

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

PROPOSED ENTERING INTO THE AMENDED FRAMEWORK AGREEMENTS FOR SUPPLY OF PRODUCTS AND SERVICES

THE ENTERING INTO THE AMENDED FRAMEWORK AGREEMENTS FOR SUPPLY OF PRODUCTS AND SERVICES

I. The Entering into the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement

Reference is made to the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement between the Company and Shaanxi Automobile Holding as stated in the Prospectus, pursuant to which the Group will supply the following types of products and services to Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries): (i) supply chain services, (ii) commercial vehicle-related products and (iii) data-related services. On 29 August 2024, the Company and Shaanxi Automobile Holding entered into the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement to supersede the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement. Pursuant to this amended agreement (among other things), (a) the service coverage under the 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); (b) the original pricing policy of products and services provided by the Group under the 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 (c) the exclusivity terms specifying the Group as the sole supplier under the agreement are deleted.

1. Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement

Date: 29 August 2024

Parties: The Company

Shaanxi Automobile Holding

Term: Upon being affixed with corporate seals of the parties, the agreement shall take effect from the date of approval at the general meeting, and expire on 31 December 2024. 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 Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement 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. From the date on which the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement takes effect, the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement is automatically terminated and superseded.

Major Matters: The Group (the “**Supplier**”) will provide Shaanxi Automobile Holding and its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries) 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; (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.

Pricing Policy: The sales price or the services fee of the supply of products and services charged by the Supplier under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement 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^{note}). 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 Supplier 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 Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement, the service fee charged by the Supplier 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 Supplier 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 Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement, 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 Supplier will take into account relevant factors, including but not limited to labor, materials and time cost.

Note: The above fee rates for the services and sales price of the products will vary depending on the types of services or products involved. For the reasonable margin for such services and products provided by the Supplier under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement, in general, the profit margins for supply chain services will range from approximately 3% to 10%, the profit margins for commercial vehicles-related products will range from approximately 5% to 10%, the profit margins for data-related services will range from approximately 10% to 20%, and the service fee rates for supply chain financial services (calculated based on the principal) will range from approximately 0.5% to 10%. Except for the fee rate for the entrusted lease service which the Supplier has not provided to independent third-party customers, the aforesaid service fee rates and profit margins shall not be lower than those charged by the Supplier for providing the same or similar types of services to independent third-party customers.

2. Annual caps

	Annual Caps under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the Year Ended/Ending 31 December (RMB'000)			Actual Transaction Amount under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the Year Ended/Ending 31 December (RMB'000)			Annual Caps under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the Year Ending 31 December (RMB'000)
	2022	2023	2024	2022	2023	2024 ^{Note}	2024
	Supply of commercial vehicle-related products <i>Intelligent IoV products</i>	78,170	110,500	111,600	35,312	60,273	55,067
Supply of supply chain services	146,000	192,000	199,600	59,432	105,250	20,797	199,600
Supply of data-related services	400	500	600	90	41	6	1,980
Supply of supply chain financial services							
Principal	N/A	N/A	N/A	N/A	N/A	N/A	190,000
Interest and commission fees	N/A	N/A	N/A	N/A	N/A	N/A	6,013
Total	<u>224,570</u>	<u>303,000</u>	<u>311,800</u>	<u>94,834</u>	<u>165,564</u>	<u>75,870</u>	<u>509,193</u>

Note: This refers to the actual transaction amount under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the six months ended 30 June 2024.

As at the date of this announcement, the actual transaction amount under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement have not exceeded the existing annual cap for the transactions contemplated under such agreement for the year ending 31 December 2024.

The annual caps under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the year ending 31 December 2024 are determined on the basis of:

- (a) The historical transaction amount related to products and services supplied to Shaanxi Automobile Holding;

- (b) The current product supply and service capabilities of the Group; among which, regarding the principal cap for the newly added supply chain financial services of RMB190 million, it is based on the production and sales volume forecast of Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries) and their funding needs: (i) the Group intends to provide factoring services to Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries) for a factoring amount of approximately RMB100 million; (ii) the Group intends to provide equipment finance lease services to Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries) for an amount of approximately RMB40 million; and (iii) Shaanxi Automobile Holding intends to conduct entrusted leasing business^{note} through the Group, with a total amount of entrusted fund of RMB50 million to provide finance lease-related services to its customers; regarding the interest and commission fees cap for the newly added supply chain financial services of RMB6.013 million, it is determined based on the principal cap, the estimated average fee rate of the supply chain financial services (i.e. the commission fee rate and interest rate charged by the Group for the principal of providing supply chain financial services to Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries)), which are as follows: (x) the commission fee rate for entrusted leasing business is approximately 0.5%-1%, which is calculated on the amount of the entrusted funds for entrusted lease business; (y) the comprehensive annualized interest rate for regular finance lease business is approximately 5%-10%; and (z) the comprehensive annualized interest rate for factoring services is approximately 4%-10%, and the Group's commercial policy on financial services; and
- (c) The Group's existing intention to conduct new cooperation with Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries). Among them, the increase of RMB1.38 million in the annual cap for data-related services under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the year ending 31 December 2024 as compared to the annual cap for the year ending 31 December 2024 under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement, is based on the Group's intention to cooperate with Shaanxi Automobile (i.e. the subsidiary of Shaanxi Automobile Holding) in the construction of an internet information system. The Group will provide relevant technical services and platform construction services to it, and the manpower costs and development costs involved in the technical services shall be charged in compliance with the Group's commercial policies. In particular, Shaanxi Automobile plans to entrust Tianxingjian IoV to complete the construction of the industrial internet network trust support cooperation platform and the remote emission end data analysis platform, with the service amount expected to be RMB0.65 million and RMB0.73 million, respectively. In addition, for the existing annual cap for data-related services under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement for the year ending 31 December 2024 of RMB0.6 million, the transaction amount of the signed contracts as at 30 June 2024 was approximately RMB216,500 (among which, RMB121,400 is expected to be recognized as revenue in 2024). The Group expects that data-related services transactions under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement will continue to occur in the second half of 2024, and has accordingly reserved a certain buffer amount.

Note: In the above entrusted lease business, Deewin Finance Lease, a wholly-owned subsidiary of the Company, acts as the trustee, signing the entrusted lease contract with Shaanxi Automobile Holding and/or its associates (excluding Shaanxi Heavy Duty Automobile and its subsidiaries), the trustor, and carries out finance lease business with the lessees designated by the trustor according to the trustor's mandate. Deewin Finance Lease signs the finance lease contracts with the lessees in accordance with the terms of the entrusted lease contract, and purchases the leased assets owned by the lessees under the finance lease contracts, and then leases the relevant assets back to the lessees through a sale and leaseback arrangement. Under the finance lease contracts, Deewin Finance Lease purchases the leased assets from the lessees using funds provided by the trustor in the form of entrusted funds. The lessees pay rent and other payables to Deewin Finance Lease, which then remits the entire sums received from the lessees to the trustor as stipulated in the entrusted lease contract. Deewin Finance Lease charges a service fee for the services provided to the trustor as per the entrusted lease contract. The trustor will pay the service fee separately and in a lump sum to Deewin Finance Lease before Deewin Finance Lease carries out finance lease business with the lessees. Events of payment default by the lessees will not affect the service fee charged by Deewin Finance Lease.

3. Reasons for and benefits of the entering into the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement

The Board considers that the entering into of the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement would benefit the Group for the following reasons:

- (a) the Group and Shaanxi Automobile Holding and its associates are long-standing partners;
- (b) prices and terms for the products and services (excluding entrusted lease services) provided by the Group to Shaanxi Automobile Holding and/or its associates are similar to those offered by the Group to independent third parties;
- (c) Shaanxi Automobile Holding, including its close associates, is the fourth largest commercial vehicle manufacturer in the commercial vehicle sales market in the PRC, thus the supply of products and services to Shaanxi Automobile Holding and/or its associates will provide the Group with a steady revenue source, which is in the interest of the Company and its Shareholders as a whole;
- (d) provision of diversified services to commercial vehicle manufacturers is one of the Group's important business models and development strategies. Among them, in terms of the newly added supply chain financial services, the provision of supply chain financial services to Shaanxi Automobile Holding and/or its associates can provide a more diversified range of products and services to commercial vehicle cooperative channels while meeting the funding needs of Shaanxi Automobile Holding and/or its associates for production and operation, which enables both parties to synergize their advantages and build a business model with rational structure and efficient operation, and further enriches the Group's revenue source. Among the aforesaid, considering that (i) Deewin Finance Lease will purchase the leased assets only after receiving entrusted funds from the trustor; (ii) Deewin Finance Lease will not be liable for the breach committed by the trustor of the relevant lease arrangements with the lessees; (iii) Deewin Finance Lease will not be liable to pay the relevant lease principal and/or interest to the trustor in the event of payment default by the lessees; and (iv) the trustor will pay the service fee separately and in a lump sum to Deewin Finance Lease before Deewin Finance Lease carries out finance lease business with the lessees, and events of payment default by the lessees will not affect the service fee charged by Deewin Finance Lease, the Group is of the view that the newly added entrusted lease business does not pose any additional risk compared to the Group's current routine finance lease and factoring business;

- (e) with respect to the adjustment to the pricing policy, the pricing policy of products and services provided by the Group under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement is determined after arm's length negotiation between both parties, reflecting the latest negotiation results between the parties to the agreement; taking the "market rate" as the priority pricing benchmark is a market-oriented adjustment based on the original pricing policy and industry practices, which is commercially reasonable. The Group will adopt the internal control procedures referred to in the section headed "Internal control procedures in relation to continuing connected transactions" in this announcement to ensure that the pricing policy of each transaction under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement is on normal commercial terms; and
- (f) the Group's service scope to Shaanxi Automobile Holding and its associate(s) has been further expanded to include the supply chain financial services. Unlike supply chain logistics services, intelligent IoV products, and other production-related services, Shaanxi Automobile Holding and/or its associates may choose other supply chain financial service providers or data service providers, thus the Group will no longer be the sole provider of the relevant services in practice with respect to the services under the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement. Therefore, deleting the exclusivity terms is in line with business reality. After the removal of the exclusivity terms, the Group's exclusive right to supply relevant products and services under the Shaanxi Automobile Holding Supply of Products and Services Framework Agreement will no longer be guaranteed, which may result in the Group's share of supplying relevant products and services to Shaanxi Automobile Holding and/or its associates being split by other suppliers.

II. The Entering into the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement

Reference is made to the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement between the Company and Shaanxi Heavy Duty Automobile as stated in the Prospectus, pursuant to which the Group will supply the following types of products and services to Shaanxi Heavy Duty Automobile and/or its subsidiary(ies): (i) supply chain services, (ii) commercial vehicle-related products and (iii) data-related services. The Board hereby announces that on 29 August 2024, the Company and Shaanxi Heavy Duty Automobile entered into the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement to supersede the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement. Pursuant to this amended agreement (among other things), (a) the service coverage under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is expanded to cover supply chain financial services (i.e. finance lease services) and supply of new energy battery products; (b) the original pricing policy of products and services provided by the Group under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is adjusted, and the pricing policy for providing supply chain financial services is correspondingly added; and (c) the exclusivity terms specifying the Group as the sole supplier under the agreement are deleted.

1. *Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement*

Date: 29 August 2024

Parties: The Company

Shaanxi Heavy Duty Automobile

Term: Upon being affixed with corporate seals of the parties, the agreement shall take effect from the date of approval at the general meeting, and expire on 31 December 2024. 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 Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement 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. From the date on which the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement takes effect, the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement automatically terminates and is superseded.

Major Matters: The Group will provide Shaanxi Heavy Duty Automobile and its subsidiary(ies) with products and services, namely (1) supply chain services, including components collection, transportation, distribution, warehousing, sorting, packaging, precision delivery 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 (4) supply chain financial services, i.e. finance lease services.

Pricing Policy:

The sales price or the service fee for the supply of products and services charged by the Supplier under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement will be determined based on the market rate after arm's length negotiation between both parties. The "market rate" represents the price provided by the Group to an independent third party in respect of the same or 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^{note}). In particular:

- With respect to the supply chain services, the service fee for supply chain services will be determined based on the market rate. If the market rate is unavailable, the service fee for supply chain services will be determined on a "cost-plus" basis. If it is determined on a "cost-plus" basis, the Supplier 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 expenses, tax rates and reasonable gross profit margins, and for each transaction entered into by both parties under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement, the service fee charged by the Supplier 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 Supplier 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 Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement, 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 Supplier will take into account relevant factors, including but not limited to labor, materials and time cost.

Note: The above fee rates for the services and sales price of the products will vary depending on the types of services or products involved. For the reasonable margin for such services and products provided by the Supplier under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement, in general, the profit margins for supply chain services will range from approximately 3% to 10%, the profit margins for commercial vehicles-related products will range from approximately 1% to 10%, the profit margins for data-related services will range from approximately 10% to 20%, and the service fee rates for supply chain financial service (calculated based on the principal) will range from approximately 0.5% to 1%. Except for the service fee rates and profit margins for the entrusted lease service and the new energy battery products which the Supplier has not provided to independent third parties, the aforesaid service rates and profit margins shall not be lower than those charged by the Supplier for providing the same or similar types of services to independent third-party customers.

2. Annual caps

	Annual Caps for the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the Year Ended/Ending 31 December (RMB'000)			Actual Transaction Amounts for the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the Year Ended/Ending 31 December (RMB'000)			Annual Caps for the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the Year Ending 31 December (RMB'000)
	2022	2023	2024	2022	2023	2024 ^{Note}	2024
	Supply of commercial vehicle- related products						
<i>Intelligent IoV products</i>	96,290	100,000	100,600	30,394	93,493	40,359	140,600
<i>Aftermarket products</i>	7,000	10,000	8,500	0	0	0	8,500
<i>New energy battery products</i>	N/A	N/A	N/A	N/A	N/A	N/A	158,000
Supply of supply chain services	350,400	500,500	550,700	222,697	282,611	131,402	550,700
Supply of data-related services	10,700	11,000	13,500	10,302	5,927	124	13,500
Supply of supply chain financial services	Principal	N/A	N/A	N/A	N/A	N/A	460,000
	Interest and commission fees	N/A	N/A	N/A	N/A	N/A	2,760
Total	<u>464,390</u>	<u>621,500</u>	<u>673,300</u>	<u>263,393</u>	<u>382,031</u>	<u>171,885</u>	<u>1,334,060</u>

Note: This refers to the actual transaction amounts under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the six months ended 30 June 2024.

As at the date of this announcement, the actual transaction amounts under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement have not exceeded the existing annual caps for the transactions contemplated under such agreement for the year ending 31 December 2024.

The annual caps for the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the year ending 31 December 2024 are determined on the basis of:

- (a) The historical transaction amounts related to products and services supplied to Shaanxi Heavy Duty Automobile and/or its subsidiaries;
- (b) The principal cap for the newly added supply chain financial services of RMB460 million is based on Shaanxi Heavy Duty Automobile's plan to conduct entrusted lease business^{note} through the Group, with a total amount of entrusted fund of RMB460 million to provide finance lease-related services to its customers; the interest and commission fees cap for the newly added supply chain financial services of RMB2.76 million is determined based on the principal cap and the estimated average fee rate of the supply chain financial services (i.e. the service fee rate charged by the Group in respect of the principal amount of entrusted lease services provided to Shaanxi Heavy Duty Automobile and/or its subsidiaries, with a fee rate of approximately 0.5%-1%, which is calculated on the amount of the entrusted funds for entrusted lease business);
- (c) The annual cap for the newly added new energy battery products of RMB158 million is based on: (i) the actual transaction amount of new energy battery products supplied by the Group to Shaanxi Heavy Duty Automobile: since 2023, the Group has developed new energy-related businesses. As of June 2024, the actual transaction amount of new energy battery products supplied by the Group to Shaanxi Heavy Duty Automobile was RMB36.957 million (tax exclusive, for details please refer to the announcements of the Company dated 15 October 2023 and 16 April 2024); (ii) in addition to the aforementioned transaction volume, within the remaining time of 2024, the Group plans to supply a total of 600 new energy batteries to Shaanxi Heavy Duty Automobile at a total amount of approximately RMB158 million; and
- (d) The Group's forecast of the production and sales volume of commercial vehicles manufactured by Shaanxi Heavy Duty Automobile and/or its subsidiaries. In particular, the increase of RMB40 million in the annual cap for the intelligent IoV product under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement for the year ending 31 December 2024 as compared to the annual cap for the year ending 31 December 2024 under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement, is based on that (i) the Group has upgraded its products in 2024, replacing the original emission terminal and radio equipment provided by other suppliers with its newly launched end screen two-in-one product (端屏二合一產品) (product development completed in December 2023) with a higher unit price. The unit price increase caused by product upgrade is expected to generate additional revenue of approximately RMB20 million for the Group; and (ii) according to several business negotiations between Tianxingjian IoV and Shaanxi Heavy Duty Automobile Import and Export Company, Shaanxi Heavy Duty Automobile intends to optimize the configuration of commercial vehicles for exporting and install customized intelligent IoV products on such commercial vehicles. Therefore, it is expected that the demand for installing intelligent IoV Heavy Duty Automobile in 2024 will increase, which will lead to increases in the Group's supply of intelligent IoV products for commercial vehicles exported by Shaanxi Heavy Duty Automobile, and it is expected to generate additional revenue of approximately RMB20 million for the Group. As of June 2024, Tianxingjian IoV has completed the development, testing and launching of the end screen two-in-one product.

Note: In the above entrusted lease business, Deewin Finance Lease, a wholly-owned subsidiary of the Company, acts as the trustee, signing the entrusted lease contract with Shaanxi Heavy Duty Automobile and/or its subsidiary(ies), the trustor, and carries out finance lease business with the lessees designated by the trustor according to the trustor's mandate. Deewin Finance Lease signs the finance lease contracts with the lessees in accordance with the terms of the entrusted lease contracts, and purchases the leased assets owned by the lessees under the finance lease contracts, and then leases the relevant assets back to the lessee through a sale and leaseback arrangement. Under the finance lease contracts, Deewin Finance Lease purchases the leased assets from the lessees using funds provided by the trustor in the form of entrusted funds. The lessee pays rent and other payables to Deewin Finance Lease, which then remits the entire sums received from the lessees to the trustor as stipulated in the entrusted lease contract. Deewin Finance Lease charges a service fee for the services provided to the trustor as per the entrusted lease contract. The trustor will pay the service fee separately and in a lump sum before Deewin Finance Lease carries out finance lease business with the lessees. Events of payment default by the lessees will not affect the service fee charged by Deewin Finance Lease.

3. *Reasons for and benefits of the entering into the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement*

The Board considers that the entering into of the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement would benefit the Group for the following reasons:

- (a) the Group has established a long-term strategic and stable business relationship with Shaanxi Heavy Duty Automobile and its subsidiary(ies), and therefore, conducting the continuing connected transactions under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is beneficial for improving the Group's operational efficiency and stability;
- (b) prices and terms for the products and services (excluding entrusted lease services and supply of new energy batteries) provided by the Group to Shaanxi Heavy Duty Automobile and its subsidiary(ies) are similar to those offered by the Group to independent third parties;
- (c) the supply of products and services to Shaanxi Heavy Duty Automobile and its subsidiary(ies) will provide the Group with a steady revenue source, which is in the interest of the Company and its Shareholders as a whole;
- (d) to provide diversified services to commercial vehicle manufacturers is one of the Group's important business models and development strategies. In particular, in terms of the newly added new energy battery products, new energy batteries are a type of environment-friendly, high-performance renewable energy. The power battery segment represented by the application in new energy vehicles is developing rapidly, and the market demands related to new energy vehicles are gradually increasing. The relevant business is based on the Group'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 its presence in the aftermarket service industry, further enhancing the Company's competitiveness and facilitating the Company's long-term and healthy development; in terms of the newly added supply chain financial services, the provision of supply chain financial services to Shaanxi Heavy Duty Automobile and its subsidiary(ies) can provide a more diversified range of products and services to commercial vehicle cooperative channels, which will enable both parties to synergize

their advantages and build a business model with rational structure and efficient operation, and further enrich the Group's revenue source. Among the aforesaid, considering that (i) Deewin Finance Lease will purchase the leased assets only after receiving entrusted funds from the trustor; (ii) Deewin Finance Lease will not be liable for the breach of the relevant lease arrangements with the lessees committed by the trustor; (iii) Deewin Finance Lease will not be liable to pay the relevant lease principal and/or interest to the trustor in the event of payment default by the lessees; and (iv) the trustor will pay the service fee separately and in a lump sum to Deewin Finance Lease before Deewin Finance Lease carries out finance lease business with the lessees, and events of payment default by the lessees will not affect the service fee charged by Deewin Finance Lease, the Group is of the view that the newly added entrusted lease business does not pose any additional risk compared to the Group's current routine finance lease and factoring business;

- (e) with respect to the adjustment to the pricing policy, the pricing policy of products and services provided by the Group under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is determined after arm's length negotiation between both parties, reflecting the latest negotiation results between the parties to the agreement; taking the "market rate" as the priority pricing benchmark is a market-oriented adjustment based on the original pricing policy and industry practices, which is commercially reasonable. The Group will adopt the internal control procedures referred to in the section headed "Internal control procedures in relation to continuing connected transactions" in this announcement to ensure that the pricing policy of each transaction under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement is on normal commercial terms; and
- (f) the Group's service scope to Shaanxi Heavy Duty Automobile and its subsidiary(ies) has been further expanded to include supply chain financial services. Unlike supply chain logistics services, intelligent IoV products, and other production-related services, as Shaanxi Heavy Duty Automobile and its subsidiary(ies) may choose other supply chain financial service providers or data service providers, the Group will no longer be the sole provider of the relevant services in practice with respect to the services under the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement. Therefore, deleting the exclusivity terms is in line with business reality. After the removal of the exclusivity terms, the Group's exclusive right to supply relevant products and services under the Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement will no longer be guaranteed, which may result in the Group's share in the supply of the relevant products and services to Shaanxi Heavy Duty Automobile and its subsidiary(ies) being split by other suppliers.

INTERNAL CONTROL PROCEDURES IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

The 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:

- the Group has adopted and implemented a management system for connected transactions. Under this system, designated departments of the Group, including financial management department, audit department and operation management department, will be jointly responsible for reviewing and evaluating the terms of the continuing connected transactions, in particular, the fairness of the pricing terms and will provide monthly reports on connected transactions to the management team of the Group, which is responsible for ensuring that the annual caps for the continuing connected transactions have not been exceeded and that the pricing of each of the continuing connected transactions remains fair and reasonable. In particular, with respect to the pricing of the transactions contemplated under the Amended Framework Agreements for Supply of Products and Services, prior to each supply of products and/or services to connected persons:
 - (i) the business department of each subsidiary shall
 - (a) (if the market rate is available) compare the pricing in the specific agreements for such continuing connected transactions with the pricing in at least two agreements with independent third parties, to ensure that the pricing in the specific agreements for such continuing connected transactions is determined based on the market rate; or
 - (b) (if the market rate is unavailable, for example, there are no comparable pricing terms for products and/or services that the Group has not supplied to independent third parties (i.e. entrusted lease services and new energy battery products)) consider the information on the quotations of those products and/or services (if any) provided by the third party suppliers to the connected persons, which will then be provided by the connected persons to the Group, in respect of the products and/or services and the quotations on those products and/or services obtained through exchange of information with industry peers or suppliers (including phone calls and meetings, etc.), and ensure that the pricing in the specific agreements for such continuing connected transactions shall cover the costs incurred and reasonable profits of the Group for the supply of products and/or services to the connected persons, and the pricing terms of the specific agreements are no less favorable than those contained in the aforesaid quotations; and
 - (c) submit the pricing in such specific agreements to the financial management department of the subsidiary for review and approval; and
 - (ii) the financial management departments shall ensure that the terms of such specific agreements (including but not limited to price and settlement terms) are in compliance with the Amended Framework Agreements for Supply of Products and Services before submitting the pricing in such specific agreements to the deputy general manager and general manager in charge of the business department of such subsidiary and/or the Company (depending on the nature of the business and the size of the transaction) for approval. This can ensure that the pricing of the relevant products and/or services provided by the Group to connected persons is on normal commercial terms;

- the independent non-executive Directors will review the continuing connected transactions every year pursuant to Rule 14A.55 of the Listing Rules and confirm in the annual report of the Company that the transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better to the Group; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. If the independent non-executive Directors cannot make such confirmation, the Group 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 the Group's management system on connected transactions, supervised its implementation and made recommendations to the Board, and reviewed and approved connected transactions of the Company and other related matters to the extent authorized by the Board; and
- the external auditor of the Company will conduct an annual review and report on the continuing connected transactions pursuant to Rule 14A.56 of the Listing Rules. The Group will disclose in the Group's annual reports the work performed by the external auditor of the Company with respect to the Group's continuing connected transactions and its conclusions on whether anything has come to its attention that causes it to believe that such continuing connected transactions:
 - (a) have not been approved by the Board of the Company;
 - (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
 - (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
 - (d) have exceeded the annual caps.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, 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 and Shaanxi Heavy Duty Automobile are both connected persons of the Company. As a result, the transactions contemplated under the Amended Framework Agreements 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 Amended Framework Agreements for Supply of Products and Services for the year ending 31 December 2024 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 Amended Framework Agreements for Supply of Products and Services for the year ending 31 December 2024 exceeds 5% but is less than 25%, such supply chain financial services are also subject to the applicable requirements on discloseable transaction under Chapter 14 of the Listing Rules.

Mr. Guo Wancai and Mr. Tian Qiang, both non-executive Directors of the Company, also work at Shaanxi Automobile and/or its subsidiaries, and Mr. Zhao Chengjun, a non-executive Director, also works at Shaanxi Heavy Duty Automobile. Therefore, they are deemed to have a material interest in the entering into the Amended Framework Agreements 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 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.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be held to seek the approval of the Independent Shareholders for the entering into the Amended Framework Agreements for Supply of Products and Services and the proposed annual caps for the continuing connected transactions contemplated thereunder. Pursuant to the Listing Rules, any Shareholder and his/her/its associates who have a material interest in the Entering into the Amended Framework Agreements for Supply of Products and Services will abstain from voting in respect of the resolutions approving such transactions at the extraordinary general meeting. Accordingly, Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile will abstain from voting in respect of the resolutions on the entering into the Amended Framework Agreements for Supply of Products and Services at the extraordinary general meeting. As at the date of this announcement, Shaanxi Automobile, Shaanxi Heavy Duty Automobile and Shaanxi Commercial Automobile held an aggregate of 1,629,000,000 Shares of the Company (representing approximately 74.68% of the issued share capital of the Company), and controlled or were entitled to control the voting rights attaching to their Shares in the Company.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the Amended Framework Agreements for Supply of Products and Services, as well as the continuing connected transactions contemplated under such agreements and their proposed annual caps. Shanxi Securities International Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) information relating to the Amended Framework Agreements for Supply of Products and Services; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser; (iv) the notice of the extraordinary general meeting; and (v) other information as required by the Listing Rules will be published and/or despatched to the Shareholders on or before 13 September 2024.

GENERAL INFORMATION

Information on 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 on Shaanxi Automobile Holding

Shaanxi Automobile Holding is a limited liability company established in the PRC on 20 August 2012 and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shaanxi Province (a PRC government agency). Its principal business includes automobile industry, industrial investment, investment management and consulting. As a Controlling Shareholder of the Company, Shaanxi Automobile Holding holds 68.77% and 0.54% of the Shares of the Company through its subsidiaries Shaanxi Automobile and Shaanxi Commercial Automobile respectively as at the date of this announcement.

Information on 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 export. Its products cover heavy-duty military off-road vehicles, heavy-duty trucks, heavy vehicle axles, and automotive aftermarket, among other areas. As at the date of this announcement, its 49.00% equity interest is held by Shaanxi Automobile and 51.00% equity interest is held by Weichai Power Co., Ltd. (潍柴动力股份有限公司). Weichai Power Co., Ltd. is a company listed on the Main Board of the Stock Exchange (stock code: 2338) and the Main Board of the Shenzhen Stock Exchange (stock code: SZ000338), the principal business of which is the research and development, manufacture and sale of high efficiency and speed diesel engines and engine parts.

DEFINITIONS

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

“Amended Framework Agreements for Supply of Products and Services”	the Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement and the Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement
“Amended Shaanxi Automobile Holding Supply of Products and Services Framework Agreement”	the supply of products and services framework agreement between the Company and Shaanxi Automobile Holding dated 29 August 2024

“Amended Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement”	the supply of products and services framework agreement between the Company and Shaanxi Heavy Duty Automobile dated 29 August 2024
“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent Board committee comprising all independent non-executive Directors, to advise the Independent Shareholders on the entering into the Amended Framework Agreements for Supply of Products and Services
“Independent Financial Adviser”	Shanxi Securities International Capital Limited, a corporation licensed to conduct Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the entering into the Amended Framework Agreements for Supply of Products and Services
“Independent Shareholders”	Shareholders other than Shaanxi Automobile Holding, Shaanxi Heavy Duty Automobile, Shaanxi Automobile and Shaanxi Commercial Automobile
“IoV”	the business which uses sensing technology to collect data in relation to automobile, in particular the data of automobile operation, driving behavior of drivers and driving location, in order to provide data service and information service to various market participants of automobile ecosphere
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Prospectus”	the prospectus being issued by the Company dated 30 June 2022 in connection with the Global Offering
“RMB”	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 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 that is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shaanxi Province
“Shaanxi Automobile Holding Supply of Products and Services Framework Agreement”	the supply of products and services framework agreement between the Company and Shaanxi Automobile Holding dated 23 June 2022
“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 is an independent third party. The Company was held as to 5.37% by Shaanxi Heavy Duty Automobile as of the date of this announcement
“Shaanxi Heavy Duty Automobile Import and Export Company”	Shaanxi Heavy Duty Automobile Import and Export Co., Ltd.* (陝西重型汽車進出口有限公司), a limited liability company established in the PRC on 24 April 2006 with 100% of its equity interest being held by Shaanxi Heavy Duty Automobile, which is a wholly-owned subsidiary of Shaanxi Heavy Duty Automobile
“Shaanxi Heavy Duty Automobile Supply of Products and Services Framework Agreement”	the supply of products and services framework agreement between the Company and Shaanxi Heavy Duty Automobile dated 23 June 2022
“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 Finance Lease”	Deewin Finance Lease Co., Ltd.* (德銀融資租賃有限公司), which is a limited liability company established in the PRC on 24 November 2011, and a wholly-owned subsidiary of the Company
“Tianxingjian IoV”	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 with 100% of its equity interest being held by the Company, 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
29 August 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.

* *For identification purposes only*