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## **DIWANG INDUSTRIAL HOLDINGS LIMITED**

### **帝王實業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1950)**

## **VOLUNTARY ANNOUNCEMENT – BUSINESS DEVELOPMENT UPDATES**

This announcement is made by Diwang Industrial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis, in order to keep our shareholders and potential investors informed about the latest business developments of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 15 September 2023, Fujian Wangchidi Sauce And Wine Company Limited\* (福建王池帝醬酒業有限公司) (“**Fujian Wangchidi**”), an indirect wholly-owned subsidiary of the Company, entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Renhuai Qingjiangshan Wine Company Limited\* (仁懷慶江山酒業有限公司) (“**Renhuai Qingjiangshan Wine**”), a company incorporated in the People’s Republic of China (the “**PRC**”), pursuant to which the parties (or their designated subsidiaries) entered into a 10-year cooperation plan for Renhuai Qingjiangshan Wine’s self-brand “Qingjiangshan”\* (慶江山) series of products for giving impetus to the research, production, sales and market expansion of its sauce and wine products.

### **The Strategic Cooperation Agreement**

The Strategic Cooperation Agreement shall be valid for 10 years, and mainly cover the following aspects:

1. Fujian Wangchidi shall obtain the exclusive right of distribution of “Qingjiangshan”\* (慶江山) series products, and jointly develop the brand with Renhuai Qingjiangshan Wine.
2. Both Parties will integrate the online and offline sales channels and will fully utilise various sales vehicles, including e-commerce platforms and physical stores, in order to enhance sales coverage and market penetration. Our goal is to increase the number of users to over 100,000 within six months.
3. Both Parties will jointly build an innovative e-commerce platform via utilizing advanced technology and cloud computing technology, so as to provide a convenient purchase experience and to achieve our goal of optimizing the close-loop sales.

4. Both Parties will establish cloud storage as a logistics center to provide efficient warehousing and distribution services, so as to ensure the timely delivery of products to customers.
5. Both Parties will jointly develop a free trial data package for attracting users and will establish a fast-track channel, so as to increase sales conversion and user stickiness.
6. Both Parties will jointly conduct the collection and analysis of sales data in order to optimize the sales strategy and marketing activities, thus enhancing our market reputation and recognition.

### **Information on Renhuai Qingjiangshan Wine**

According to the information provided by Renhuai Qingjiangshan Wine, Renhuai Qingjiangshan Wine is principally engaged in manufacturing and selling products of its own brand of “Qingjiangshan”\* (慶江山) sauce. Renhuai Qingjiangshan Wine currently has more than 30 franchised stores. It supports these stores with digital-driven technology for traditional sales channels and provides customized service, bottling service and other services for the high-end customers. It has accelerated its development in recent years and has earned a good reputation. It will continue to deepen its operations in the sauce and wine industry, and strive to build the national branding of Chinese, so as to create value for partners and bring actual benefits to the enterprise. To the best of the Directors’ knowledge, information and belief, and having made all reasonable inquiries, Renhuai Qingjiangshan Wine and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

### **Reasons and Benefits for Entering into the Strategic Cooperation Agreement**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of faux leather chemicals and Chinese liquor.

The Directors have been actively seeking opportunities to expand the business scope and broaden revenue sources of the Group. The Board considers that the entering into the Strategic Cooperation Agreement provides the Group a good opportunity for expanding its baijiu business in various regions in the PRC. The Directors are of the view that the entering into of the Strategic Cooperation Agreement will inject new brand series into the Group, expand market coverage, enhance sales growth opportunities and enhance the popularity of the Group. The Group will continue to pursue organizational, technological and management innovations, with a view to drive continuous progress in products and markets, increasing the value of the Company and achieving long-term corporate development.

## **GENERAL**

The Strategic Cooperation Agreement is a master framework agreement setting out the cooperation framework between Fujian Wangchidi and Renhuai Qingjiangshan Wine. The Group may from time to time enter into separate formal agreements with Renhuai Qingjiangshan Wine in order to implement the detailed terms of cooperation with Renhuai Qingjiangshan Wine under the Strategic Cooperation Agreement. In addition, the Company will make further announcements in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in due course.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Diwang Industrial Holdings Limited**  
**Sun Jingang**  
*Executive Directors*

Hong Kong, 15 September 2023

*As at the date hereof, the Board comprises Mr. Chen Hua, Mr. Lam Kam Kong Nathaniel, Mr. Sun Jingang and Mr. Tse Chun Chung as executive Directors; Mr. Au Hei Ching, Mr. Ho Ho Tung Armen, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent non-executive Directors.*

\* *English translation of the name for identification only*