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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

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

On 16 December 2024 (after trading hours), Haitian Precision (as vendor) and Haitian Plastics Machinery, an indirect wholly-owned subsidiary of the Company (as purchaser), entered into the Machinery Equipment Purchase Agreement pursuant to which Haitian Precision agreed to sell and Haitian Plastics Machinery agreed to purchase automatic processing line, CNC turning machines, machining centres and related equipment manufactured by Haitian Precision at a total consideration of approximately RMB206.48 million (equivalent to approximately HK\$223.36 million).

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.07 of the Listing Rules, Haitian Precision is a connected person of the Company. Accordingly, the Purchase contemplated under the Machinery Equipment Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) with respect to the Purchase contemplated under the Machinery Equipment Purchase Agreement are more than 0.1% but less than 5%, the Purchase is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under 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

16 December 2024

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 RMB206.48 million (equivalent to approximately HK\$223.36 million), which shall be paid by installments for individual orders under the Machinery Equipment Purchase Agreement. The installment payment schedule shall be 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 acceptance 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 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 under 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.

Additional Terms

To align with specific changes in demand, appropriate amendments, if agreed upon by both parties and within the purchase cap stated in the contract, can be made to the equipment listed in the order (including but not limited to the type, model specification, quantity, accessory of the equipment, and its smart upgrade).

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 increase the processing capacity of the Group to process parts and components, it is necessary for the Group to acquire 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) are of the view that the Machinery Equipment Purchase Agreement and the Purchase contemplated thereunder are in the ordinary and usual course of business of the Group, conducted on normal commercial terms, and that its terms and conditions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

C. LISTING RULES IMPLICATIONS

As at the date of this announcement, Haitian Precision is owned as to approximately 38.69% by Ningbo Haitian and as to approximately 34.12% by Anson Asia. Mr. Zhang Jianming and his associates (including Mr. Zhang Jianfeng, executive Director and his brother, Mr. Zhang Bin, executive Director and his son, Ms. Chen Lu, executive Director and his daughter-in-law, and Mr. Guo Mingguang and Mr. Liu Jianbo, non-executive Directors and his brother-in-laws) are interested in approximately 49.9% equity interest directly or indirectly in Ningbo Haitian. Mr. Zhang Jianming and his associates (including Mr. Zhang Jianfeng, executive Director and his brother, and Mr. Zhang Bin, executive Director and his son) are interested in approximately 58.1% equity interest in Anson Asia. Mr. Chen Weiqun, executive Director, is interested in approximately 1.8% equity interest in Ningbo Haitian.

Pursuant to Rule 14A.07 of the Listing Rules, Haitian Precision is a connected person of the Company. Accordingly, the Purchase contemplated under the Machinery Equipment Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) with respect to the Purchase contemplated under the Machinery Equipment Purchase Agreement are more than 0.1% but less than 5%, the Purchase is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Directors who are considered to have material interests in the Purchase, including Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Zhang Bin, Mr. Chen Weiqun, Ms. Chen Lu, Mr. Guo Mingguang and Mr. Liu Jianbo have abstained from voting on the resolution of the Board to approve the Purchase.

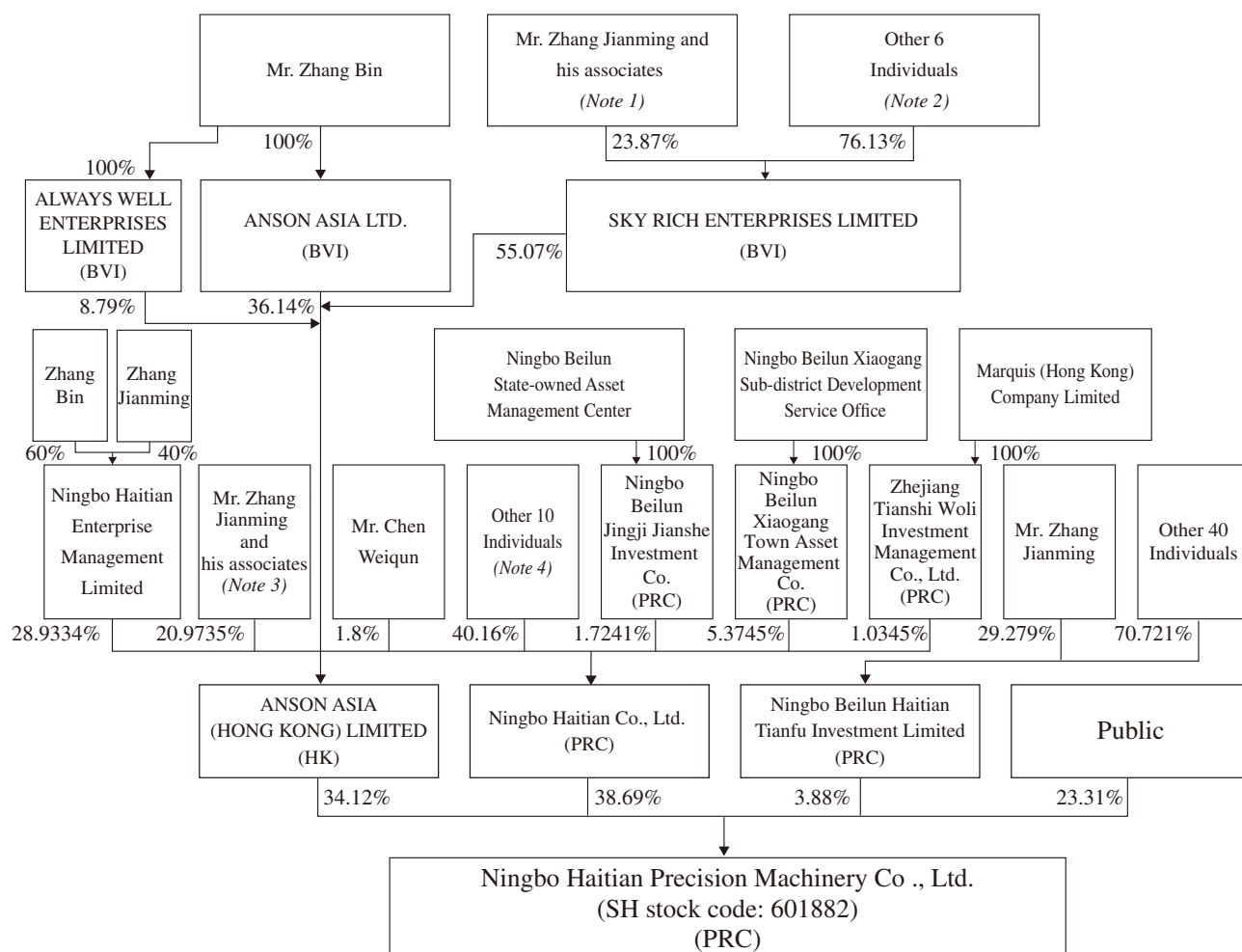
D. FURTHER INFORMATION ON THE PARTIES

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: Mr. Zhang Jianming and Mr. Zhang Jianfeng respectively holds 18.48% and 5.39% equity interest of Sky Rich Enterprises Limited.

Note 2: Other 6 individuals are Mr. Zhang Jingzhang, Ms. Huang Juqin, Mr. Zhang Jianguo, Mr. Zhang Jinglai, Mr. Qian Yaoen and Ms. Chen Ningning.

Note 3: Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Guo Mingguang and Mr. Liu Jianbo respectively holds 10.2655%, 4.4%, 3.2% and 3.108% equity interest of Ningbo Haitian Co., Ltd.

Note 4: Other 10 individuals are Mr. Zhang Jingzhang, Ms. Hu Min, Mr. Zhang Jianguo, Mr. Zhang Jinglai, Mr. Qian Yaoen, Ms. Chen Ningning, Mr. Yu Wenxian, Mr. Bei Haibo, Mr. Shui Caiyi and Mr. Hu Baohua.

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 16 December 2024 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
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 16 December 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Zhang Jianming, Mr. Zhang Bin, Mr. Zhang Jianfeng, Mr. Chen Weiqun and Ms. Chen Lu; 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 RMB0.92444 = 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.