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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)

**CONNECTED TRANSACTION
ENTERING INTO OF INDUSTRIAL PRODUCTS SALE
AND PURCHASE CONTRACT**

INDUSTRIAL PRODUCTS SALE AND PURCHASE CONTRACT

The Board of Directors is pleased to announce that Tonghui, a wholly-owned subsidiary of the Company, entered into an Industrial Products Sale and Purchase Contract with Shaanxi Heavy Duty Automobile on 13 October 2023, pursuant to which Tonghui will provide Shaanxi Heavy Duty Automobile with power battery systems and battery replacement systems at an aggregate price of RMB19,850,843.40 (excluding tax).

LISTING RULES IMPLICATIONS

As at the date of the announcement, Tonghui is a wholly-owned subsidiary of the Company, and Shaanxi Automobile is the controlling shareholder of the Company which directly holds 67.09% equity interests in the Company and directly holds over 30% equity interests in Shaanxi Heavy Duty Automobile, therefore Shaanxi Heavy Duty Automobile is a connected person of the Company. Accordingly, the transaction between Tonghui and Shaanxi Heavy Duty Automobile constitutes a connected transaction of the Company under the Chapter 14A of the Listing Rules.

As the maximum applicable percentage ratio (other than the profit ratio) in relation to the Industrial Products Sale and Purchase Contract is higher than 0.1% but less than 5%, the entering into of the Industrial Products Sale and Purchase Contract is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the circular and independent shareholders' approval requirements.

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A summary of the principal terms of the Industrial Products Sale and Purchase Contract is as follows:

Date:	13 October 2023
Parties:	Tonghui (as the Seller); and Shaanxi Heavy Duty Automobile (as the Purchaser)
Subject matter:	Tonghui will provide Shaanxi Heavy Duty Automobile with power battery systems and battery replacement systems at an aggregate price of RMB19,850,843.40 (excluding tax), including: <ul style="list-style-type: none">(i) 60 sets of in-vehicle battery replacement bases at an aggregate price of RMB1,103,893.80 (excluding tax); and(ii) 60 sets of 350kWh replaceable battery system assembly at an aggregate price of RMB18,746,949.60 (excluding tax). The total original acquisition cost paid by the Company for the above-mentioned power battery systems and battery replacement systems was approximately RMB19,090,497.74. The delivery time, delivery quantity, delivery method and delivery location are ultimately subject to negotiations between the two parties.
Settlement method:	Upon its acceptance, Shaanxi Heavy Duty Automobile shall pay the price by bank acceptance.
Commencement of the contract:	The Industrial Products Sale and Purchase Contract shall come into effect when signed by the parties and stamped with the special seal for contracts.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INDUSTRIAL PRODUCTS SALE AND PURCHASE CONTRACT

The terms of the Industrial Products Sale and Purchase Contract, including the aggregate price for the materials, settlement method and other terms set out in the Industrial Products Sale and Purchase Contract, are determined after arm's length negotiations between the parties with reference to the prevailing market prices of similar products and the trading practices of similar enterprises. New energy battery is a type of environment-friendly, high-performance renewable energy, and the power battery segment represented by the application in new energy vehicles is developing the most rapidly, and the market demands related to the new energy vehicles is gradually increasing. The Industrial Products Sale and Purchase Contract was entered into based on the Company's needs for the expansion of new energy business, which is in line with the Company's overall development strategy and is conducive to improving the aftermarket service industry layout, further enhancing the Company's competitiveness and facilitating the Company's long-term and healthy development.

Directors (including independent non-executive directors) are of the view that the Industrial Products Sale and Purchase Contract and the transactions contemplated thereunder were entered into in the ordinary and usual course of the Company's business on normal commercial terms and the terms set out in the agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole. None of the Directors has any material interest in the Industrial Products Sale and Purchase Contract and the transactions contemplated thereunder.

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GENERAL INFORMATION

Information about Shaanxi Automobile

Shaanxi Automobile is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shaanxi Province and is primarily engaged in the research and development, manufacturing and marketing of commercial automobiles, automobiles with special purpose and components of commercial automobiles. Shaanxi Automobile is the controlling Shareholder of the Company and as at the date of the announcement, it directly holds 67.09% equity interest in the Company.

Information about the Company

The Company is a company established in the PRC on 14 August 2014 and was converted into a joint stock company with limited liability on 25 December 2020 and is primarily engaged in the provision of various value-added services, including logistics and supply chain service, supply chain financial service, IoV and data service, to players along the commercial automobile industry chain.

Information about Tonghui

Tonghui is a limited liability company established in the PRC, and as at the date of the announcement, the Company holds 100% of its equity interest. Tonghui's main business includes warehousing and distribution, cargo transportation, logistics consulting, and commercial automobile aftermarket services.

Information about Shaanxi Heavy Duty Automobile

Shaanxi Heavy Duty Automobile is a limited liability company established in the PRC, 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).

DEFINITIONS

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

“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Deewin Tianxia Co., Ltd (德銀天下股份有限公司), a company established in the PRC on 14 August 2014 and converted into a joint stock company on 25 December 2020
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”, “our Group”, “the Group”	the Company and its subsidiaries
“Industrial Products Sale and Purchase Contract”	Industrial Products Sale and Purchase Contract entered into between Tonghui and Shaanxi Heavy Duty Automobile on 13 October 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shaanxi Automobile”	Shaanxi Automobile Group Co., Ltd. (陝西汽車集團股份有限公司), 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 of the Company

“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). The Company was held as to 5.24% by Shaanxi Heavy Duty Automobile
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“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

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

Xi'an, the PRC,
13 October 2023

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

* For identification purposes only