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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 Shaanxi Fargo, a wholly-owned subsidiary of the Company, entered into an Industrial Products Sale and Purchase Contract with Shaanxi Heavy Duty Automobile on 9 July 2024, pursuant to which Shaanxi Fargo will provide Shaanxi Heavy Duty Automobile with power battery systems and battery replacement systems at an aggregate price of RMB13,356,415.50 (excluding tax).

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

- Date: 9 July 2024
- Parties: Shaanxi Fargo (as the Seller); and
Shaanxi Heavy Duty Automobile (as the Purchaser)
- Subject matter: Shaanxi Fargo will provide Shaanxi Heavy Duty Automobile with power battery systems and battery replacement systems at an aggregate price of RMB13,356,415.50 (excluding tax), including:
- (i) 50 sets of in-vehicle battery replacement base at an aggregate price of RMB919,911.50 (excluding tax); and
 - (ii) 50 sets of 350.2kWh replaceable battery system assembly at an aggregate price of RMB12,436,504.00 (excluding tax).

The original acquisition cost paid by Shaanxi Fargo for and the book value of the abovementioned power battery systems and battery replacement systems was approximately RMB12,304,787.50.

Settlement method: After the products have been inspected and deemed acceptable, the Seller will settle the payment based on the billing information and data provided by the Purchaser. With the Seller's consent, the payment term and method will be subject to the agreement between the parties. The Seller will issue a 13% value added tax special-purpose invoice and the payment will be made within 90 days after the invoice is recorded on the account.

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 demand related to the new energy vehicles is gradually increasing. Entering into the Industrial Products Sale and Purchase Contract is based on the needs of the Group's expansion of new energy business and is in line with the long-term development strategy of the Group, and is conducive to expanding the business channel of the Group, exploring new fields, enhancing the Group's competitiveness, and facilitating the Group'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 business of the Company 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, and Mr. Tian Qiang, non-executive Directors, are working for Shaanxi Automobile and/or its subsidiaries, and Mr. Zhao Chengjun, a non-executive Director, is also working for Shaanxi Heavy Duty Automobile, and therefore, they are deemed to have a material interest in the Industrial Products Sale and Purchase Contract and the transactions contemplated thereunder. As a result, they have abstained from voting on the relevant resolutions at the Board meeting. Save for the above, none of other Directors had a material interest in such transactions and was required to abstain from voting on the relevant resolutions at the Board meeting.

LISTING RULES IMPLICATIONS

As at the date of the announcement, Shaanxi Fargo is a wholly-owned subsidiary of the Company. Shaanxi Automobile is the controlling Shareholder of the Company which directly holds 68.77% 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 transactions between Shaanxi Fargo and Shaanxi Heavy Duty Automobile 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 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.

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 (a government agency in China) 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 68.77% of the 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. The Company is primarily 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.

Information about Shaanxi Fargo

Shaanxi Fargo 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. The principal businesses of Shaanxi Fargo include supply chain logistics, automobile sales and commercial automobile aftermarket service.

Information about Shaanxi Heavy Duty Automobile

Shaanxi Heavy Duty Automobile is a limited liability company established in the PRC, a well-known enterprise in China's large commercial vehicle manufacturing industry and one of the first batch of enterprises designated for whole vehicles and parts exports. Its products cover heavy-duty military off-road vehicles, heavy-duty trucks, heavy vehicle axles, and the automotive aftermarket, among other areas. As at the date of the announcement, Shaanxi Heavy Duty Automobile's 49.00% equity interest is held by Shaanxi Automobile and its 51.00% equity interest is held by Weichai Power Co., Ltd. (濰柴動力股份有限公司). Weichai Power Co., Ltd. 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 is principally engaged in the research and development, manufacture and sale of high-speed heavy-duty diesel engines and engine parts.

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 Shaanxi Fargo and Shaanxi Heavy Duty Automobile on 9 July 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”	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 and 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). The Company was held as to 5.37% by Shaanxi Heavy Duty Automobile
“Shaanxi Fargo”	Shaanxi Fargo Supply Chain Management Co., Ltd. (陝西遠行供應鏈管理有限公司), a limited liability company established in the PRC on 12 December 2013, which is a wholly-owned subsidiary of the Company
“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
“%”	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
9 July 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.