
HISTORY AND CORPORATE DEVELOPMENT

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Overview

In 2011, Deewin Financial Leasing was established by Shaanxi Automobile and after that, the other three of our major subsidiaries, namely Tianxingjian, Fargo and Deewin Factoring, were established by Deewin Financial Leasing during 2012 and 2013. In order to better develop integrated solutions covering the commercial automobile industry chain, in 2014, our Controlling Shareholder, Shaanxi Automobile, established our Company. Shaanxi Automobile is a leading state-owned commercial automobile manufacturing conglomerate in China and its predecessor have been operating such business since 1968. In addition, Tonghui was established in 2005 and we acquired Tonghui in 2020.

Since our establishment, we have dedicated to provide business offerings which integrate multiple sections of the commercial automobile industry chain and cover the commercial automobile product lifecycle. According to the Frost & Sullivan Report, we are a service provider and a key market player in the commercial automobile service industry in China and one of the few value-added service providers in the industry that can provide integrated solutions covering the commercial automobile industry chain.

Key Milestones

We set out below the key milestones in the development of our business:

Year	Event
2005	Tonghui was established in the PRC
2011	Deewin Financial Leasing was established in the PRC
2012	Fargo was established in the PRC
2013	Deewin Factoring was established in the PRC Tianxingjian was established in the PRC
2014	Our Company was established under its former name of Deewin Tianxia Investment Holding Company* (德銀天下投資控股有限公司) in the PRC.
2015	As of 31 December 2015, Fargo has established various subsidiaries in Shaanxi, Xinjiang, Inner Mongolia, Shanxi, Henan, Beijing and Shanghai in the PRC, by which the geographic coverage of our business services were expanded
2019	Tianxingjian and the School of Management of Xi’an Jiaotong University jointly established the Shaanxi Commercial Automobile IoV Engineering Technology Research Centre* (陝西商用車車聯網工程技術研究中心)
2020	Our Group’s business sectors were reorganised through the acquisition of 100.00% equity interest in Tonghui

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CORPORATE HISTORY AND SHAREHOLDING CHANGES OF OUR COMPANY AND MAJOR SUBSIDIARIES

Our Company

Our Company was established in the PRC on 14 August 2014 with an initial registered capital of RMB1,000.0 million. On the date of our establishment, we were wholly-owned by Shaanxi Automobile. According to the shareholders’ resolution on 11 September 2020, the registered capital of our Company was increased to RMB1,500.0 million. Such increase in registered capital was contributed by Shaanxi Automobile in cash. The shareholding of the Company remained unchanged until the Reorganisation. Please refer to the paragraph headed “Reorganisation” in this section for further details.

Immediately upon the completion of the Reorganisation and as at the Latest Practicable Date, the registered capital of our Company was increased from RMB1,500.0 million to RMB1,629.0 million, and Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile each held approximately 92.09%, 7.19% and 0.72%, respectively, of the total issued share capital of our Company. Our Company was converted into a joint stock company with limited liability and was renamed as Deewin Tianxia Co., Ltd (德銀天下股份有限公司) on 25 December 2020.

As at the Latest Practicable Date, the registered capital of the Company was RMB1,629.0 million. The Company and its subsidiaries are principally engaged in the provision of services in the (i) logistics and supply chain service sector, including supply chain business, automobile sales business and aftermarket product business, (ii) supply chain financial service sector, including financial leasing business, factoring business and insurance brokerage business, and (iii) IoV and data service sector.

Our Major Subsidiaries

As at the Latest Practicable Date, we have five direct subsidiaries and nine indirect subsidiaries. For a complete list of the relevant subsidiaries, please refer to Note 1.2 in the Accountant’s Report set out in Appendix I to this document. We conduct our business through our major subsidiaries. The corporate history and shareholding changes of our major subsidiaries are set out below:

Deewin Financial Leasing

Deewin Financial Leasing was established under the laws of the PRC with limited liability on 24 November 2011 with an initial registered capital of RMB180.0 million. On the date of its establishment, Deewin Financial Leasing was owned as to 65.00% by Shaanxi Automobile and 35.00% by Xi’an Zhuoer Supply Chain Enterprise Management Consulting Co., Ltd.* (西安卓爾供應鏈企業管理諮詢有限公司) (“**Xi’an Zhuoer**”), which was an independent third party.

After a series of capital injections and equity transfers from 2011 to 2014, as at 11 March 2014, Deewin Financial Leasing was wholly-owned by Shaanxi Automobile.

On 22 October 2014, the Company entered into an equity subscription (transfer) agreement with Shaanxi Automobile, pursuant to which Shaanxi Automobile transferred its 100.00% of equity interest in Deewin Financial Leasing to the Company at a total consideration of approximately RMB559.1 million and the registered capital of Deewin Financial Leasing was further increased to RMB700.0 million. Such increase in registered capital was contributed

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by the Company in cash. The consideration was determined with reference to the appraised value of Deewin Financial Leasing’s net assets as at 30 June 2014. As advised by our PRC Legal Adviser, the abovementioned transfer had been completed in compliance with PRC law and all the applicable regulatory approvals had been obtained. On 21 July 2017, the registered capital of Deewin Financial Leasing was further increased to RMB1,050.0 million. Such increase in registered capital was contributed by the Company in cash. On 23 October 2020, the registered capital of Deewin Financial Leasing was increased to RMB1,550.0 million. Such increase in registered capital was contributed by the Company in cash.

As at the Latest Practicable Date, the registered capital of Deewin Financial Leasing was RMB1,550.0 million. Deewin Financial Leasing is principally engaged in the provision of financial leasing and other related services.

Tianxingjian

Tianxingjian was established under the laws of the PRC with limited liability on 18 June 2013 and with an initial registered capital of RMB10.0 million. On the date of its establishment, Tianxingjian was owned as to 65.00% by Deewin Financial Leasing and 35.00% by Beijing Zhongjiao Xinglu Information Technology Co., Ltd.* (北京中交興路信息科技有限公司) (“**Beijing Zhongjiao Xinglu**”), which was an independent third party.

Pursuant to an equity transfer agreement dated 31 December 2014 entered into between Deewin Financial Leasing and the Company, Deewin Financial Leasing transferred its 65.00% equity interest in Tianxingjian to our Company at a consideration of approximately RMB7.8 million. The consideration was determined with reference to the appraised value of Tianxingjian’s net assets as at 30 June 2014. Upon completion of the transfer on 30 January 2015, Tianxingjian was held as to 65.00% by our Company and 35.00% by Beijing Zhongjiao Xinglu. As advised by our PRC Legal Adviser, the abovementioned transfer had been completed in compliance with PRC law and all the applicable regulatory approvals had been obtained.

Pursuant to an equity transfer agreement dated 30 June 2017 entered into between the Company and Beijing Zhongjiao Xinglu, our Company acquired 35.00% equity held by Beijing Zhongjiao Xinglu at a consideration of approximately RMB6.2 million, which was determined with reference to the appraised value of Tianxingjian’s net assets as at 31 December 2016. Upon the completion of the transfer on 11 July 2017, Tianxingjian became a wholly-owned subsidiary of the Company. As advised by our PRC Legal Adviser, the above mentioned transfer had been completed in compliance with PRC law and all the applicable regulatory approvals had been obtained.

As at the Latest Practicable Date, the registered capital of Tianxingjian was RMB10.0 million. Tianxingjian is principally engaged in sales of intelligent IoV products and IoV and related technologies application solutions.

Fargo

Fargo was established under the laws of the PRC with limited liability on 13 June 2012 with an initial registered capital of RMB20.0 million. On the date of its establishment, Deewin Financial Leasing was the sole shareholder of Fargo. After a series of capital injections and equity transfers from 2012 to 2013, as at 21 August 2013, Fargo was owned as to 60.00% by Deewin Financial Leasing and 40.00% by Xi’an Zhuoer.

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Pursuant to an equity transfer agreement entered into between the Company and Deewin Financial Leasing, Deewin Financial Leasing transferred its 60.00% equity interest in Fargo to the Company at a consideration of approximately RMB 30.8 million on 6 May 2015. The consideration was determined with reference to the appraised value of Fargo’s net assets as at 30 June 2014. Pursuant to an equity transfer agreement dated 7 March 2016 entered into between the Company, Xi’an Zhouer and Deewin Financial Leasing, Xi’an Zhouer also transferred its 40.00% equity interests in Fargo to the Company at a consideration of approximately RMB 46.8 million. The consideration was determined with reference to the appraised value of Fargo’s net assets as at 31 December 2015. Immediately upon the completion of the transfer on 11 April 2016, Fargo became a wholly-owned subsidiary of our Company. As advised by our PRC Legal Adviser, the above mentioned transfer had been completed in compliance with PRC law and all the applicable regulatory approvals had been obtained.

As at the Latest Practicable Date, the registered capital of Fargo was RMB50.0 million. Fargo is principally engaged in sales of commercial automobile, logistics and supply chain and commercial automobile aftermarket services.

Deewin Factoring

Deewin Factoring was established under the laws of the PRC with limited liability on 17 September 2013 with an initial registered capital of RMB50.0 million. On the date of its establishment, Deewin Financial Leasing was the sole shareholder of Deewin Factoring.

Pursuant to an equity transfer agreement dated 20 November 2014 entered into between Deewin Financial Leasing and the Company, Deewin Financial Leasing transferred 100.00% of its equity interest in Deewin Factoring to our Company at a consideration of approximately RMB51.0 million. The consideration was determined with reference to the appraised value of Deewin Factoring’s net assets as at 30 June 2014. Upon the completion of the transfer on the same day, Deewin Factoring became a wholly-owned subsidiary of our Company. As advised by our PRC Legal Adviser, the equity transfer had been completed in compliance with PRC law and all the applicable regulatory approvals had been obtained.

The registered capital of Deewin Factoring was increased to RMB100.0 million on 7 November 2016 and further increased to RMB200.0 million on 5 July 2019. Such increases in registered capital were contributed by our Company in cash. As at the Latest Practicable Date, the registered capital of Deewin Factoring was RMB200.0 million. Deewin Factoring is principally engaged in the provision of factoring services related to the commercial automobile industry chain.

Tonghui

Tonghui was established under the laws of the PRC with limited liability on 20 October 2005 with an initial registered capital of RMB8.0 million. On the date of its establishment, Tonghui was held as to 40.00%, 25.00% and 35.00% by Shaanxi Heavy Duty Automobile, Shanghai Bashi Tonghui Logistics Ltd.* (上海巴士通匯物流有限公司) and six individuals, who were independent third parties, respectively.

After a series of capital injections and equity transfer from 2005 to 2017, as at 28 May 2017, Tonghui was held as to 52.00%, 44.00% and 4.00% by Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Wang Wenqi (王文岐), who was appointed as an executive Director of our Company on 25 December 2020, respectively.

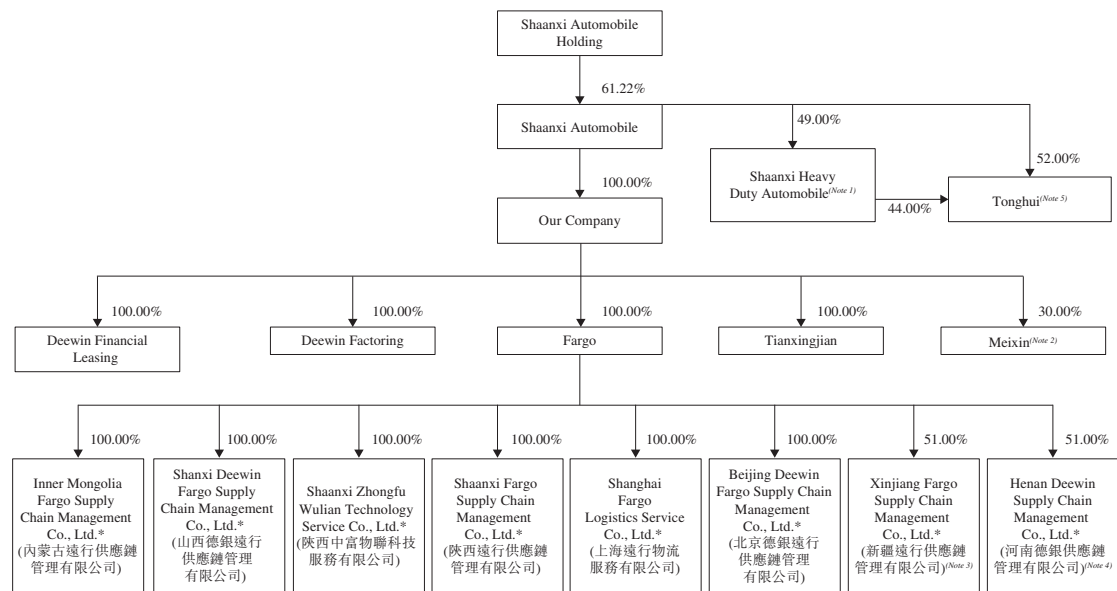
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As part of the Reorganisation, pursuant to an equity transfer agreement dated 24 September 2020 entered into between the Company and Shaanxi Automobile and an equity transfer agreement entered into between the Company and Mr. Wang Wenqi (王文岐) on the same day, Shaanxi Automobile and Wang Wenqi (王文岐) transferred all their respective equity interests in Tonghui to our Company on 24 September 2020. Upon the completion of the transfers, our Company held 56.00% equity interest in Tonghui. Pursuant to an equity transfer and capital increase agreement entered into between Shaanxi Heavy Duty Automobile and our Company, Shaanxi Heavy Duty Automobile transferred all its 44.00% equity interest in Tonghui to our Company on 30 November 2020. Upon the completion of the transfer, Tonghui became a wholly-owned subsidiary of our Company. Please refer to the paragraph headed “— Reorganisation” in this section for further details. As advised by our PRC Legal Adviser, the abovementioned transfers had been completed in compliance with PRC law and all the applicable regulatory approvals have been obtained.

As at the Latest Practicable Date, the registered capital of Tonghui was RMB20.0 million. Tonghui is principally engaged in warehousing, logistics, supply chain and commercial automobile aftermarket services.

REORGANISATION

The following chart sets out our corporate structure immediately prior to the Reorganisation:



Notes:

- (1) As at the Latest Practicable Date, the remaining 51.00% equity interest in Shaanxi Heavy Duty Automobile was held by Weichai Power Co., Ltd. (濰柴動力股份有限公司), 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), which was an independent third party.
- (2) As at the Latest Practicable Date, the remaining 70.00% equity interest in Meixin was held by Shanghai Liandong Investment Management Co., Ltd.* (上海聯動投資管理有限公司), an independent third party. Meixin became an associate of the Group since 1 July 2019. For further details, please refer to the section headed “Appendix I — Accountant’s Report — II Notes to the Financial Information — 6. Other Gains/(Losses)-Net” in this document.

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Upon the confirmation by Meixin and to the best knowledge, information and belief of our Directors, Meixin was not the subject of any material non-compliant incidents, claims, litigations or legal proceedings (whether actual or threatened) during the Track Record Period and up to the Latest Practicable Date.

- (3) As at the Latest Practicable Date, the remaining 49.00% equity interest in Xinjiang Fargo Supply Chain Management Co., Ltd. was held by Xinjiang Xinyixin Industrial Investment Co., Ltd.* (新疆新伊鑫實業投資有限公司), which was an independent third party.
- (4) As at the Latest Practicable Date, the remaining 49.00% equity interest in Henan Deewin Supply Chain Management Co., Ltd. was held by Henan Jinzheng New-Sino Automobile Sales Service Co., Ltd.* (河南金正新華夏汽車銷售服務有限公司), which was an independent third party.
- (5) The remaining 4.00% equity interest of Tonghui was held by Mr. Wang Wenqi (王文岐).

In preparation for the [REDACTED], we underwent the Reorganisation. Our Reorganisation involved the following steps:

Step 1: Acquisition of 56.00% equity interests in Tonghui

Immediately prior to the Reorganisation, Tonghui was held as to 52.00%, 44.00% and 4.00% by Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Mr. Wang Wenqi (王文岐), respectively. Pursuant to an equity transfer agreement dated 24 September 2020 entered into between the Company and Shaanxi Automobile and an equity transfer agreement entered into between the Company and Mr. Wang Wenqi (王文岐) on the same day, the Company acquired 52.00% and 4.00% equity interests in Tonghui from Shaanxi Automobile and Mr. Wang Wenqi (王文岐), for a consideration of approximately RMB49.6 million and approximately RMB 12.6 million, respectively. The considerations were determined with reference to the net assets of Tonghui as at 31 December 2019 and a valuation report prepared by an independent valuer. Upon the completion of the transfer on 28 September 2020, Tonghui was held as to 56.00% by our Company and 44.00% by Shaanxi Heavy Duty Automobile.

Step 2: Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile became the shareholders of the Company through capital injection

Pursuant to a capital injection agreement dated 30 November 2020 entered into between Shaanxi Automobile, Shaanxi Heavy Duty Automobile, Shaanxi Commercial Automobile and the Company, the Company increased its registered capital to approximately RMB1,628.8 million, of which Shaanxi Heavy Duty Automobile contributed approximately RMB300.8 million by transferring its 44.00% equity interest of Tonghui to the Company in exchange of 7.19% equity interest in the Company, and Shaanxi Commercial Automobile contributed RMB30.0 million in cash in exchange of 0.72% equity interest in the Company. The value of the 44% equity interest of Tonghui and 7.19% equity interest in the Company was determined with reference to (i) the fair value of shareholders' equity of Tonghui, and (ii) the fair value of equity attributable to equity holders of the Company as at 30 September 2020, respectively, as determined in a valuation report prepared by an independent valuer. The value of the 0.72% equity interest in the Company was determined with reference to the fair value of equity attributable to equity holders of the Company as at 30 September 2020 as determined in a valuation report prepared by an independent valuer.

Upon the completion of the transactions contemplated under the capital injection agreement on 30 November 2020, Tonghui became a wholly-owned subsidiary of our Company, whilst Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile owned approximately 92.09%, 7.19% and 0.72%, respectively, of the total issued share capital of our Company.

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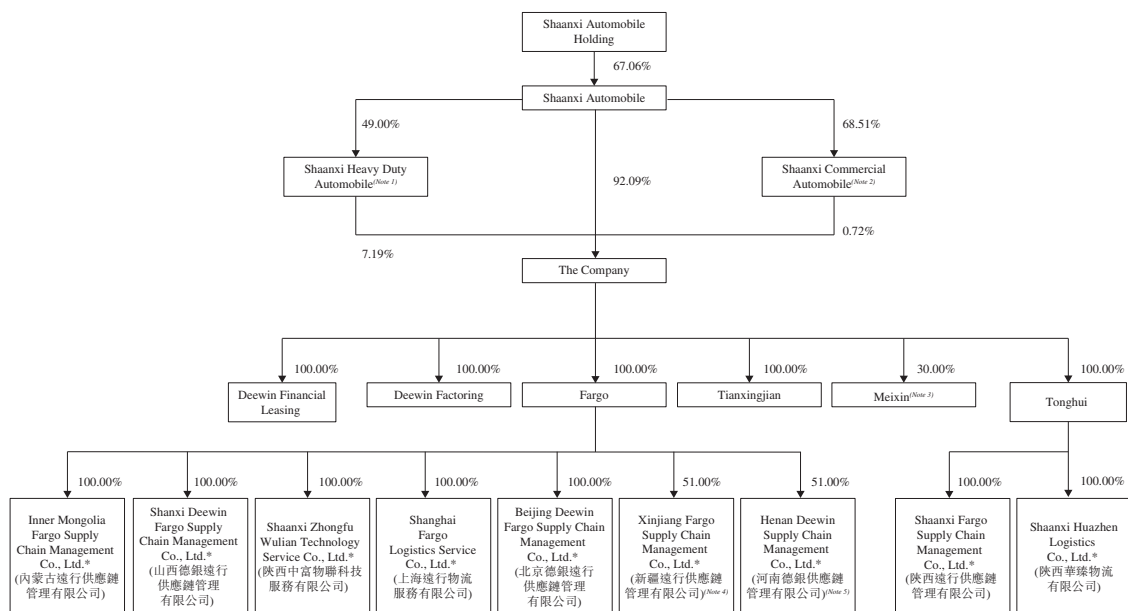
Step 3: Conversion

On 24 December 2020, Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile entered into a promoter agreement, pursuant to which our Company was converted into a joint stock company and our Shareholders and their respective shareholding percentages remained unchanged before and after the conversion and up to the Latest Practicable Date. Our Company was renamed from Deewin Tianxia Investment Holding Co., Ltd* (德銀天下投資控股有限公司) to Deewin Tianxia Co., Ltd (德銀天下股份有限公司).

PRC LEGAL COMPLIANCE

As advised by our PRC Legal Advisers, the establishment and the conversion of our Company into a joint stock company and each change in the shareholding structure of our Company were completed in compliance with PRC law. As at the Latest Practicable Date, we had obtained all necessary approvals, permits, authorisations and consents from the relevant PRC authorities with respect to such changes in all material aspects and the equity interest held by our Company in each of our subsidiaries is valid.

The following chart illustrates our corporate structure after completion of Reorganisation but immediately before the [REDACTED]:



Notes:

- (1) As at the Latest Practicable Date, the remaining 51.00% equity interest in Shaanxi Heavy Duty Automobile was held by Weichai Power Co., Ltd. (濰柴動力股份有限公司), 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), which was an independent third party.
- (2) As at the Latest Practicable Date, the remaining approximately 16.23%, 15.13% and 0.14% equity interest in Shaanxi Commercial Automobile was held by Baoji High-tech Investment Holdings Co., Ltd.* (寶雞高新投資控股有限公司), Baoji Financial Holdings Co., Ltd.* (寶雞市金融控股有限公司) and State-owned Assets Supervision and Administration Commission of Baoji Municipal People's Government (寶雞市人民政府國有資產監督管理委員會), respectively, which were independent third parties.

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- (3) As at the Latest Practicable Date, the remaining 70.00% equity interest in Meixin was held by Shanghai Liandong Investment Management Co., Ltd.* (上海聯動投資管理有限公司), an independent third party. Meixin became an associate of the Group since 1 July 2019. For further details, please refer to the section headed “Appendix I — Accountant’s Report — II Notes to the Financial Information — 6. Other Gains/(Losses)-Net” in this document.
- (4) As at the Latest Practicable Date, the remaining 49.00% equity interest in Xinjiang Fargo Supply Chain Management Co., Ltd. was held by Xinjiang Xinyixin Industrial Investment Co., Ltd. (新疆新伊鑫實業投資有限公司), which was an independent third party.
- (5) As at the Latest Practicable Date, the remaining 49.00% equity interest in Henan Deewin Supply Chain Management Co., Ltd. was held by Henan Jinzheng New-Sino Automobile Sales Service Co., Ltd. (河南金正新華夏汽車銷售服務有限公司), which was an independent third party.

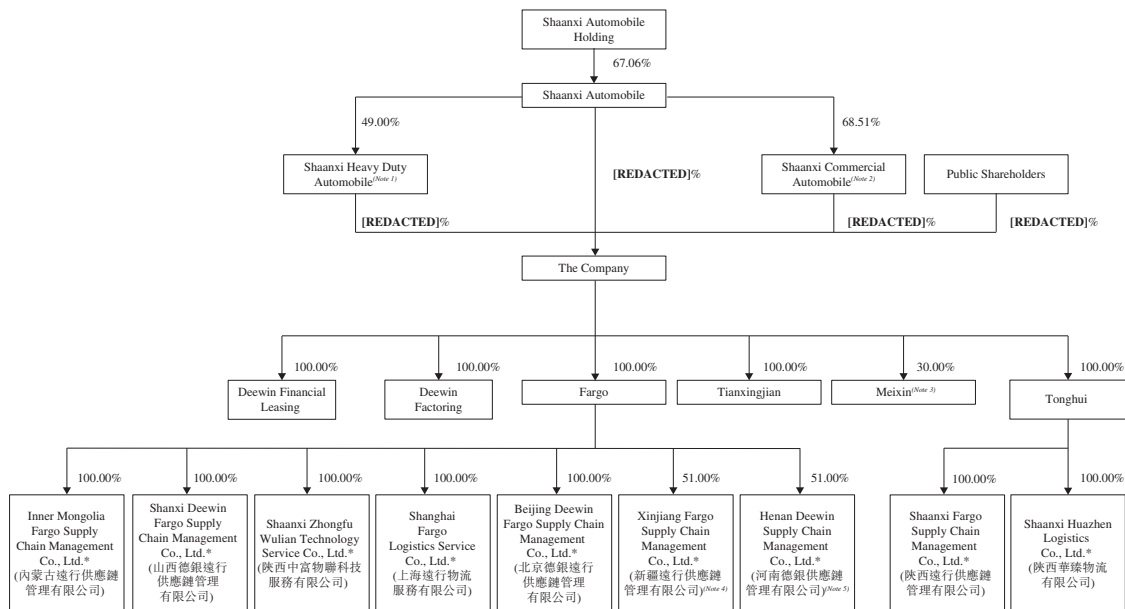
MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

The acquisition of Tonghui was considered as part of the Reorganisation. Please refer to the paragraph headed “— Reorganisation” in this section and Note 1.2 in the Accountant’s Report set out in Appendix I to this document for further details.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not conduct any major acquisition, disposal or merger.

CORPORATE STRUCTURE

The following chart sets out our corporate structure immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

- (1) As at the Latest Practicable Date, the remaining 51.00% equity interest in Shaanxi Heavy Duty Automobile was held by Weichai Power Co., Ltd. (濰柴動力股份有限公司), 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), which was an independent third party.

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- (2) As at the Latest Practicable Date, the remaining approximately 16.23%, 15.13% and 0.14% equity interest in Shaanxi Commercial Automobile was held by Baoji High-tech Investment Holdings Co., Ltd.* (寶雞高新投資控股有限公司), Baoji Financial Holdings Co., Ltd.* (寶雞市金融控股有限公司) and State-owned Assets Supervision and Administration Commission of Baoji Municipal People’s Government (寶雞市人民政府國有資產監督管理委員會), respectively, which were independent third parties.
- (3) As at the Latest Practicable Date, the remaining 70.00% equity interest in Meixin was held by Shanghai Liandong Investment Management Co., Ltd.* (上海聯動投資管理有限公司), an independent third party. Meixin became an associate of the Group since 1 July 2019. For further details, please refer to the section headed “Appendix I — Accountant’s Report — II Notes to the Financial Information — 6. Other Gains/(Losses)-Net” in this document.
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- (5) As at the Latest Practicable Date, the remaining 49.00% equity interest in Henan Deewin Supply Chain Management Co., Ltd. was held by Henan Jinzheng New-Sino Automobile Sales Service Co., Ltd.* (河南金正新華夏汽車銷售服務有限公司), which was an independent third party.