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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 FINANCE LEASE CONTRACT

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On 14 May 2024, Deewin Leasing, a wholly-owned subsidiary of the Company, as lessor, entered into the Finance Lease Contract with Shaanxi Dongming, pursuant to which, (1) Deewin Leasing agreed to purchase and Shaanxi Dongming agreed to sell the Leased Assets at a consideration of RMB20,000,000; and (2) Deewin Leasing agreed to lease the Leased Assets to Shaanxi Dongming for a term of 36 months at an aggregate rental of approximately RMB21,579,046.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Deewin Leasing is a wholly-owned subsidiary of the Company. Shaanxi Automobile Holding, which holds directly and indirectly through its subsidiary an aggregate of approximately 67.61% of the issued shares of the Company, is the ultimate controlling Shareholder of the Company, and it also holds indirectly through its direct subsidiary Shaanxi Automobile Industry 63.89% interests in Shaanxi Dongming, therefore, Shaanxi Dongming is a connected person of the Company. Accordingly, the transactions between Deewin Leasing and Shaanxi Dongming constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

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

FINANCE LEASE CONTRACT

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Date:	14 May 2024
Parties:	Deewin Leasing (as lessor); and Shaanxi Dongming (as lessee)
Assets to be acquired:	The Leased Assets refer to certain production equipment located at No. 8, Yingyuan Road, Southern Industrial Park, Tongchuan New District, Shaanxi Province
Consideration:	<p>The consideration for the purchase of the Leased Assets is RMB20,000,000, which is determined by the parties after arm's length negotiations based on the value of the Leased Assets of RMB25,665,090 as at 31 January 2024 appraised by an independent professional valuer, Shaanxi Zhengdixin Asset Appraisal Company Limited (陝西正德信資產評估有限公司) using cost approach and market approach.</p> <p>Based on the information provided by Shaanxi Dongming, the carrying value of the Leased Assets was approximately RMB26,461,720 in aggregate as at the date of the Finance Lease Contract and the total cost for the initial acquisition of the Leased Assets was RMB39,521,269.</p>
Payment of consideration:	<p>Subject to, among other things, Deewin Leasing (i) receiving the Finance Lease Contract signed by each party; (ii) obtaining from Shaanxi Dongming the original contract or other documents relating to the ownership and composition of value of the Leased Assets and the information on title to the Leased Assets; and (iii) receiving from Shaanxi Dongming the up-front payment under the Finance Lease Contract, Deewin Leasing shall pay the consideration to Shaanxi Dongming in a lump sum.</p> <p>The consideration will be paid out of the Group's internal resources.</p>
Ownership of the Leased Assets:	The ownership of the Leased Assets shall be transferred to Deewin Leasing from the effective date of the Finance Lease Contract.

Lease term:	The Leased Assets shall be leased back by Deewin Leasing to Shaanxi Dongming for a term of 36 months commencing from 14 May 2024.
Rental:	<p>The total rental amount for the entire lease term is approximately RMB21,579,046, which is based on the consideration for the Leased Assets plus the total agreed interest to be charged by Deewin Leasing to Shaanxi Dongming for the entire lease term.</p> <p>The interest rate for the sale and leaseback transaction under the Finance Lease Contract is 5% per annum, which was determined by the parties after arm's length negotiations after taking into account the prevailing bank lending rates and the credit risk assessment results of Shaanxi Dongming.</p>
Terms for rental payment:	The rental shall be repayable by Shaanxi Dongming monthly in 36 equal instalments commencing from 14 May 2024.
Pledge:	Pursuant to the Finance Lease Contract, Shaanxi Dongming agreed to pledge the Leased Assets to Deewin Leasing, and Deewin Leasing is entitled to register the right of pledge on its own or authorise Shaanxi Dongming to do so in accordance with laws. On 14 May 2024, Deewin Leasing and Shaanxi Dongming also entered into a pledge contract in relation to the aforesaid pledge of the Leased Assets to secure all the liabilities of Shaanxi Dongming to Deewin Leasing under the Finance Lease Contract.
Purchase option price:	Shaanxi Dongming is entitled to repurchase the Leased Assets at a consideration of RMB100, provided that Shaanxi Dongming has paid the rental in full and other payables, if any, to Deewin Leasing in accordance with the terms of the Finance Lease Contract.
Contract effectiveness:	The Finance Lease Contract shall become effective upon execution by the parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE CONTRACT

The entering into of the Finance Lease Contract is based on the needs of the business development of the Group and the inter-segment coordination and interaction within Shaanxi Automobile Holding, which is in line with the Group's business strategy for long-term development, may increase the revenue from the Group's finance leasing business, and is conducive to enhancing the Group's competitiveness and facilitating the Group's long-term and healthy development.

The Directors (including independent non-executive directors) are of the view that the Finance Lease Contract and the transactions contemplated thereunder are entered into in the ordinary and usual course of the Company's business on normal commercial terms, and the terms set out therein are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Mr. Guo Wancai, a non-executive Director, is also working for Shaanxi Automobile Industry, and therefore is deemed to have a material interest in the Finance Lease Contract and the transactions contemplated thereunder. As a result, he has abstained from voting on the relevant resolution at the Board meeting. Save for the above, none of other Directors has a material interest in such transactions and is required to abstain from voting on the relevant resolution at the Board meeting.

LISTING RULES IMPLICATIONS

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

GENERAL INFORMATION

Information about Deewin Leasing

Deewin Leasing is a limited liability company established in the PRC on 24 November 2011 and is principally engaged in finance leasing business. As at the date of this announcement, it is 100% owned by 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. The Company is principally engaged in providing various value-added services, including logistics and supply chain services, supply chain financial services and IoV and data services, to players along the commercial vehicle industry chain. As at the date of this announcement, Shaanxi Automobile Holding holds directly and indirectly through its subsidiary an aggregate of approximately 67.61% of the issued shares of the Company, and is the ultimate controlling Shareholder of the Company.

Information about Shaanxi Dongming

Established in 2012, Shaanxi Dongming is owned as to approximately 63.89% by Shaanxi Automobile Industry. Currently, it has formed two major business segments centred on the research and development and production of new energy electric vehicle axles and heavy-duty automobile parts and components, and is a key enterprise for the development of automobile parts and components in Shaanxi Province. Shaanxi Automobile Industry is a limited liability company established in the PRC and is principally engaged in self-funded investment activities, asset management services for the self-funded investments and unit logistics management services and corporate management. As at the date of this announcement, it is held as to approximately 62.22% by Shaanxi Automobile Holding.

Information about Shaanxi Automobile Holding

Shaanxi Automobile Holding is a limited liability company established in the PRC on 20 August 2012. It is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shaanxi Province (a government agency in China), and is principally engaged in vehicle industry, business investment, investment management and consultancy.

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” or “the Group”	the Company and its subsidiaries
“Finance Lease Contract”	the Finance Lease Contract entered into between Deewin Leasing and Shaanxi Dongming on 14 May 2024
“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 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 a company wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shaanxi Province
“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 Automobile Industry”	Shaanxi Automobile Industry Co., Ltd, a limited liability company established in the PRC on 29 October 2012, in which 62.22% equity interest is held by Shaanxi Automobile Holding
“Shaanxi Dongming”	Shaanxi Dongming Vehicle System Co., Ltd, a limited liability company established in the PRC on 24 May 2012, in which 63.89% equity interest is held by Shaanxi Automobile Industry
“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
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Deewin 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
“%”	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
14 May 2024

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