lease liabilities	*30*	**19,841**	9,183
Current taxation		**17,163**	15,817
		5,633,061	5,591,376
Net current assets		**2,384,034**	1,424,358

Consolidated Statement of Financial Position

At 31 December 2025
(Expressed in RMB)

		At 31 December	
		2025	2024
	Note	**RMB'000**	RMB'000
Non-current liabilities			
Contract liabilities	*4(b)*	**4,236**	9,008
Other payables	*28*	**2,314,956**	148,900
Bonds payable	*27*	**53,877**	154,231
Borrowings	*29*	**67,450**	208,373
Lease liabilities	*30*	**7,839**	13,879
Deferred government grants		**5,974**	4,947
		2,454,332	539,338
NET ASSETS		**3,340,610**	3,358,511
Equity			
Share capital	*32*	**2,181,437**	2,181,437
Reserves	*32*	**801,341**	784,538
Retained earnings		**364,809**	389,954
Total equity attributable to equity shareholders of the Company		**3,347,587**	3,355,929
Non-controlling interests		**(6,977)**	2,582
TOTAL EQUITY		**3,340,610**	3,358,511

Approved and authorised for issue by the board of directors on 27 March 2026.

Chairman: **Guo Wancai** *Director:* **Zhao Peng**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company						
		Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024		2,236,043	(70,559)	820,253	334,461	3,320,198	(913)	3,319,285
Profit and total comprehensive income for the year		—	—	—	153,229	153,229	3,495	156,724
Buy-back of shares		—	(28,583)	—	—	(28,583)	—	(28,583)
Shares cancelled		(54,606)	99,142	(44,536)	—	—	—	—
Dividends declared	*32*	—	—	—	(88,915)	(88,915)	—	(88,915)
Appropriation of statutory reserves		—	—	10,306	(10,306)	—	—	—
Appropriation of safety fund		—	—	34	(34)	—	—	—
Utilisation of safety fund		—	—	(1,519)	1,519	—	—	—
Balance at 31 December 2024		2,181,437	—	784,538	389,954	3,355,929	2,582	3,358,511

	Note	**Attributable to equity shareholders of the Company**					
		Share capital	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	Note	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance at 1 January 2025		**2,181,437**	**784,538**	**389,954**	**3,355,929**	**2,582**	**3,358,511**
Profit and total comprehensive income for the year		**—**	**—**	**68,292**	**68,292**	**(8,644)**	**59,648**
Dividends declared	*32*	**—**	**—**	**(76,634)**	**(76,634)**	**(915)**	**(77,549)**
Appropriation of statutory reserves		**—**	**15,252**	**(15,252)**	**—**	**—**	**—**
Appropriation of safety fund		**—**	**2,903**	**(2,903)**	**—**	**—**	**—**
Utilisation of safety fund		**—**	**(1,352)**	**1,352**	**—**	**—**	**—**
Balance at 31 December 2025		**2,181,437**	**801,341**	**364,809**	**3,347,587**	**(6,977)**	**3,340,610**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash generated from/(used in) operations	*26(a)*	**169,020**	(36,286)
Interests received		**14,877**	21,504
Income tax paid		**(50,697)**	(61,840)
Net cash generated from/(used in) operating activities		**133,200**	(76,622)
Investing activities			
Proceeds from disposal of property, plant and equipment		**176**	153
Dividends received from an associate		**5,099**	5,141
Increase in term deposits		**(200,000)**	—
Purchases of property, plant and equipment and intangible assets		**(50,355)**	(41,949)
Net cash used in investing activities		**(245,080)**	(36,655)
Financing activities			
Proceeds from borrowings	*26(b)*	**1,271,544**	422,725
Proceeds from bond issuance	*26(b)*	**1,011,000**	1,670,000
Repayments of borrowings	*26(b)*	**(912,140)**	(722,822)
Repayments of bonds payable	*26(b)*	**(1,405,760)**	(1,204,768)
Interests paid on borrowings	*26(b)*	**(36,933)**	(32,142)
Dividends paid	*32*	**(77,549)**	(88,915)
Repayments of repurchase of shares		**—**	4,286
Payments for leases liabilities — principal	*26(b)*	**(19,683)**	(16,798)
Payments for leases liabilities — interest	*26(b)*	**(1,032)**	(938)
Net cash (used in)/generated from financing activities		**(170,553)**	30,628
Net decrease in cash and cash equivalents		**(282,433)**	(82,649)
Cash and cash equivalents at 1 January		**893,464**	976,898
Effects of exchange rate changes		**(120)**	(785)
Cash and cash equivalents at 31 December		**610,911**	893,464

The accompanying notes form part of these financial statements.

1 CORPORATE INFORMATION

Deewin Tianxia Investment Holding Co., Ltd. (德銀天下投資控股有限公司, the "Company") was established 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 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 International Centre, 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, supply chain financial service, and internet of vehicle (IoV) and data service 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 Company's immediate and ultimate controlling shareholders are Shaanxi Automobile Group Co., Ltd. (陝西汽車集團股份有限公司, "SXAG") and Shaanxi Automobile Holding Group Co., Ltd. (陝西汽車控股集團有限公司, "SAHG"), respectively. Both SXAG and SAHG are state-owned enterprises in the PRC and do not produce financial statements available for public use.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's investments in an associate.

The consolidated financial statements are presented in Renminbi thousand (RMB'000), unless otherwise stated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets at FVOCI are stated at their fair value as explained in Note 2(f).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3(b).

(c) Changes in accounting policies

The Group has applied amendments to IAS 21 *the effects of changes in foreign exchange rates — Lack of exchangeability* issued by IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or revised standard that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(p) or (q) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associate, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 33(d). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments are classified into one of the following measurement categories:

— amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(b)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

— FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Investment property

Investment property is stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)). The investment property is depreciated over its estimated useful life of 45 year.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment property is recognised in accordance with Note 2(u)(ii)(c).

(h) Property, plant and equipment

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write-off the cost or valuation of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

— Buildings and facilities	20 to 45 years
— Machinery and equipment	12 years
— Motor vehicles	8 years
— Electronic equipment	3 to 5 years
— Leasehold improvement	2 to 8 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets, including softwares, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)). Amortisation is calculated to write-off the cost of intangible assets using the straight-line method over their estimated useful lives of 5 to 10 years, and is generally recognised in profit or loss. Amortisation methods and useful lives are reviewed annually and adjusted if appropriate.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(f), 2(u)(ii)(b) and 2(k)(i). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(ii) As a buyer — lessor

When the Group is a buyer — lessor, individual customers (the seller — lessee) transfer commercial vehicles (transferred assets) to, and lease back from, the Group. The Group does not recognise the transferred assets as such transfer does not satisfy the requirements of IFRS 15 as a sale and recognise loans receivable (Note 20) equal to transfer proceeds. Sale and leaseback transactions in which the relevant seller-lessees have an obligation or a right to repurchase the relevant assets were accounted as financing arrangements under IFRS 9.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

— financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables);

— non-equity securities measured at FVOCI (recycling) (see Note 2(f)); and

— loans receivable.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets, trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate;

— loans receivable: discount rate used in the measurement of the loans receivable.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— loans receivable that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach to provide expected credit loss prescribed by IFRS 9, which permits the use of the lifetime to calculate their impairment allowance and recognises their ECL (see Note 33).

For loans receivable, the Group applies a three-stage impairment model to calculate their impairment allowance and recognises their ECL, as follows:

— Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage 1, at which the Group only needs to measure ECL in the next 12 months.

— Stage 2: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage 2, at which the Group needs to measure lifetime ECL.

— Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3, at which the Group needs to measure lifetime ECL.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial instrument to have experienced a significant increase in credit risk when the following criteria have been met:

— Principal or interest is more than 30 days past due;

— There are litigation or/and other significant adverse issues which have negative impact on obligator's repayment ability.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see Note 2(f)).

Credit-impaired financial assets

When financial instruments are credit-impaired, the Group defines them as in default. In general, financial assets that are more than 90 days past due are identified as in default. At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or being more than 90 days past due;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Description of parameters, assumptions and estimation techniques

The Group recognises a loss allowance to different financial instruments at an amount equal to 12-month or lifetime expected credit loss based on whether there has been a significant increase in credit risk and whether the financial instrument is credit impaired. ECL is the result of discounted product of the weighted average of "probability of default (PD)", "loss given default (LGD)", "exposure at default (EAD)" under the three scenarios (i.e., optimistic scenario, basic scenario, and pessimistic scenario), which are defined as follows:

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (lifetime PD) of the obligation. The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on the portfolio from the point of initial recognition throughout the lifetime of the financial instruments. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on lifetime basis, where lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). The 12-month and lifetime EADs are determined based on the contractual repayments owned by the debtor over 12 or lifetime basis.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For loans receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring loans receivable.

Lifetime ECL for loans receivable is considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the Grouping:

— past-due status;

— nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

For credit-impaired financial assets with individual amount that are relatively significant, ECLs are measured as the differences between the present value of estimated cash flows discounted at the original effective interest rate and the asset's gross carrying amount.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Forward-looking information

Both the assessment of significant increases in credit risk and the calculation of ECLs involve forward-looking information. Through analysis of historical data, the Group has identified key economic indicators that affect credit risk and ECLs of various business types. When considering forward-looking information, the indicators used in the model include gross domestic products, consumer price index, fixed asset investment, industrial added value, export, RMB Loan and M2. The Group regularly predicts the performance of indicators under three economic scenarios. The forecasts are used in the asset's impairment 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. The weight of the basic scenario is the highest among the three scenarios. The Group measures the loss allowance for impairment by weighted 12-month ECL (Stage 1) or weighted lifetime ECL (Stage 2 and Stage 3). The above weighted ECL is calculated by multiplying the ECL in each scenario by the weight of the corresponding scenario.

The impact of these economic indicators on PD and LGD varies from different business types. The Group considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators and PD and LGD.

Write-off policy

The gross carrying amount of a financial asset or loans receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

2 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

— temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

— taxable temporary differences arising on the initial recognition of goodwill; and

— those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of goods that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods.

Revenue is recognised when control over goods or services is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of goods

The Group sells commercial vehicles and spare parts to customers. Customers include distributors, transport companies and individual users. Revenue from sales of goods is recognised when control of the goods is transferred at a point in time to its customers, that is when the goods are delivered and accepted by the customers, the customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(b) Logistics and warehousing service

The Group generated logistics and warehousing service revenue from the provision of logistics and warehousing service to customers. The Group recognises logistics and warehousing service revenue over time in the period in which its customers simultaneously receive and consume the benefits provided by the logistics and warehousing service as specified in logistics service contract.

(c) IoV data service

The Group provides IoV and data service to customers based on the data of commercial vehicles generated from IoV terminal products pre-installed in commercial vehicles. The Group uses sensing and tracking technology to collect IoV data of commercial vehicles, in particular the data of commercial vehicles operation, driving behaviour of drivers, location and other types of tracking information, and provide relevant services to various customers. The Group recognises commercial vehicles operating data service revenue over time when its customers simultaneously receive and consume the benefits as specified in the service contract.

(ii) Revenue from other sources and other income

(a) Financial leasing business

The Group provides financial leasing service to end customers and commercial vehicles dealers through sale and leaseback arrangement. The transaction does not satisfy the requirement of IFRS 15 to be accounted for as a sale of the asset and is in substance a collateral financing, interest income is recognised over the lease period using the effective interest rate method.

(b) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(c) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(ii) Revenue from other sources and other income (Continued)

(d) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(e) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are initially recognised as "deferred government grants" in the statement of financial position then recognised in profit or loss as other income over the useful life of the asset.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 ACCOUNTING JUDGMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for cash and cash equivalents, trade receivables, other receivables, non-equity securities measured at FVOCI (recycling) and loans receivable is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 33(a) Credit risk.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Segmentation of business operations sharing similar credit risk characteristics, selection of appropriate models and determination of relevant key measurement parameters;
- Determination of criteria for the identification of significant increase in credit risk and the definition of default;
- Selection of appropriate economic indicators, economic scenarios and weightings used in the forward-looking measurement;
- The estimated future cash flows for loans receivable in stage 3.

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 33(a).

(b) Sources of estimation uncertainty

Other significant sources of estimation uncertainty are as follows:

(i) Deferred income tax

A deferred income tax asset is recognised for the deductible losses to the extent that it is probable that future taxable profits will be available against which the deductible losses can be utilised. Future taxable profits include taxable profits that can be achieved through normal operations and the increase in taxable profits due to the reversal of taxable temporary differences arising from previous period in future period. The Group estimates the timing and amount of future taxable profits. If there is any difference between the actual and the estimates, adjustment may be made to the carrying amount of deferred income tax assets.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group engaged in the business of logistics and supply chain service (including supply chain business, sales of automobile and aftermarket product business), supply chain financial service (including financial leasing business and factoring business), and IoV and data service.

Disaggregation of revenue by major products or service lines is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Logistics and warehousing service	1,264,436	1,636,299
Sales of goods	989,673	461,497
IoV data service	56,281	63,117
Others	1,355	4,100
	2,311,745	2,165,013
Revenue from other sources		
Sales-and-leaseback financing business	364,137	373,962
Interest income from factoring services	80,961	88,487
Rental income	5,382	339
	450,480	462,788
	2,762,225	2,627,801

In 2025, the Group has one (2024: one) customer with whom transactions have been exceeded 10% of the Group's revenue. Revenue from logistics and warehousing service and sales of goods to this customer amounted to RMB402,040,000 (2024: RMB290,963,000).

4 REVENUE AND SEGMENT REPORTING (Continued)

(b) Contract liabilities

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Sales of goods	**9,068**	7,387
Logistics and warehousing service	**735**	2,435
IoV data service	**32,176**	43,456
	41,979	53,278
Less: non-current portion	**(4,236)**	(9,008)
Current portion	**37,743**	44,270

Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year

	2025	2024
	RMB'000	RMB'000
Sales of goods	**7,387**	8,971
Logistics and warehousing service	**2,435**	3,845
IoV data service	**34,448**	45,723
	44,270	58,539

The revenue of IoV data service is recognized over time as the Group provides continuing services to the users during subscription period. Subscription periods are typically 12 or 24 months. The subscription fee is payable upfront in full at the start of the subscription period. The subscription fee received is recognised as a contract liability and are recognized as revenue when services are provided over the subscription period.

As at 31 December 2025, the aggregated amount of transaction price allocated to the unsatisfied performance obligations under the contracts for IoV data service is RMB32,176,000 (2024: RMB43,456,000). Management expects that the unsatisfied performance obligations of RMB27,940,000 (2024: RMB34,448,000) will be recognised as revenue over the following year. The remaining will be recognised in one to two years.

The Group applied practical expedient in paragraph 121 of IFRS 15 to its contracts for other businesses that had an original expected duration of less than one year, the remaining performance obligation of other business was not disclosed.

4 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment reporting

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company, who 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 segment, which includes supply chain business, automobile sales business and aftermarket product business;

— Supply chain financial service segment, which includes financial leasing business and factoring business;

— IoV and data service segment, which includes sale of IoV terminal products 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 — net" associated with the respective segment.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in these consolidated financial statements. Segment assets and segment liabilities represent the aggregation of assets and liabilities across individual operating segments.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as the segment information for the years ended 31 December 2025 and 2024 is set out below.

4 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment reporting (Continued)

	Year ended 31 December 2025			
	Logistics and supply chain service RMB'000	Supply chain financial service RMB'000	IoV and data service RMB'000	Total RMB'000
Revenue from contracts with external customers within the scope of IFRS 15				
— Point in time	787,264	319	203,445	991,028
— Over time	1,264,436	—	56,281	1,320,717
Revenue from other sources	5,382	445,098	—	450,480
Revenue from external customers	2,057,082	445,417	259,726	2,762,225
Inter-segment revenue	8,790	1,096	22,830	32,716
Reportable segment revenue	2,065,872	446,513	282,556	2,794,941
Reportable segment gross profit	102,267	181,613	117,678	401,558
Reportable segment operating profit	(62,155)	127,394	69,150	134,389
Finance (costs)/income — net	(24,799)	1,376	180	(23,243)
Depreciation of property, plant and equipment	(20,826)	(504)	(3,123)	(24,453)
Depreciation of right-of-use asset	(12,302)	(3,375)	(2,119)	(17,796)
Amortisation of intangible assets	(2,656)	(1,998)	(9,359)	(14,013)
Net impairment losses on financial assets	(113,736)	(8,978)	356	(122,358)
	At 31 December 2025			
Reportable segment assets	1,830,896	8,857,629	345,238	11,033,763
Additions to non-current segment assets during the year	41,904	13,659	56,022	111,585
Reportable segment liabilities	1,859,308	6,910,035	166,350	8,935,693

4 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment reporting (Continued)

	Year ended 31 December 2024			
	Logistics and supply chain service RMB'000	Supply chain financial service RMB'000	IoV and data service RMB'000	Total RMB'000
Revenue from contracts with external customers within the scope of IFRS 15				
— Point in time	307,591	812	157,194	465,597
— Over time	1,636,299	—	63,117	1,699,416
Revenue from other sources	339	462,449	—	462,788
Revenue from external customers	1,944,229	463,261	220,311	2,627,801
Inter-segment revenue	8,907	1,818	1,818	12,543
Reportable segment revenue	1,953,136	465,079	222,129	2,640,344
Reportable segment gross profit	104,949	236,873	91,261	433,083
Reportable segment operating profit	45,707	143,785	41,634	231,126
Finance (costs)/income -net	(24,370)	2,730	1,223	(20,417)
Depreciation of property, plant and equipment	(20,926)	(1,455)	(3,641)	(26,022)
Depreciation of right-of-use asset	(10,325)	(4,221)	(2,520)	(17,066)
Amortisation of intangible assets	(2,415)	(2,083)	(7,953)	(12,451)
Net impairment losses on financial assets	(8,798)	(43,890)	(232)	(52,920)
	At 31 December 2024			
Reportable segment assets	1,579,918	7,265,768	312,607	9,158,293
Additions to non-current segment assets during the year	84,297	12,623	56,241	153,161
Reportable segment liabilities	1,505,530	5,264,167	145,194	6,914,891

The Group operates its businesses in the PRC and all revenues are generated from its external customers in the PRC.

4 REVENUE AND SEGMENT REPORTING (Continued)

(d) Reconciliations of reportable segment profit and loss, assets and liabilities

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Profit		
Reportable segment gross profit	**401,558**	433,083
Elimination of inter-segment profit	**(5,121)**	(2,478)
Reportable segment gross profit derived from group's external customers	**396,437**	430,605
Selling expenses	**(43,037)**	(45,494)
Administrative expenses	**(78,791)**	(95,538)
Research and development expenses	**(40,217)**	(34,205)
Net impairment losses on financial assets	**(122,358)**	(51,195)
Other income	**21,765**	32,034
Other gains/(losses) — net	**2,660**	(1,160)
Elimination of inter-segment operating profit	**(2,070)**	(3,921)
Reportable segment operating profit derived from group's external customers	**134,389**	231,126
Finance (costs)/income — net	**(15,961)**	(8,874)
Share of results of an associate	**4,895**	5,100
Unallocated head office expenses	**(30,141)**	(28,184)
Consolidated profit before taxation	**93,182**	199,168
Assets		
Reportable segment assets	**11,033,763**	9,158,293
Unallocated head office assets (a)	**5,396,231**	4,051,510
Elimination of inter-segment assets (a)	**(5,001,991)**	(3,720,578)
Consolidated total assets	**11,428,003**	9,489,225
Liabilities		
Reportable segment liabilities	**8,935,693**	6,914,891
Unallocated head office liabilities (b)	**4,151,957**	2,936,642
Elimination of inter-segment liabilities (a)	**(5,000,257)**	(3,720,819)
Consolidated total liabilities	**8,087,393**	6,130,714

All of the Group's non-current assets are located in the PRC.

(a) The unallocated head office assets and elimination mainly related to loans from head office to subsidiaries.

(b) The unallocated head office liabilities mainly include bank borrowings, which are then on-lent to subsidiaries to support their operations.

5 OTHER INCOME

Other income represents government subsidies received from the PRC government authorities, mainly for subsidising the Group's operation and research and development activities.

6 OTHER GAINS/(LOSSES) — NET

	2025 RMB'000	2024 RMB'000
Losses on notes receivable discounted	(645)	(1,002)
(Losses)/Gains on disposal of property, plant and equipment	(123)	4
Others	1,567	(253)
	799	(1,251)

7 PROFIT BEFORE TAXATION

(a) Finance income

Finance income represents interest income from bank deposits.

(b) Finance costs

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings	31,041	28,840
Interest on lease liabilities	1,032	938
Foreign exchange (gains)/losses	(1,235)	582
Others	—	18
	30,838	30,378

(c) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	199,238	189,331
Retirement benefits (i)	32,802	34,059
Other social security cost (ii)	31,206	29,129
	263,246	252,519

7 PROFIT BEFORE TAXATION (Continued)

(c) Staff costs (Continued)

Notes:

(i) As stipulated by rules and regulations in the PRC, the Group contributes to state-sponsored retirement schemes for its employees in the PRC. The Group's employees make monthly contributions to the schemes 10% of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group contributes 20% of such relevant expenses, subject to certain ceiling and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

(ii) Employees of the Group in the PRC are entitled to participate in various government-supervised housing fund, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on approximately 18% of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions paid/ payable in each year.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

(d) Other items

	2025 RMB'000	2024 RMB'000
Transportation expenses	**898,302**	1,289,990
Funding costs	**231,607**	202,864
Depreciation of property, plant and equipment *(Note 12)*	**27,212**	27,257
Depreciation of investment property *(Note 13)*	**267**	267
Depreciation of right-of-use asset *(Note 14)*	**18,536**	17,161
Amortisation of intangible assets *(Note 15)*	**15,168**	12,539
Auditors' remuneration		
— Audit services	**2,800**	3,500
— Non-audit services	**377**	422
	3,177	3,922

8 INCOME TAX

(a) Taxation in the consolidated statement of comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current tax	**52,043**	61,495
Deferred tax	**(18,509)**	(19,051)
	33,534	42,444

Income tax provision of the Group in respect of its operations in Chinese Mainland has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof. The income tax rate of 25% is applicable to all of the group entities during the years ended 31 December 2025 and 2024, except that certain subsidiaries enjoy a preferential income tax rate of 15% according to the policies of Western Area Development.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	2025 RMB'000	2024 RMB'000
Profit before taxation	**93,182**	199,168
Tax calculated at applicable corporate income tax rate of 25%	**23,295**	49,792
Tax effect of preferential tax rates	**(8,296)**	(9,215)
Tax effect of non-taxable income	**(1,200)**	—
Tax effect of non-deductible expenses	**100**	1,619
Tax effect of unused tax losses not recognised	**4,434**	4,111
Tax effect of unused temporary difference not recognised	**18,552**	—
Additional deduction of research and development expenses	**(3,351)**	(3,309)
Utilisation of previously unrecognised tax loss	**—**	(554)
Actual tax expense	**33,534**	42,444

For the year ended 31 December 2025
(Expressed in RMB)

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

	Directors' fees RMB'000	Salaries RMB'000	Bonus RMB'000	Contributions to retirement benefits RMB'000	Contributions to other social security costs RMB'000	Total RMB'000
Year ended 31 December 2025						
Executive directors						
Mr. Zhao Peng (i)	–	383	–	41	67	491
Mr. Wang Wenqi	–	421	–	45	78	544
Non-executive directors						
Mr. Guo Wancai	–	–	–	–	–	–
Mr. Tian Qiang	–	–	–	–	–	–
Mr. Zhao Chengjun	–	–	–	–	–	–
Ms. Feng Min	–	144	–	43	81	268
Mr. Li Gang	90	–	–	–	–	90
Mr. Ip Wing Wai	130	–	–	–	–	130
Mr. Yu Qiang	90	–	–	–	–	90
Supervisors						
Mr. Ji Jianguo (iii)	–	–	–	–	–	–
Mr. Qin Xiaohui (iv)	–	217	–	45	80	342
Mr. Zhang Shaojie (v)	–	–	–	–	–	–
	310	1,165	–	174	306	1,955

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

	Directors' fees RMB'000	Salaries RMB'000	Bonus RMB'000	Contributions to retirement benefits RMB'000	Contributions to other social security costs RMB'000	Total RMB'000
Year ended 31 December 2024						
Executive directors						
Mr. Wang Runliang (ii)	—	412	—	70	86	568
Mr. Wang Wenqi	—	331	—	44	78	453
Non-executive directors						
Mr. Guo Wancai	—	—	—	—	—	—
Mr. Tian Qiang	—	—	—	—	—	—
Mr. Zhao Chengjun	—	—	—	—	—	—
Ms. Feng Min	—	207	—	44	74	325
Mr. Li Gang	80	—	—	—	—	80
Mr. Ip Wing Wai	120	—	—	—	—	120
Mr. Yu Qiang	80	—	—	—	—	80
Supervisors						
Mr. Ji Jianguo	—	—	—	—	—	—
Mr. Zhang Yu'an (vi)	—	—	—	—	—	—
Mr. Qin Xiaohui	—	303	—	44	73	420
Mr. Zhang Shaojie	—	—	—	—	—	—
	280	1,253	—	202	311	2,046

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

(i) Mr. Zhao Peng was appointed as the general manager of the Company in January 2025 and as an executive director on 29 May 2025. Mr. Zhao is primarily responsible for the overall management and operations of the Group.

(ii) Mr. Wang Runliang was appointed as a director of the Company from 15 April 2019 to 29 May 2025. Mr. Wang was also a general manager of the Company from January 2019 to January 2025.

(iii) Mr. Ji Jianguo was appointed as the chairman of supervisory board of the Company from 30 May 2024 to 29 May 2025.

(iv) Mr. Qin Xiaohui was appointed as a supervisor of the Company from 11 August 2016 to 29 May 2025.

(v) Mr. Zhang Shaojie was appointed as the representative supervisor of the Shareholders from 30 May 2023 to 29 May 2025.

(vi) Mr. Zhang Yu'an was a chairman of the Board of supervisor of the Company from 25 December 2020 to 30 May 2024.

In addition to the directors' and supervisors' emoluments as disclosed above, certain directors and supervisors of the Company who are also management of SAHG group entities received emoluments from related companies during the years ended 31 December 2025 and 2024, part of which are related to their services rendered to the Group. No apportionment has been made as the directors and supervisors of the Company consider that it is impractical to apportion the emoluments between their services rendered to the Group and the related companies.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, none of them are directors of the Group (2024: 1). The aggregate of the emoluments in respect of the 5 (2024: 4) non-directors individuals are as follows:

	2025 **RMB'000**	2024 RMB'000
Basic salaries, allowances, and other benefits-in-kind	**2,567**	2,296
Contribution to retirement benefits	**299**	200
Other social benefits	**359**	282
	3,225	2,778

The emoluments of the 5 (2024: 4) individuals with the highest emoluments are within the following band:

	2025 **Number of individuals**	2024 Number of individuals
Nil to HK$1,000,000	**5**	4

11 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares issued for the years ended 31 December 2025 and 2024.

Basic earnings per share is calculated as follows:

	2025	2024
Profit attributable to equity shareholders of the Company (RMB'000)	**68,292**	153,229
Weighted average number of ordinary shares in issue (in thousand)	**2,181,437**	2,181,875
Basic earnings per share (RMB)	**0.03**	0.07

The diluted earnings per share are same as the basic earnings per share as there was no dilutive potential share during the years ended 31 December 2025 and 2024.

12 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	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
Cost:							
At 1 January 2024	64,539	12,253	44,858	44,486	57,078	5,841	229,055
Additions	—	1,218	4,933	7,686	2,602	36,901	53,340
Transfer	—	5,402	34,750	37	—	(40,189)	—
Disposals	—	—	(6,062)	(621)	—	—	(6,683)
At 31 December 2024	64,539	18,873	78,479	51,588	59,680	2,553	275,712
At 1 January 2025	**64,539**	**18,873**	**78,479**	**51,588**	**59,680**	**2,553**	**275,712**
Additions	**—**	**98**	**6,048**	**15,638**	**507**	**8,358**	**30,649**
Disposals	**—**	**(10)**	**(4,185)**	**(1,198)**	**(303)**	**—**	**(5,696)**
At 31 December 2025	**64,539**	**18,961**	**80,342**	**66,028**	**59,884**	**10,911**	**300,665**
Accumulated depreciation and impairment:							
At 1 January 2024	(24,403)	(5,001)	(31,403)	(35,868)	(19,059)	—	(115,734)
Charge for the year	(1,607)	(1,430)	(4,418)	(4,910)	(14,892)	—	(27,257)
Disposals	—	—	5,076	598	—	—	5,674
At 31 December 2024	(26,010)	(6,431)	(30,745)	(40,180)	(33,951)	—	(137,317)
At 1 January 2025	**(26,010)**	**(6,431)**	**(30,745)**	**(40,180)**	**(33,951)**	**—**	**(137,317)**
Charge for the year	**(1,441)**	**(1,458)**	**(9,462)**	**(5,029)**	**(9,822)**	**—**	**(27,212)**
Disposals	**—**	**9**	**4,026**	**1,160**	**242**	**—**	**5,437**
At 31 December 2025	**(27,451)**	**(7,880)**	**(36,181)**	**(44,049)**	**(43,531)**	**—**	**(159,092)**
Net book value:							
At 31 December 2025	**37,088**	**11,081**	**44,161**	**21,979**	**16,353**	**10,911**	**141,573**
At 31 December 2024	38,529	12,442	47,734	11,408	25,729	2,553	138,395

13 INVESTMENT PROPERTY

	2025 RMB'000	2024 RMB'000
Cost:		
At 1 January	8,299	8,299
Additions	—	—
Disposals	—	—
At 31 December	8,299	8,299
Accumulated amortisation:		
At 1 January	(799)	(532)
Charge for the year	(267)	(267)
At 31 December	(1,066)	(799)
Net book value:		
At 31 December	7,233	7,500
Fair value:		
At 31 December	16,306	24,442

The investment property is stated at cost less accumulated amortisation. The investment property is located in Weinan, Shaanxi Province, and the fair value of which was derived using the comparison approach with reference to comparable market transactions. The fair value measurement falls into level 3 of the fair value hierarchy.

The Group leases out investment property under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases contain variable lease payment terms. All operating lease rentals of the Group are received in advance.

14 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets is as follows:

	2025 RMB'000	2024 RMB'000
Land use rights	2,182	2,262
Leased properties	31,720	25,914
	33,902	28,176

The movements of the net book value of right-of-use assets are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	28,176	33,173
Additions	26,650	14,194
Early termination of lease term	(2,388)	(2,030)
Depreciation	(18,536)	(17,161)
At 31 December	33,902	28,176

The additions to right-of-use assets primarily related to capitalised lease payments payable under new tenancy agreements. None of the leases include variable lease payments.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation		
— Land use rights	80	80
— Leased properties	18,456	17,081
	18,536	17,161
Interest on lease liabilities	1,032	938
Expense relating to short-term leases	28,565	40,943

The maturity analysis of lease liabilities and total cash outflow for leases are set out in Notes 30 and 33(b), respectively.

15 INTANGIBLE ASSETS

	2025 RMB'000	2024 RMB'000
Cost:		
At 1 January	**108,886**	81,709
Additions	**19,705**	27,177
At 31 December	**128,591**	108,886
Accumulated amortisation:		
At 1 January	**(42,248)**	(29,709)
Charge for the year	**(15,168)**	(12,539)
At 31 December	**(57,416)**	(42,248)
Net book value:		
At 31 December	**71,175**	66,638

The intangible assets represent software being used by the Group. The amortisation charge for the year is included in "Cost of revenue", "Research and development costs", "Administrative expenses" and "Selling expenses" in the consolidated statement of comprehensive income.

(Expressed in RMB)

16 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of issued and paid-up capital	Proportion of ownership interest held by the Company 2025	Proportion of ownership interest held by the Company 2024	Principal activity
Directly held					
Deewin Financing Leasing Co., Ltd. (德銀融資租賃有限公司)	PRC	RMB1,550,000,000	**100%**	100%	Financial leasing business
Shanghai Deewin Commercial Factoring Co., Ltd. (上海德銀商業保理有限公司)	PRC	RMB200,000,000	**100%**	100%	Factoring service
Shanghai Fargo Supply-chain Management (Group) Co., Ltd. (上海遠行供應鏈管理(集團)有限公司)	PRC	RMB50,000,000	**100%**	100%	Logistics and supply chain business
Shaanxi Tianxingjian IoV Information Technology Co., Ltd. (陝西天行健車聯網資訊技術有限公司)	PRC	RMB100,000,000	**100%**	100%	IoV and data service
Shaanxi Tonghui Automobile Logistics Co., Ltd. (陝西通匯汽車物流有限公司)	PRC	RMB100,000,000	**100%**	100%	Logistics and supply chain business
Xinjiang Fargo Supply Chain Management Co., Ltd. (新疆遠行供應鏈管理有限公司)	PRC	Registered capital RMB20,000,000 and paid-up capital of RMB5,000,000	**51%**	51%	Logistics and supply chain business
Shaanxi Fargo Supply Chain Management Co., Ltd. (陝西遠行供應鏈管理有限公司)	PRC	RMB3,000,000	**100%**	100%	Logistics and supply chain business

These subsidiaries are limited liabilities companies established in the PRC and adopted 31 December as their financial year end date. The official name of these entities is in Chinese. The English name is for identification purpose only.

The directors of the Company consider that the non-controlling interests are insignificant to the Group and thus a summary of financial information of the NCI was not disclosed.

17 INVESTMENTS IN AN ASSOCIATE

The Group has only one associate, which is unlisted corporate entity whose quoted market price is not available:

Name of associate	Place of incorporation and business	Proportion of ownership interest held by the Company		Principal activity
		2025	2024	
Meixin Insurance Brokers (Shanghai) Co., Ltd.	PRC	**30%**	30%	Insurance brokerage business

The above associate is accounted for using the equity method in the consolidated financial statements. Financial information of this associate that is not individually material is as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Carrying amount in the consolidated financial statements	**9,396**	9,600
Share of		
— Results from continuing operations	**4,895**	5,100
— OCI	**—**	—

18 INVENTORIES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Cost:		
Commercial vehicles	**25,211**	20,498
IoV terminal products	**23,147**	743
Spare parts and consumables	**90,767**	51,077
Electric vehicle battery and charging facilities	**5,861**	1,029
	144,986	73,347
Less: Write down of inventories	**(1)**	(61)
Inventories — net	**144,985**	73,286

18 INVENTORIES (Continued)

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold		
— Purchase cost of commercial vehicles	**683,307**	218,855
— Purchased goods consumed	**267,523**	183,591
Write down of inventories	**—**	61
	950,830	402,507

All inventories are expected to be recovered within one year.

19 TRADE RECEIVABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables — related parties *(Note 35(c))*	**284,517**	275,958
Trade receivables — third parties	**803,552**	614,028
	1,088,069	889,986
Less: loss allowance	**(207,553)**	(93,280)
Trade receivables — net	**880,516**	796,706

All of the trade receivables are expected to be recovered or recognised as expense within one year.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the date of revenue recognition, is as follows:

	At 31 December	
	2025 RMB'000	2024 RMB'000
Within one year	**846,797**	787,284
One year to two years	**182,432**	51,220
Two years to three years	**48,540**	24,928
Over three years	**10,300**	26,554
	1,088,069	889,986

20 LOANS RECEIVABLE

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Loans receivable		
— Financial leasing business		
— Leased vehicle	**5,949,005**	4,229,272
— Leased non-vehicle assets	**1,769,651**	2,031,445
— Factoring service	**1,335,237**	1,256,430
	9,053,893	7,517,147
Less: loss allowance		
— Financial leasing business	**(374,876)**	(403,161)
— Factoring service	**(190,821)**	(175,017)
	(565,697)	(578,178)
Loans receivable — net	**8,488,196**	6,938,969
Less: non-current portion		
— Financial leasing business	**(2,949,667)**	(2,043,729)
Current portion	**5,538,529**	4,895,240

(a) The loans receivable are secured by the leased assets held by the Group. The maximum exposure to credit risk in respect of the loans at the end of the reporting period, without taking into account the collateral, and the key terms of the loans are disclosed in Note 33(a). The Group considers that the credit risk arising from the loans is significantly mitigated by the properties held as collateral, as at 31 December 2025, loans receivable of approximately RMB5,705,685,000 (2024: RMB5,702,560,000) were secured by the leased assets owned by lessees with estimated market value of approximately RMB8,974,264,000 (2024: RMB8,471,241,000).

(b) As at 31 December 2025, loans receivable of RMB159,618,000 (2024: Nil) were pledged to secure notes payable of RMB153,000,000 (2024: Nil) (Note 28). As at 31 December 2024, loans receivable of RMB101,768,000 was pledged to secure borrowings (Note 29). There were no loans receivable pledged to secure borrowings as at 31 December 2025.

(c) As at 31 December 2025, loans receivable of RMB986,282,000 (2024: RMB1,240,763,000) were transferred out but not derecognised under the Group's asset-backed security program (Note 27).

(d) As at 31 December 2025 and 31 December 2024, the fair values of loans receivable of the Group approximate their carrying amounts.

(e) As at 31 December 2025 and 31 December 2024, the loans receivable were all denominated in RMB.

20 LOANS RECEIVABLE (Continued)

Movements on the loss allowance of loans receivable are as follows:

	2025 RMB'000	2024 RMB'000
Beginning of the year	578,178	538,307
Loss allowance	9,016	41,345
Written-off	(21,497)	(1,474)
End of the year	565,697	578,178

21 OTHER RECEIVABLES

	At 31 December	
	2025 RMB'000	2024 RMB'000
Other receivables — related parties *(Note 35(c))*	2,162	1,826
Prepayment for commodity purchase paid on behalf of customers	219,624	92,283
Other deposits	16,867	12,535
Others	9,943	13,555
	248,596	120,199
Less: loss allowance	(26,658)	(28,012)
Other receivables — net	221,938	92,187

All of the other receivables are expected to be recovered or recognised as expense within one year.

22 FINANCIAL ASSETS MEASURED AT FVOCI

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Notes receivable	**35,521**	24,517
Trade receivables	**131,874**	91,963
	167,395	116,480

(a) As at 31 December 2025 and 2024, all the financial assets at FVOCI were notes receivable and trade receivables in nature, the impact of expected credit loss of these assets was assessed to be insignificant.

(b) As at 31 December 2025, RMB131,674,000 (2024: RMB91,476,000) of trade receivables recognised as financial assets at FVOCI were receivables from related parties, and RMB200,000 (2024: RMB487,000) was from third parties. The Group intends to either hold the notes receivable and trade receivables to maturity for cash collection or transfer to suppliers as settlement of its purchases of goods. Considering these financial assets are held by the Group for both collection of contractual cash flows and selling of the related financial assets, the Group has accounted for such notes receivable and trade receivables as financial assets at FVOCI.

23 NOTES RECEIVABLE

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Notes receivable — related parties *(Note 35(c))*	**29,600**	8,110
Notes receivable — third parties	**20,890**	76,246
	50,490	84,356

(a) As at 31 December 2025, the Group has endorsed or discounted notes receivable with carrying amount of RMB41,158,000 (2024: RMB76,826,000), which shall not be derecognised. In the opinion of management, the Group has retained the substantial risk and rewards, and accordingly continue to recognise the full carrying amounts of notes receivable as at 31 December 2025.

(b) As at 31 December 2025, notes receivable of RMB3,000,000 (2024: RMB4,354,000) were pledged for the Group's short-term borrowings (Note 29).

24 PREPAYMENTS

As at 31 December 2025 and 2024, the balance represents prepayments for goods and services. All the prepayments were denominated in RMB.

25 RESTRICTED CASH AT BANK

As at 31 December 2025 and 2024, the breakdown of restricted cash at bank are as follow:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Deposits for the issuance of notes payable	**106,748**	18,342
Frozen by court due to business disputes (a)	**8,625**	5,072
	115,373	23,414

(a) Due to delay in payment by a customer, a subsidiary of the Group has locked the related vehicles. The customer sued the subsidiary for alleged operational losses and requested the court to freeze cash balance of RMB8,075,000 of the subsidiary. In late 2025, the first-instance judgement ruled in favour of the Group's subsidiary. The customer has filed an appeal. The subsidiary does not anticipates any outflow of resources to settle the claim and no provision is made in this regard.

26 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

Cash and cash equivalents represent cash at bank and on hand.

(a) Reconciliation of profit before taxation to cash generated from/(used in) operations:

	2025 RMB'000	2024 RMB'000
Profit before taxation	93,182	199,168
Adjustments for:		
— Net impairment losses on financial assets *(Note 33(a))*	122,358	52,920
— Write down of inventories *(Note 18)*	—	61
— Depreciation of property, plant and equipment *(Note 12)*	27,212	27,257
— Depreciation of investment property *(Note 13)*	267	267
— Depreciation of right-of-use assets *(Note 14)*	18,536	17,161
— Amortisation of intangible assets *(Note 15)*	15,168	12,539
— Losses/(Gains) on disposal of property, plant and equipment *(Note 6)*	123	(4)
— Finance costs — net *(Note 7)*	15,961	8,874
— Share of results of an associate *(Note 17)*	(4,895)	(5,100)
— Losses on notes receivable discounted *(Note 6)*	645	1,002
Changes in working capital:		
— Restricted cash at bank	(91,959)	22,923
— Financial assets at FVOCI	(50,915)	(4,196)
— Notes receivable	36,866	(581,784)
— Trade receivables	(198,506)	(25,953)
— Loans receivable	(1,558,243)	(457,026)
— Other receivables	(128,397)	89,833
— Prepayments	(39,750)	17,077
— Inventories	(71,699)	(55,441)
— Trade and other payables	905,472	1,316,687
— Contract liabilities	(11,299)	(21,419)
— Borrowings	1,087,217	(647,143)
— Provisions for warranty *(Note 28)*	649	(376)
— Deferred government grants	1,027	(3,613)
Cash generated from/(used in) operations	169,020	(36,286)

26 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and noncash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Borrowings RMB'000	Other payables RMB'000	Lease liabilities RMB'000	Bonds payable RMB'000	Total RMB'000
At 1 January 2024	3,181,051	875,000	27,791	610,740	4,694,582
Changes from financing cash flows:					
— Proceeds from new financing	422,725	—	—	1,670,000	2,092,725
— Repayments	(672,776)	(50,046)	(16,798)	(1,204,768)	(1,944,388)
— Interests paid	(32,142)	—	(938)	—	(33,080)
	(282,193)	(50,046)	(17,736)	465,232	115,257
Other changes:					
— Acquisitions of lease incentives	—	—	12,069	—	12,069
— Interest expenses	29,840	—	938	—	30,778
— Other non-cash changes	2,253	—	—	—	2,253
At 31 December 2024	2,930,951	824,954	23,062	1,075,972	4,854,939

26 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities (Continued)

	Borrowings RMB'000	Other payables RMB'000	Lease liabilities RMB'000	Bonds payable RMB'000	Total RMB'000
At 1 January 2025	2,930,951	824,954	23,062	1,075,972	4,854,939
Changes from financing cash flows:					
— Proceeds from new financing	1,271,544	–	–	1,011,000	2,282,544
— Repayments	(912,140)	–	(19,683)	(1,405,760)	(2,337,583)
— Interests paid	(36,933)	–	(1,032)	–	(37,965)
	322,471	–	(20,715)	(394,760)	(93,004)
Other changes:					
— Acquisitions of lease incentives	–	–	24,301	–	24,301
— Interest expenses on borrowing	30,330	–	1,032	–	31,362
— Other non-cash changes	3,000	–	–	–	3,000
At 31 December 2025	3,286,752	824,954	27,680	681,212	4,820,598

Note: the borrowings and loans from related parties under the supply chain financial service segment are liabilities from operating activities and the related cash flows are included in operating cash flows in the consolidated cash flow statement.

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	28,565	40,943
Within financing cash flows	20,715	17,736
	49,280	58,679

27 BONDS PAYABLE

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Asset-backed securities	**681,212**	1,075,972
Less: maturing within 1 year	**(627,335)**	(921,741)
Non-current portion of bonds payable	**53,877**	154,231

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

	Issue date	Maturity date	Principal amount RMB'000	Coupon Rate	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
ABS4-senior B tranches	06 June 2023	27 January 2025	6,000	4.40%	**–**	2,139
ABS1-senior A1 tranches	12 April 2024	31 March 2025	414,000	2.80%	**–**	70,255
ABS1-senior A2 tranches	12 April 2024	31 July 2025	96,000	3.00%	**–**	96,000
ABS1-senior B tranches	12 April 2024	27 January 2025	25,000	3.80%	**–**	25,000
ABS2-senior A1 tranches	12 June 2024	30 September 2025	477,000	2.50%	**–**	222,685
ABS2-senior A2 tranches	12 June 2024	30 January 2026	115,000	2.60%	**2,845**	115,000
ABS2-senior B tranches	12 June 2024	27 February 2026	21,000	3.30%	**21,000**	21,000
ABS3-senior A1 tranches	13 November 2024	30 January 2026	410,000	2.45%	**22,441**	411,893
ABS3-senior A2 tranches	13 November 2024	29 May 2026	85,000	2.60%	**85,000**	85,000
ABS3-senior B tranches	13 November 2024	31 July 2026	27,000	3.20%	**27,000**	27,000
ABS5-senior A tranches	15 April 2025	30 April 2026	361,000	2.65%	**78,368**	–
ABS5-senior B tranches	15 April 2025	30 June 2026	25,000	3.50%	**25,000**	–
ABS6-senior A1 tranches	17 September 2025	30 September 2026	480,000	2.00%	**274,558**	–
ABS6-senior A2 tranches	17 September 2025	26 February 2027	115,000	2.24%	**115,000**	–
ABS6-senior B tranches	17 September 2025	31 March 2027	30,000	2.70%	**30,000**	–
					681,212	1,075,972

Deewin Financial Leasing Co., Ltd., a subsidiary of the Company, transferred its loans receivable to the asset plan administrator who issues ABS to investors.

The ABS were issued in tranches (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 ABS and hence the risks and rewards of the aforesaid loans receivable transferred are still substantially retained by the Group. Accordingly, the Group has not de-recognised the related loans receivable in the consolidated financial statements.

28 TRADE AND OTHER PAYABLES

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Trade and notes payables		
Notes payable (a)	**405,954**	66,713
Trade payables — related parties *(Note 35(c))*	**18,611**	46,126
Trade payables — third parties	**373,344**	437,017
Trade and notes payables	**797,909**	549,856
Other payables		
Loans from related parties *(Note 35(c))*	**2,292,298**	1,724,950
Other payables to related parties *(Note 35(c))*	**7,187**	6
Interest payable to related parties *(Note 35(c))*	**8,556**	7,949
Deposits collected from lessees of leased properties	**245,381**	257,604
Other deposits	**11,176**	11,069
Provisions for warranty	**1,322**	673
Staff salaries and welfare payables	**53,298**	47,312
Early retirement benefits payable	**—**	49
Other taxes payables	**8,070**	4,816
Others (b)	**154,754**	69,546
Other payables	**2,782,042**	2,123,974
Total of trade and other payables	**3,579,951**	2,673,830
Less: non-current portion:		
— Deposits collected from lessees of leased properties	**(156,831)**	(148,227)
— Loans from related parties	**(2,157,667)**	—
— Provisions for warranty	**(458)**	(673)
Total non-current portion	**(2,314,956)**	(148,900)
Current portion	**1,264,995**	2,524,930

28 TRADE AND OTHER PAYABLES (Continued)

(a) As at 31 December 2025, loans receivable of RMB159,618,000 (2024: Nil) were pledged to secure notes payable of RMB153,000,000 (2024: Nil) (Note 20).

(b) Others primarily represent amounts collected by the Group from customers for procurement, which are recorded as liabilities until remitted to the relevant parties.

(c) As at 31 December 2025 and 2024, all trade and other payables except for loans from related parties were non-interest bearing, and their fair values, except for the staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximate to their carrying amounts.

(d) The ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on transaction date was as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	**367,739**	477,923
One year to two years	**22,609**	2,580
Two years to three years	**110**	823
Over three years	**1,497**	1,817
	391,955	483,143

(e) The loans from related parties as at 31 December 2025 of RMB2,292,298,000 (2024: RMB1,724,950,000) were unsecured, interest bearing at rates ranging from 1.85% to 2.45% (2024: 2.30% to 2.40%) per annum.

As at 31 December 2025 and 31 December 2024, the loans from related parties were repayable as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	**134,631**	1,724,950
Between one and two years	**1,391,369**	—
Between two and three years	**766,298**	—
	2,292,298	1,724,950

29 BORROWINGS

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Bank borrowings, unsecured	**3,730,434**	2,164,857
Bank borrowings, secured	**3,000**	35,385
Other borrowings, secured	**–**	83,566
	3,733,434	2,283,808

(a) As at 31 December 2025, the Group's short-term bank borrowings of RMB3,000,000 (2024: RMB4,354,000) were secured by the Group's notes receivable of RMB3,000,000 (2024: RMB4,354,000) (Note 23).

(b) Other borrowings were the loans obtained from third parties in the form of sub-lease arrangement. As at 31 December 2024, other borrowings of RMB83,566,000 were secured by loans receivable of RMB101,768,000 (Note 20).

(c) All the borrowings were denominated in RMB.

(d) The weighted average effective interest rates for borrowings at the end of the reporting period are as follows:

	At 31 December	
	2025	2024
Bank borrowings	**2.85%**	3.32%
Other borrowings	**–**	3.30%

(e) As at 31 December 2025 and 2024, the Group's borrowings were repayable as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	**3,665,984**	2,075,435
Between one and two years	**18,450**	208,373
Between two and three years	**49,000**	—
	3,733,434	2,283,808

30 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	**19,841**	9,183
After 1 year but within 2 years	**6,500**	8,729
After 2 years but within 5 years	**1,059**	4,871
After 5 years	**280**	279
	7,839	13,879
	27,680	23,062

31 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Loss allowance of receivables RMB'000	Deferred income from government grants RMB'000	Accrued expenses RMB'000	Deductible tax losses RMB'000	Advance leasing business subsidies RMB'000	Impairment of property, plant and equipment RMB'000	Write down of inventories RMB'000	Lease liabilities RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024	155,731	705	583	3,428	–	4	93	4,475	(4,617)	160,402
Credited/(charged) to profit or loss	13,365	(502)	–	(1,608)	8,181	(4)	(78)	72	(375)	19,051
At 31 December 2024 and 1 January 2025	**169,096**	**203**	**583**	**1,820**	**8,181**	**–**	**15**	**4,547**	**(4,992)**	**179,453**
Credited/(charged) to profit or loss	**5,056**	**215**	**855**	**(465)**	**12,969**	**–**	**(15)**	**415**	**(521)**	**18,509**
At 31 December 2025	**174,152**	**418**	**1,438**	**1,355**	**21,150**	**–**	**–**	**4,962**	**(5,513)**	**197,962**

31 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

(a) Deferred tax assets and liabilities recognised (Continued):

(ii) Reconciliation to the consolidated statement of financial position

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Net deferred tax asset in the consolidated statement of financial position	**197,962**	179,453

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB75,941,000 (2024: RMB59,500,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. These tax losses will be expired in 2026 to 2030 (2024: 2025 to 2029).

32 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company

	Note	Share capital RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2024		2,236,043	(70,559)	1,114,320	321,553	3,601,357
Changes in equity for 2024:						
Profit and total comprehensive income for the year		—	—	—	103,062	103,062
Buy-back of shares		—	(28,583)	—	—	(28,583)
Appropriation of statutory reserves		—	—	10,306	(10,306)	—
Shares cancelled		(54,606)	99,142	(44,536)	—	—
Dividends declared	*32(b)*	—	—	—	(88,915)	(88,915)
Balance at 31 December 2024 and 1 January 2025	*36*	**2,181,437**	**—**	**1,080,090**	**325,394**	**3,586,921**
Changes in equity for 2025:						
Profit and total comprehensive income for the year		**—**	**—**	**—**	**152,519**	**152,519**
Appropriation of statutory reserves		**—**	**—**	**15,252**	**(15,252)**	**—**
Dividends declared	*32(b)*	**—**	**—**	**—**	**(76,634)**	**(76,634)**
Balance at 31 December 2025	*36*	**2,181,437**	**—**	**1,095,342**	**386,027**	**3,662,806**

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

The following dividends were declared and paid by the Company for the year

	2025 RMB'000	2024 RMB'000
RMB0.3513 (tax inclusive) per 10 shares (2024: RMB0.4076 (tax inclusive) per 10 shares)	76,634	88,915

Pursuant to a resolution of the Xinjiang Fargo Supply Chain Management Co., Ltd's shareholders' meeting held on 10 April 2025, dividends of RMB915,000 were declared and payable to non-controlling shareholders for the year ended 31 December 2024 (2024: Nil).

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities at the end of the reporting period

	2025 RMB'000	2024 RMB'000
RMB0.3147 (tax inclusive) per 10 shares (2024: RMB0.3513 (tax inclusive) per 10 shares)	68,650	76,634

(c) Share capital

(i) Issued share capital

	2025		2024	
	No. of shares	RMB'000	No. of shares	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	2,181,436,500	2,181,437	2,236,042,500	2,236,043
Shares repurchased and cancelled	–	–	(54,606,000)	(54,606)
At 31 December	2,181,436,500	2,181,437	2,181,436,500	2,181,437

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(i) Details of the changes in other reserves between the beginning and the end of the year are set out below:

	Capital reserve RMB'000	Statutory reserves RMB'000	Safety fund RMB'000	Other reserves RMB'000
Balance at 1 January 2024	736,859	76,204	7,190	820,253
Changes in equity for 2024:				
Appropriation of statutory reserves	—	10,306	—	10,306
Appropriation of safety fund	—	—	34	34
Utilisation of safety fund	—	—	(1,519)	(1,519)
Share cancelled	(44,536)	—	—	(44,536)
Balance at 31 December 2024 and 1 January 2025	**692,323**	**86,510**	**5,705**	**784,538**
Changes in equity for 2025:				
Appropriation of statutory reserves	**—**	**15,252**	**—**	**15,252**
Appropriation of safety fund	**—**	**—**	**2,903**	**2,903**
Utilisation of safety fund	**—**	**—**	**(1,352)**	**(1,352)**
Balance at 31 December 2025	**692,323**	**101,762**	**7,256**	**801,341**

(ii) Capital reserve

The capital reserve mainly comprises the difference between the consideration and the par value of the issued and paid-up shares of the Company.

(iii) Statutory reserves

In accordance with the PRC Company Law and the articles of association of the PRC companies of the Group (the "PRC Companies"), the PRC Companies are required to allocate 10% of their profits attributable to the respective owners of the PRC Companies as set out in their statutory financial statements, to the statutory reserve until such reserve reaches 50% of the registered capital of the respective PRC Companies. The appropriation to the reserve must be made before any distribution of dividends to the respective owners of the PRC Companies.

The statutory surplus reserve can be used to offset previous year's losses, if any, and part of the statutory reserve can be capitalised as the share capital of the respective PRC Companies provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the respective PRC Companies.

32 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(iv) Safety fund

Pursuant to certain regulations issued by the Ministry of Finance and Ministry of Emergency Management of the People's Republic of China, the Group is required to set aside an amount to safety fund based on the revenue generated from transportation service provided. The fund can be used for improvements of safety and are not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount is transferred from safety fund to retained earnings.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide returns for shareholders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio, calculated as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Borrowings	**3,733,434**	2,283,808
Trade and other payables — loan from related parties	**2,292,298**	1,724,950
Lease liabilities	**27,680**	23,062
Bonds payable	**681,212**	1,075,972
Total debt	**6,734,624**	5,107,792
Less: Cash and cash equivalents	**(610,911)**	(893,464)
Less: Restricted cash at bank	**(115,373)**	(23,414)
Less: Term deposits due within one year	**(206,607)**	—
Net debt	**5,801,733**	4,190,914
Total equity	**3,340,610**	3,358,511
Total capital	**9,142,343**	7,549,426
Gearing ratio (net debt divided by total capital)	**63%**	56%

Certain subsidiaries under supply chain financial service segment are subject to capital adequacy requirements imposed by the regulators. There was no non-compliance of capital requirements as at 31 December 2025 (31 December 2024: Nil).

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below. The Group is not exposed to significant currency risk.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and loans receivable. The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash at bank and notes receivable is limited because the counterparties are banks and financial institutions, which the Group considers representing low credit risk.

The carrying amounts of financial assets represent the maximum credit exposure.

Loans receivable

(i) Credit risk management

The Group's loans receivable are mainly receivables generated from the sale and leaseback business. For such receivables, the Group performs standard credit management procedures, which include project due diligence and proposal submission, credit underwriting review and approval, disbursement, post-lending monitoring and management of non-performing loans receivable etc. The Group enhances its credit risk management by strictly complying with its credit management procedures; strengthening customer investigation, lending approval and post-lending monitoring measures; enhancing risk mitigation effect of loans receivable through obtaining collateral, security deposits and corporate or individual credit guarantee.

(ii) Risk limits management and mitigation measures

The Group has no significant concentration of credit risk. The Group monitors credit risk limits on credit quality.

To optimise the credit risk structure, the Group assess the credit quality of and set credit limits on customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The Group regularly monitor the credit history of customers. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure that our overall credit risk is limited to a controllable extent.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Loans receivable (Continued)

The overall ECL rate for loans receivable and an analysis of loans receivable by credit quality are set out below:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Loans receivable				
At 31 December 2025				
Expected loss rate	**1.71%**	**22.63%**	**49.22%**	**6.25%**
Gross carrying amount (RMB'000)	**8,186,253**	**3,878**	**863,762**	**9,053,893**
Loss allowance (RMB'000)	**(139,684)**	**(878)**	**(425,135)**	**(565,697)**

	Stage 1	Stage 2	Stage 3	Total
Loans receivable				
At 31 December 2024				
Expected loss rate	1.50%	28.18%	54.71%	7.69%
Gross carrying amount (RMB'000)	6,633,949	17,518	865,680	7,517,147
Loss allowance (RMB'000)	(99,657)	(4,936)	(473,585)	(578,178)

Movements of allowances for impairment losses on loans receivable are as follows:

	Stage 1 RMB'000	**Stage 2 RMB'000**	**Stage 3 RMB'000**	**Total RMB'000**
Amount as at 1 January 2025	**99,657**	**4,936**	**473,585**	**578,178**
Changes in the loss allowance:				
— Move to stage 1	**4,467**	**(4,467)**	**—**	**—**
— Move to stage 2	**(97)**	**2,603**	**(2,506)**	**—**
— Move to stage 3	**(1,313)**	**(1,423)**	**2,736**	**—**
— Provision charged during the year	**36,970**	**(771)**	**(27,183)**	**9,016**
— Written-off during the year as uncollectible	**—**	**—**	**(21,497)**	**(21,497)**
Amount as at 31 December 2025	**139,684**	**878**	**425,135**	**565,697**

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Loans receivable (Continued)

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
Amount as at 1 January 2024	78,912	2,755	456,640	538,307
Changes in the loss allowance:				
— Move to stage 1	784	(784)	—	—
— Move to stage 2	(50)	833	(783)	—
— Move to stage 3	(552)	(675)	1,227	—
— Provision charged during the year	20,563	2,807	17,975	41,345
— Written-off during the year as uncollectible	—	—	(1,474)	(1,474)
Amount as at 31 December 2024	99,657	4,936	473,585	578,178

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments based on aging (calculated from the transaction date) over a period of five years and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due and payable within 30 to 90 days from the invoice date. Debtors with outstanding balances aged over one year that remain unsettled, they are required to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers, except when there is specific collection risks associated with the trade receivables.

The Group has no significant concentration of credit risk. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 11.48% (2024: 12.83%), 7.85% (2024: 11.95%) and 20.78% (2024: 25.47%) of the total trade receivables was due from the Group's largest customer, the second largest customer and the five largest customers respectively within the logistics and supply chain service segment.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is assessed for impairment both on an individual basis and on collective group basis based on different credit risk characteristics. The Group segments its trade receivables based on shared credit risk characteristics and the aging dates, due to different loss patterns experienced in the different group. The Company applies the simplified approach in accordance with IFRS 9 to measure ECL on trade receivables. This approach is operationalized through the development of a provision matrix based on aging buckets. The varying loss rates applied to different aging intervals inherently capture the changes in credit risk.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

When management assesses that there is objective evidence of impairment (e.g., the debtor is experiencing significant financial difficulty or legal proceedings have been initiated), the receivable is then considered to be credit-impaired.

In such circumstances, the receivable is excluded from the collective basis assessment within the provision matrix and is assessed individually. In this individual basis assessment, the Company estimates the recoverable amount by applying a discounted cash flow (DCF) model, which incorporates factors such as the net realizable value of any collateral and expected future repayment plans. This ensures that the loss allowance adequately reflects the specific risks associated with the receivable.

Trade receivables are categorised as follows for assessment purpose:

- Group 1 — collective: receivables from related parties, where the collection risk is significantly lower than that from third parties;
- Group 2 — individual: receivables from third parties, which include companies that have provided collateral assets despite experiencing financial difficulties;
- Group 3 — collective: other trade receivables.

The amounts of trade receivables as at 31 December 2025 and 2024 are as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables — related parties *(Note 35(c))*	**284,517**	275,958
Trade receivables — individually assessed third parties (a)	**358,994**	80,566
Trade receivables — remaining third parties (b)	**444,558**	533,462
	1,088,069	889,986
Less		
— allowance for impairment — related parties	**(248)**	(542)
— allowance for impairment — individually assessed third parties	**(155,445)**	(47,108)
— allowance for impairment — remaining third parties	**(51,860)**	(45,630)
	(207,553)	(93,280)
Trade receivables — net	**880,516**	796,706

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

(a) The following table provides information about the Group's exposure to credit risk and ECLs for Group 2 (individually assessed third parties):

	2025 Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
9 to 12 months	**14.05%**	**103,924**	**(14,606)**
Over 12 months	**55.22%**	**255,070**	**(140,839)**
	43.30%	**358,994**	**(155,445)**

	2024 Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
6 to 9 months	47.11%	11,281	(5,314)
Over 12 months	60.32%	69,285	(41,794)
	58.47%	80,566	(47,108)

As at 31 December 2025, trade receivables of RMB213,109,000 (2024: RMB49,263,000) within Group 2 are secured by properties held by the Group with market value of RMB49,459,000 (2024: RMB23,080,000).

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

(b) The following table provides information about the Group's exposure to credit risk and ECLs for Group 3 (other trade receivables assessed collectively):

	2025 Expected loss rate %	2025 Gross carrying amount RMB'000	2025 Loss allowance RMB'000
Up to 3 months	**4.85%**	**375,111**	**(18,186)**
3 to 6 months	**10.56%**	**38,298**	**(4,045)**
6 to 9 months	**11.49%**	**731**	**(84)**
9 to 12 months	**87.57%**	**7,023**	**(6,150)**
Over 12 months	**100.00%**	**23,395**	**(23,395)**
	11.67%	**444,558**	**(51,860)**

	2024 Expected loss rate %	2024 Gross carrying amount RMB'000	2024 Loss allowance RMB'000
Up to 3 months	1.68%	381,144	(6,406)
3 to 6 months	6.89%	78,067	(5,382)
6 to 9 months	20.15%	50,601	(10,198)
9 to 12 months	99.20%	750	(744)
Over 12 months	100.00%	22,900	(22,900)
	8.55%	533,462	(45,630)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Expected loss rates are based on actual loss experience over the past five years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	**93,280**	79,973
Amounts written off	**(423)**	(204)
Impairment losses recognised	**114,696**	13,511
Balance at 31 December	**207,553**	93,280

Other receivables

Other receivables include deposits, staff advance and others. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group accounts for the ECL of its financial assets on a timely basis. In calculating the ECL rates, the Group considers historical loss rates of other receivables and adjusts for forward-looking macroeconomic data.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

The overall ECL rate for other receivables and an analysis of other receivables by credit quality are set out below:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 31 December 2025				
Expected loss rate	**1.15%**	**–**	**54.96%**	**10.45%**
Gross carrying amount (RMB'000)	**204,358**	**–**	**44,238**	**248,596**
Loss allowance (RMB'000)	**(2,343)**	**–**	**(24,315)**	**(26,658)**

	Stage 1	Stage 2	Stage 3	Total
At 31 December 2024				
Expected loss rate	1.52%	–	56.48%	23.30%
Gross carrying amount (RMB'000)	72,557	–	47,642	120,199
Loss allowance (RMB'000)	(1,104)	–	(26,908)	(28,012)

During the year ended 31 December 2025 and 2024, there were no transfers amongst Stage 1, 2 and 3.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

Movement in the loss allowance account in respect of other receivables during the year is as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	**28,012**	29,948
Impairment losses reversed	**(1,354)**	(1,936)
Balance at 31 December	**26,658**	28,012

During the years ended 31 December 2025 and 2024, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2025 RMB'000	2024 RMB'000
Impairment losses		
Loans receivable	**(9,016)**	(41,345)
Trade receivables	**(114,696)**	(13,511)
Other receivables	**1,354**	1,936
	(122,358)	(52,920)

(Expressed in RMB)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

The Group's objective is to maintain sufficient cash and sources of funding through committed credit facility and maintain flexibility in funding by maintaining committed credit lines. To manage the liquidity risk, management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn banking facilities) and cash and cash equivalents based on expected cash flows. As at 31 December 2025, the Group's unutilized bank facilities was RMB1,957,121,000. The Group expected to fund the future cash flow needs through internally generated cash flows from operations and borrowings from financial institutions.

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.

	2025					
	Undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 Dec
At 31 December 2025						
Trade and other payables	**1,256,273**	**1,548,132**	**813,743**	**—**	**3,618,148**	**3,517,261**
Lease liabilities	**20,484**	**7,032**	**1,149**	**287**	**28,952**	**27,680**
Borrowings	**3,722,228**	**20,338**	**49,572**	**—**	**3,792,138**	**3,733,434**
Bonds payable	**634,647**	**54,065**	**—**	**—**	**688,712**	**681,212**
	5,633,632	**1,629,567**	**864,464**	**287**	**8,127,950**	**7,959,587**

	2024					
	Undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 Dec
At 31 December 2024						
Trade and other payables	2,495,548	152,668	—	—	2,648,216	2,620,980
Lease liabilities	9,633	9,268	5,083	287	24,271	23,062
Borrowings	2,111,577	244,353	—	—	2,355,930	2,283,808
Bonds payable	937,135	155,296	—	—	1,092,431	1,075,972
	5,553,893	561,585	5,083	287	6,120,848	6,003,822

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from cash and cash equivalents, restricted cash at bank, term deposits, loans receivable, borrowings, bonds payable, loans from related parties and lease liabilities. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

As at 31 December 2025 and 2024, if interest rates on cash and cash equivalents, restricted cash at bank, trade and other payables and bank borrowings that were subject to variable interest rates had been 10% higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB629,000 higher/lower and RMB1,551,000 higher/lower respectively, mainly as a result of higher/lower net interest income/expense and cost of revenue being recognised/incurred.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair value measurement of the financial assets at FVOCI falls into level 3 of the fair value hierarchy. During the year ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

The following table presents the changes in Level 3 items for the years ended 31 December 2025 and 2024:

	FVOCI-Notes receivable	**FVOCI-Trade receivables**	**Total**
	RMB'000	RMB'000	RMB'000
Opening balance as at 1 January 2024	60,435	51,849	112,284
Additions	623,522	321,028	944,550
Disposals	(658,997)	(280,355)	(939,352)
Losses recognised in other losses	(443)	(559)	(1,002)
Closing balance as at 31 December 2024	**24,517**	**91,963**	**116,480**
Additions	**430,281**	**424,901**	**855,182**
Disposals	**(419,000)**	**(384,622)**	**(803,622)**
Losses recognised in other losses	**(277)**	**(368)**	**(645)**
Closing balance as at 31 December 2025	**35,521**	**131,874**	**167,395**

The fair value of financial assets at FVOCI was determined based on discounted cashflow method with discount rate as the significant unobservable input. The fair value measurement is negatively correlated to the discount rate. Due to the short-term maturity of the financial assets, a reasonable change in discount rate would not have significant impact to the fair value.

34 CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2025 and 31 December 2024.

35 RELATED PARTY TRANSACTIONS

(a) Key management compensation

	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits	**2,692**	2,543
Pension costs, housing fund, medical insurances and other social insurances	**910**	885
	3,602	3,428

Total remuneration is included in "staff costs".

(b) Transactions with related parties

	2025 RMB'000	2024 RMB'000
Sales of goods		
— Immediate holding company	**—**	1
— Entities controlled by the immediate holding company	**117,242**	92,272
— Entities over which the immediate holding company has significant influence	**108,207**	78,382
— Entities controlled by the ultimate controlling shareholder	**—**	11
Rendering of logistics and warehousing service		
— Entities controlled by the immediate holding company	**53,422**	54,299
— Entities over which the immediate holding company has significant influence	**296,818**	217,608
— Entities controlled by the ultimate controlling shareholder	**166**	4
— Entities over which the ultimate controlling shareholder has significant influence	**862**	642
Rendering of IoV and data service		
— Immediate holding company	**—**	614
— Entities controlled by the immediate holding company	**332**	60
— Entities over which the immediate holding company has significant influence	**6,692**	3,897
— Entities controlled by the ultimate controlling shareholder	**2**	2
Interest income from factoring business		
— Entities controlled by the immediate holding company	**—**	65
Interest income from financial leasing business		
— Entities controlled by the ultimate controlling shareholder	**1,214**	638

35 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

	2025 RMB'000	2024 RMB'000
Purchase of goods and services		
— Entities controlled by the immediate holding company	**10,912**	10,862
— Entities over which the immediate holding company has significant influence	**92,055**	150,842
— Entities controlled by the ultimate controlling shareholder	**29**	26
— Entities over which the ultimate controlling shareholder has significant influence	**174**	—
— Associates	**3,409**	3,213
New loans advanced from related parties		
— Immediate holding company	**829,000**	979,000
— Ultimate controlling shareholder	**1,965,448**	895,950
Accrued interest on loans from related parties		
— Ultimate controlling shareholder	**25,388**	5,452
— Immediate holding company	**15,872**	24,872
Payment of rental expense		
— Immediate holding company	**97**	97
— Entities controlled by the immediate holding company	**74**	3,840
— Entities over which the immediate holding company has significant influence	**15,760**	13,530
Collection of transportation fee by related parties on behalf of the Group		
— Entities controlled by the immediate holding company	**—**	3,668
— Entities over which the immediate holding company has significant influence	**171,268**	169,842
Repayment of expense which was previously paid by related parties on behalf of the Group		
— Ultimate controlling shareholder	**9,619**	9,135
Loan to related parties through factoring business		
— Entities controlled by the immediate holding company	**—**	6,100
Factoring receivables repaid by related parties on behalf of third parties		
— Entities controlled by the immediate holding company	**49,280**	159,495
— Entities over which the immediate holding company has significant influence	**75,478**	85,500
— Entities controlled by the ultimate controlling shareholder	**9,854**	144

35 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

	2025 RMB'000	2024 RMB'000
Lease payment received from related parties on behalf of lessees		
— Entities controlled by the immediate holding company	**3,265**	6,045
— Entities over which the immediate holding company has significant influence	**1,723**	81
New loan to related parties through financial leasing business		
— Entities controlled by the ultimate controlling shareholder	**20,000**	70,000
Acquisition of right-of-use assets		
— immediate holding company	**459**	—
— Entities over which the immediate holding company has significant influence	**—**	2,891

(c) Balances with related parties

	At 31 December 2025 RMB'000	 2024 RMB'000
Trade receivables, unsecured		
— Entities controlled by the immediate holding company	**107,646**	120,749
— Entities over which the immediate holding company has significant influence	**176,467**	155,005
— Entities controlled by the ultimate controlling shareholder	**176**	—
— Entities over which the ultimate controlling shareholder has significant influence	**228**	204
FVOCI — Notes receivable, unsecured		
— Entities controlled by the immediate holding company	**9,833**	—
— Entities over which the immediate holding company has significant influence	**18,725**	15,412
FVOCI — Trade receivables, unsecured		
— Entities controlled by the immediate holding company	**167**	191
— Entities over which the immediate holding company has significant influence	**131,507**	91,285
Notes receivable, unsecured		
— Entities controlled by the immediate holding company	**3,135**	500
— Entities over which the immediate holding company has significant influence	**26,465**	7,610

35 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Loans receivable, secured		
— Entities controlled by the immediate holding company	**—**	4,530
— Entities controlled by the ultimate controlling shareholder	**61,118**	47,373
Prepayments		
— Immediate holding company	**35**	35
— Entities controlled by the immediate holding company	**418**	203
— Entities over which the immediate holding company has significant influence	**1,373**	1,601
Other receivables		
— Immediate holding company	**260**	272
— Entities controlled by the immediate holding company	**800**	1,074
— Entities over which the immediate holding company has significant influence	**1,102**	460
— Ultimate controlling shareholder	**—**	20
Other payables		
Loan, advance and interest payable to:		
— Immediate holding company	**828,400**	829,000
— Entities controlled by the immediate holding company	**3,624**	4
— Entities over which the immediate holding company has significant influence	**3,466**	2
— Ultimate controlling shareholder	**1,472,454**	903,899
— Entities controlled by the ultimate controlling shareholder	**97**	—
Notes payable		
— Entities controlled by the immediate holding company	**—**	2,260
— Entities over which the immediate holding company has significant influence	**62,412**	30,344
Trade payables		
— Immediate holding company	**—**	51
— Entities controlled by the immediate holding company	**5,516**	5,985
— Entities over which the immediate holding company has significant influence	**13,077**	40,090
— Entities over which the ultimate controlling shareholder has significant influence	**18**	—

35 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

	At 31 December	
	2025	2024
	RMB'000	RMB'000
Contract liabilities		
— Entities controlled by the immediate holding company	**–**	2
— Entities over which the immediate holding company has significant influence	**–**	1,494
— Entities over which the ultimate controlling shareholder has significant influence	**98**	—
Lease liabilities		
— Immediate holding company	**446**	78
— Entities over which the immediate holding company has significant influence	**–**	4,579

As at 31 December 2025 and 2024, the carrying amount of trade receivables are RMB284,517,000 and RMB275,958,000 with loss allowance of RMB248,000 and RMB542,000, respectively.

As at 31 December 2025 and 2024, the carrying amount of loans receivable are RMB159,029,000 and RMB51,903,000 with loss allowance of RMB202,000 and RMB465,000, respectively. The loans receivable are secured by the leased assets held by the Group.

As at 31 December 2025 and 2024, the carrying amount of other receivables were RMB2,162,000 and RMB1,826,000 and the allowance provision were RMB160,000 and RMB25,000, respectively.

The loans from related parties as at 31 December 2025 of RMB2,292,298,000 (2024: RMB1,724,950,000) were unsecured, interest bearing at rates ranging from 1.85% to 2.45% (2024: 2.30% to 2.40%) per annual. The loans from related parties will be expired in 2026 to 2028 (2024: in 2025).

(d) Use of registered trademark

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

As at 31 December 2024, the Company renewed all trademark licensing framework agreements with SXAG. The new agreement commences on 1 January 2025 and ends on 31 December 2027.

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	At 31 December	
	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	11,581	5,327
Investment property	913	3,662
Right-of-use asset	284	380
Intangible assets	14,249	1,119
Investments in an associate	9,396	9,600
Investments in subsidiaries	2,418,532	2,472,053
Other receivables from subsidiaries	88,145	359,815
Deferred tax assets	3	2
	2,543,103	2,851,958
Current assets		
Other receivables from third parties	2	1,200
Other receivables from subsidiaries	4,504,132	2,941,579
Prepayments	2,952	1,823
Term deposits	206,607	—
Restricted cash at bank	75,890	12,284
Cash and cash equivalents	482,076	714,718
	5,271,659	3,671,604
Current liabilities		
Other payables to third parties	271,503	1,082,665
Other payables to subsidiaries	79,702	66,521
Borrowings	2,623,597	1,576,205
Lease liabilities	97	93
	2,974,899	2,725,484
Net current assets	2,296,760	946,120
Non-current liabilities		
Other payables to related parties	1,125,067	—
Borrowings	49,400	208,373
Lease liabilities	102	198
Deferred government grants	2,488	2,586
	1,177,057	211,157
NET ASSETS	3,662,806	3,586,921

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	At 31 December	
	2025	2024
	RMB'000	RMB'000
EQUITY		
Share capital	**2,181,437**	2,181,437
Reserves	**1,095,342**	1,080,090
Retained earnings	**386,027**	325,394
TOTAL EQUITY	**3,662,806**	3,586,921

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity*	1 January 2026
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

Definition

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

"AGM"	the annual general meeting of the Company
"Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Board of Supervisors"	the former board of Supervisors of the Company (abolished on 29 May 2025)
"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
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Deewin Factoring"	Shanghai Deewin Commercial Factoring Co., Ltd.* (上海德銀商業保理有限公司), a limited liability company established in the PRC on 17 September 2013, which is a wholly-owned subsidiary of the Company
"Deewin Financial Leasing"	Deewin Financial Leasing Co., Ltd.* (德銀融資租賃有限公司), a limited liability company established in the PRC on 24 November 2011, which is a wholly-owned subsidiary of the Company
"Director(s)"	director(s) of the Company
"EIT"	enterprise income tax of the PRC
"Global Offering"	the Hong Kong Public Offering and the International Offering both as defined in the Prospectus
"Group", "our Group", "the Group", "we" or "us"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in our ordinary share capital with a nominal value of RMB1.00 each
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"IFRSs"	International Financial Reporting Standards
"Independent Customers"	including Independent Logistics Supply Chain Customers, Independent Factoring Customers, Independent Financial Leasing Customers and Independent IoV Customers
"IoV" or "Internet of Vehicles"	the business which uses sensing technology to collect data in relation to automobile, in particular the data of automobile operation, driving behaviour of drivers and driving location, in order to provide data service and information service to various market participants of automobile ecosphere
"Latest Practicable Date"	27 March 2026, being the latest practicable date for ascertaining certain information in this report before its publication
"Listing"	the listing of the H Shares on the Main Board
"Listing Date"	15 July 2022, being the date on which the H Shares was listed and on which dealings in the H Shares was first permitted to take place on the Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"PRC Company Law"	Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"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 dated 30 June 2022 in connection with the Global Offering
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended 31 December 2025
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"SFC"	Securities and Futures Commission of Hong Kong
"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
"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)"	former supervisor(s) of the Company (dismissed on 29 May 2025 and no longer has Board of Supervisors)
"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.