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HAITIAN INTERNATIONAL HOLDINGS LIMITED

海天國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1882)

CONNECTED TRANSACTION

PURCHASE OF AUTOMATIC PROCESSING LINE, CNC TURNING MACHINES, MACHINING CENTRES AND RELATED EQUIPMENT

This announcement is made in connection with the Group's purchase of automatic processing line, CNC turning machines, machining centres and related equipment manufactured by Haitian Precision for an aggregate consideration of approximately RMB154.67 million (equivalent to approximately HK\$190.95 million). Haitian Precision is a connected person of the Company. As all applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the Purchase are less than 5%, the Purchase is subject to the reporting and announcement requirements set out in Rules 14A.35 and 14A.49 of the Listing Rules but is exempted from the circular and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

A. PURCHASE OF AUTOMATIC PROCESSING LINE, CNC TURNING MACHINES, MACHINING CENTRES AND RELATED EQUIPMENT

Parties to the Machinery Equipment Purchase Agreement

- (i) Haitian Precision (as vendor); and
- (ii) Haitian Plastics Machinery (as purchaser).

Date of the Machinery Equipment Purchase Agreement

22 March 2022

Machinery equipment to be purchased

Haitian Plastics Machinery has entered into the Machinery Equipment Purchase Agreement with Haitian Precision to purchase automatic processing line, CNC turning machines, machining centres and related equipment manufactured by Haitian Precision. Such processing line, machines and equipment will be used for the processing of parts and components for the manufacture of plastic injection moulding machines by the Group.

Consideration

The total consideration for the purchase of the processing line, machines and equipment is approximately RMB154.67 million (equivalent to approximately HK\$190.95 million), to be paid by installments for individual orders under the Machinery Equipment Purchase Agreement. The payment term is by installment payments as follows:

- 30% of the purchase price of each order will be paid within 7 days after the relevant purchase order (on terms consistent with the Machinery Equipment Purchase Agreement) is agreed;
- 60% of the purchase price of each order will be paid within 7 days before delivery of the relevant equipment; and
- 10% of the purchase price of each order will be paid within one year of delivery and subsequent inspection of the respective equipment.

The consideration for the purchase of the processing line, machines and equipment was based on the fair market value of such processing line, machines and equipment and was determined on the basis of normal commercial terms following arm's length negotiations between the Group and Haitian Precision.

The consideration for the purchase of the processing line, machines and equipment shall be paid out of the internal resources of the Group.

Effectiveness and Condition Precedent

The purchase of the automatic processing line, CNC turning machines, machining centres and related equipment is conditional upon the Company's compliance with the applicable requirements of the Listing Rules for the Purchase.

Subject to the fulfillment of the condition precedent mentioned above, the Purchase will be conducted according to the delivery schedule for each order agreed between the parties.

B. REASONS FOR AND BENEFITS OF THE PURCHASE

The Group had purchased automatic processing line, CNC turning machines and machining centres from Haitian Precision in the past for processing of parts and components for the manufacture of plastic injection moulding machines by the Group. To upgrade the capacity of the Group to process parts and components, the Group would require new automatic processing line, CNC turning machines, machining centres and related equipment. The Company considers that the automatic processing line, CNC turning machines, machining centres and related equipment produced by Haitian Precision are competitive in terms of both technology and price-performance-ratio when compared with similar products in the market from both domestic and overseas suppliers and the products of Haitian Precision have consistently been able to meet the requirements of the Group.

The Directors, including the independent non-executive Directors, believe that the Purchase is on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

C. LISTING RULES IMPLICATIONS

Haitian Precision is owned as to approximately 38.69% by Ningbo Haitian and as to approximately 37.18% by Anson Asia. Mr. Zhang Jingzhang and his associates (including Mr. Zhang Jianming and Mr. Zhang Jianfeng, executive Directors and his sons, Mr. Zhang Bin, executive Director and his grandson, and Mr. Guo Mingguang and Mr. Liu Jianbo, non-executive Directors and his son-in-laws) are interested in 61.91% equity interest directly or indirectly in Ningbo Haitian and Mr. Zhang Jingzhang and his associates (including Mr. Zhang Jianming and Mr. Zhang Jianfeng, executive Directors and his sons) are interested in 75.28% equity interest in Anson Asia and, pursuant to Rule 14A.07 of the Listing Rules, Haitian Precision is a connected person of the Company. As all applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the Purchase are less than 5%, the Purchase is subject to the reporting and announcement requirements set out in Rules 14A.35 and 14A.49 of the Listing Rules but is exempted from the circular and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

Directors including Mr. Zhang Jingzhang, Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Zhang Bin and Mr. Chen Weiqun, who are considered to have material interests in the Purchase, had abstained from voting on the resolution of the Board to approve the Purchase.

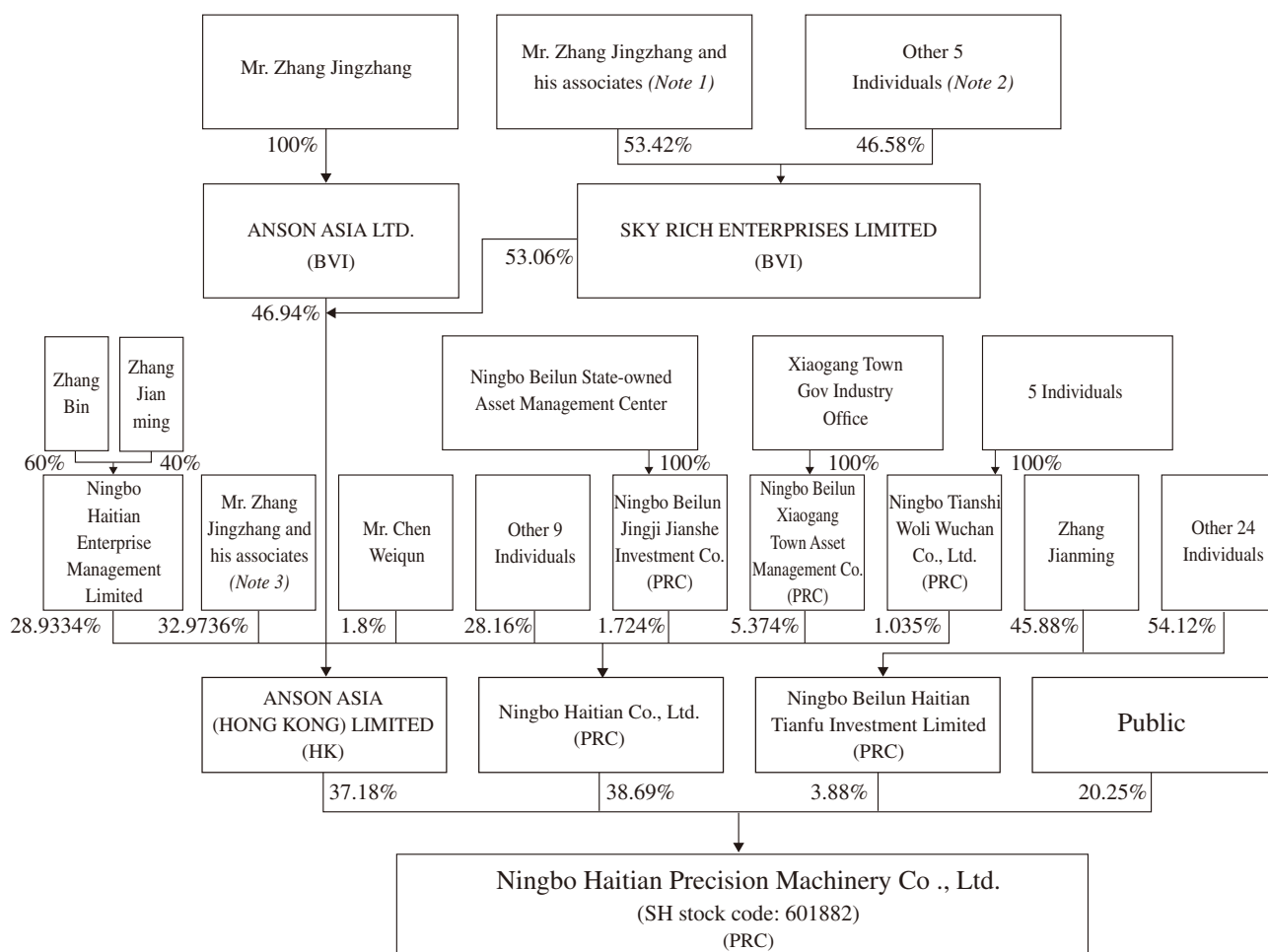
D. FURTHER INFORMATION ON THE PARTIES

The Group is principally engaged in the design, development, manufacture and sale of plastic injection moulding machineries and related parts. Haitian Plastics Machinery is one of the major operating subsidiaries of the Company engaged in the production and sales of plastic injection moulding machineries.

Haitian Precision is engaged in the design, development, manufacture and sale of CNC turning machines, machining centres and related equipment.

Set out below is the simplified ownership structure chart of Haitian Precision showing its ultimate beneficial owners:

Ownership Structure Chart



Note 1: Each of Mr.Zhang Jingzhang, Mr. Zhang Jianming and Mr. Zhang Jianfeng respectively holds 25.93%, 17.6% and 9.89% equity interest of Sky Rich Enterprises Limited.

Note 2: Other 5 individuals are Ms.Huang Juqin, Mr. Zhang Jianguo, Mr. Zhang Jinglai, Mr. Qian Yaoen and Ms. Chen Ningning.

Note 3: Each of Mr.Zhang Jingzhang, Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Guo Mingguang and Mr. Liu Jianbo respectively holds 12%, 10.2656%, 4.4%, 3.2% and 3.108% equity interest of Ningbo Haitian Co., Ltd.

E. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Anson Asia”	Anson Asia (Hong Kong) Limited, a limited liability company incorporated in Hong Kong;
“associate(s)”	has the meaning as defined in the Listing Rules;
“automatic processing line”	a processing line which processes metallic components into specific shapes and dimensions through automatic programme. It consists of CNC turning machines, polishing and other equipment and is fully automatic that each procedure is executed by robotic arms and other robotic systems;
“Board”	the board of Directors of the Company;
“BVI”	the British Virgin Islands;
“CNC turning machine(s)”	Computer Numerically Controlled turning machine(s);
“Company”	Haitian International Holdings Limited, a limited liability company incorporated in the Cayman Islands;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Haitian Plastics Machinery”	海天塑機集團有限公司 (Haitian Plastics Machinery Group Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company;
“Haitian Precision”	Ningbo Haitian Precision Machinery Co., Ltd., a joint stock limited liability company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange;
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Machinery Equipment Purchase Agreement”	the equipment purchase agreement in Chinese dated 22 March 2022 entered into between Haitian Precision and Haitian Plastics Machinery for the sale and purchase of the automatic processing line, CNC turning machines, machining centres and related equipment;
“machining centre(s)”	machinery(ies) used in shaping metal platens, toggles and bases which includes, among others, drilling, lathing, polishing and milling;
“Ningbo Haitian”	寧波海天股份有限公司 (Ningbo Haitian Co., Ltd.*), a limited liability company incorporated in the PRC;
“PRC”	the People’s Republic of China;
“Purchase”	the purchase of the automatic processing line, CNC turning machines, machining centres and related equipment; and
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC.

By order of the Board of
HAITIAN INTERNATIONAL HOLDINGS LIMITED
Mr. Zhang Jingzhang
Chairman

Hong Kong, 22 March 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jingzhang, Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Chen Weiqun and Mr. Zhang Bin; the Non-executive Directors are Mr. Guo Mingguang and Mr. Liu Jianbo; and the Independent Non-executive Directors are Mr. Lou Baijun, Mr. Guo Yonghui, Ms. Yu Junxian and Mr. Lo Chi Chiu.

In this announcement, unless otherwise stated, certain amounts denominated in RMB have been translated into HK dollars at an exchange rate of RMB0.81 = HK\$1.00, for illustration purpose only. Such conversions shall not be construed as representations that amounts in RMB were or could have been or could be converted into HK dollars at such rates or any other exchange rates on such date or any other date.

* For identification purpose only.