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KANGLI INTERNATIONAL HOLDINGS LIMITED
康利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 06890)

ANNOUNCEMENT
RENEWAL OF CONTINUING CONNECTED TRANSACTION

THE 2026 RENEWED FRAMEWORK SALES AGREEMENT

The Board announces that on 16 November 2026, Jiangnan Precision (an indirect wholly-owned subsidiary of the Company) and Nankai Trading (a connected person of the Company) entered into the 2026 Renewed Framework Sales Agreement in relation to the sale of scrap metal materials by Jiangnan Precision to Nankai Trading, in order to continue with the transactions under the 2023 Framework Sales Agreement after its expiry on 31 December 2026 under the terms of the 2026 Renewed Framework Sales Agreement.

LISTING RULES IMPLICATION

Nankai Trading is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2026 Renewed Framework Sales Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Annual Caps for the three financial years ending 31 December 2029 are RMB11.0 million, RMB11.0 million and RMB11.0 million, respectively. Since the Annual Caps exceed HK$10,000,000 but are less than 5% of all the percentage ratios (other than the profits ratio) as defined in Rule 14A.76 of the Listing Rules, the transactions contemplated under the 2026 Renewed Framework Sales Agreement are subject to the annual reporting, annual review, announcement but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

The Annual Caps were approved by the Board. As each of Mr. Mei and Ms. Liu Ping (an executive Director, one of the Controlling Shareholders and spouse of Mr. Mei) has or may be regarded as having a material interest in the 2026 Renewed Framework Sales Agreement, each of them has abstained from voting in the relevant board meeting of the Company.

BACKGROUND

THE 2026 RENEWED FRAMEWORK SALES AGREEMENT

Reference is made to the announcement of the Company dated 10 November 2023 (the "**Announcement**"). On 10 November 2023, Jiangnan Precision (an indirect wholly-owned subsidiary of the Company) and Nankai Trading (a connected person of the Company) entered into the 2023 Framework Sales Agreement pursuant to which Jiangnan Precision agreed to the sale of scrap metal materials to Nankai Trading effective from 1 January 2024 to 31 December 2026, which constituted continuing connected transactions of the Company under the Listing Rules.

As the 2023 Framework Sales Agreement is due to expire on 31 December 2026, on 16 November 2026, Jiangnan Precision and Nankai Trading entered into the 2026 Renewed Framework Sales Agreement in relation to the sale of scrap metal materials by Jiangnan Precision to Nankai Trading, in order to continue with the transactions under the 2023 Framework Sales Agreement after 31 December 2026 under the terms of the 2026 Renewed Framework Sales Agreement.

The principal terms of the 2026 Renewed Framework Sales Agreement are set out as follows:

Date

16 November 2026 (after trading hours)

Parties

(i) Nankai Trading (as purchaser); and

(ii) Jiangnan Precision (for itself and on behalf of other members of our Group) (as supplier).

Term (period)

Three years from 1 January 2027 to 31 December 2029

Transactions under the 2026 Renewed Framework Sales Agreement

Pursuant to the 2026 Renewed Framework Sales Agreement, Nankai Trading agrees to purchase, on a non-exclusive basis, from Jiangnan Precision scrap metal materials pursuant to the terms of the 2026 Renewed Framework Sales Agreement.

The 2026 Renewed Framework Sales Agreement is a framework sales agreement which contains the principles, mechanisms and terms and conditions upon which the parties thereto are to carry out the transactions contemplated thereunder. Pursuant to the 2026 Renewed Framework Sales Agreement, Nankai Trading may, at the end of each calendar month, during the term of the 2026 Renewed Framework Sales Agreement, enter into separate sales agreement(s) in respect of the purchases covered by the 2026 Renewed Framework Sales Agreement, which will specify, among others, the payment terms, price and quantity of scrap metal materials to be purchased in the following calendar month, provided that such separate sales agreement(s) shall always be subject to the terms of the 2026 Renewed Framework Sales Agreement.

Basis of pricing

The price under the sales agreement(s) will be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and on the following principles:

The purchase price of scrap metal materials is to be determined based on (i) the market price of scrap metal materials, steel wires and other similar products charged by nearby independent manufacturers and (ii) factors including quantity of purchase and mode of delivery. In determining the market price, the Company will compare the prices of scrap metal materials, steel wires and other similar products from at least two nearby independent manufacturers of those products to ensure that price is no more favourable than those offered by Jiangnan Precision to Independent Third Parties.

Termination

The 2026 Renewed Framework Sales Agreement can be terminated by mutual agreement or in the event of a breach committed by either party as specified in the 2026 Renewed Framework Sales Agreement.

Historical amount

The annual caps under the 2023 Framework Sales Agreement are set out below:

	RMB
For the financial year ended 31 December 2024	13,000,000
For the financial year ended 31 December 2025	13,000,000
For the financial year ending 31 December 2026	13,000,000

The historical transaction amounts under the 2023 Framework Sales Agreement are set out below:

	RMB
For the financial year ended 31 December 2024	11,188,881
For the financial year ended 31 December 2025	9,330,945
For the nine months ended 30 September 2026	6,398,544

Annual caps and basis

Pursuant to the 2026 Renewed Framework Sales Agreement, the transaction amount between Jiangnan Precision and Nankai Trading for the sale of scrap metal materials under the 2026 Renewed Framework Sales Agreement shall be subject to the annual caps as follows:

	RMB
For the financial year ended 31 December 2027	11,000,000
For the financial year ended 31 December 2028	11,000,000
For the financial year ending 31 December 2029	11,000,000

The above annual caps have been determined with reference to, among others, (i) the historical amount as set out above; and (ii) the anticipated market price of scrap metal materials in the PRC market for the three years ending 31 December 2029.

INTERNAL CONTROL MEASURES

In order to ensure that the terms for the and sale of scrap metal materials under the 2026 Renewed Framework Sales Agreement are not less favourable than the terms offered by Jiangnan Precision to Independent Third Parties, the Company has adopted the following measures:

(i) the relevant personnel of the Company will keep track of the sales records on the sale of scrap metal materials by Jiangnan Precision to Independent Third Parties for the purpose of ensuring that the price determined by Jiangnan Precision for the sale of scrap metal materials will be comparable to, or no less favourable than, the fair market prices for similar goods or under similar sales arrangement offered to Independent Third Parties by Jiangnan Precision;

(ii) the relevant personnel of the Company will keep track of the transaction amount for the sale of scrap metal materials under the 2026 Renewed Framework Sales Agreement for the purpose of ensuring that the Annual Caps will not be exceeded; and

(iii) the Company has adopted relevant reporting and record-keeping procedures to allow independent non-executive Directors and auditors of the Company to perform annual review of the sale of scrap metal materials under the 2026 Renewed Framework Sales Agreement and ensure that the transactions conducted under the 2026 Renewed Framework Sales Agreement complied with (i) the Company's internal control procedures, (ii) the terms of the 2026 Renewed Framework Sales Agreement and (iii) the relevant requirements under the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 RENEWED FRAMEWORK SALES AGREEMENT

As at the date of this announcement, Nankai Trading engages in the sales and trading of metal materials and demands for metal materials for its business operation. Our Group's process of manufacturing galvanized steel products generates scrap materials during its production process.

The Directors, including the independent non-executive Directors, after reviewing the terms of the 2026 Renewed Framework Sales Agreement, are of the view that the 2026 Renewed Framework Sales Agreement and the transactions contemplated thereunder have been entered into on normal commercial terms (or on terms which are no less favourable to the Group), in the ordinary and usual course of business of the Group and the terms of the 2026 Renewed Framework Sales Agreement as well as the Annual Caps are fair and reasonable and in the interests of our Company and our Shareholders as a whole. For details of the annual caps, please refer to the paragraph headed "Listing Rules Implication" in this announcement below.

INFORMATION ON THE GROUP AND JIANGNAN PRECISION

The Group is a private manufacturer of galvanized steel product in the home appliance sector, and primarily engages in the provision of galvanized steel and painted steel to mainly midstream processors and home appliance manufacturers for manufacturing home appliances, the majority of which are white goods including refrigerators and washing machines.

Jiangnan Precision is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It principally engages in manufacture, process and sale of precision steel material for home appliance industry; manufacture, process and sale of cold-rolled steel coil, galvanized steel coil and sheet, colour coated coil and sheet, automatic coating coil and sheet for metal material; sale of metal material and ferrous chloride.

INFORMATION ON NANKAI TRADING

Nankai Trading is a company incorporated in the PRC with limited liability and principally engages in the sales and trading of metal materials.

As of the date of this announcement, Nankai Trading is owned as to 60% by Mr. Mei Yuqiu（梅一秋）("**Mr. Mei YQ**"), a cousin of Mr. Mei Zefeng ("**Mr. Mei**"), one of the Controlling Shareholders of the Company. As such, each of Mr. Mei YQ and Nankai Trading is regarded as an associate of Mr. Mei, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATION

As stated above, Nankai Trading is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2026 Renewed Framework Sales Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Annual Caps for the three financial years ending 31 December 2029 are RMB11.0 million, RMB11.0 million and RMB11.0 million, respectively. Since the Annual Caps exceed HK$10,000,000 but are less than 5% of all the percentage ratios (other than the profits ratio) as defined in Rule 14A.76 of the Listing Rules, the transactions contemplated under the 2026 Renewed Framework Sales Agreement are subject to the annual reporting, annual review, announcement but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BOARD'S APPROVAL

The Annual Caps were approved by the Board. As each of Mr. Mei and Ms. Liu Ping (an executive Director, one of the Controlling Shareholders and spouse of Mr. Mei) has or may be regarded as having a material interest in the 2026 Renewed Framework Sales Agreement, each of them has abstained from voting in the relevant board meeting of the Company.

DEFINITION

"2023 Framework Sales Agreement"	an agreement dated 10 November 2023 entered into between Jiangnan Precision and Nankai Trading in relation to the sale of scrap metal materials by Jiangnan Precision to Nankai Trading effective from 1 January 2024 to 31 December 2026
"2026 Renewed Framework Sales Agreement"	an agreement dated 16 November 2026 entered into between Jiangnan Precision and Nankai Trading in relation to the sale of scrap metal materials by Jiangnan Precision to Nankai Trading effective from 1 January 2027 to 31 December 2029
"Annual Caps"	the proposed annual caps under the 2026 Renewed Framework Sales Agreement in the amount of RMB11.0 million, RMB11.0 million and RMB11.0 million, respectively, for each of the financial years ending 31 December 2027, 2028 and 2029
"Board"	the board of Directors
"Company"	KangLi International Holdings Limited (康利國際控股有限公司), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 06890)
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	individual(s) or company(ies) not connected with (within the meaning of the Listing Rules) any Director, chief executive or Substantial Shareholder of the Company or any of its subsidiaries or any of their respective associates

"Jiangnan Precision"	Jiangsu Jiangnan Precision Metal Material Co., Limited*（江蘇江南精密金屬材料有限公司）, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Nankai Trading"	Changzhou Nankai Trading Co. Ltd.*（常州南凱物貿有限公司）, a company incorporated in the PRC with limited liability, a connected person of the Company
"PRC"	the People's Republic of China, which for the purposes of this announcement, shall not include Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	renminbi, the lawful currency of the PRC
"Shareholder(s)"	the holder(s) of the Shares
"Shares"	ordinary shares of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

* *denotes as English translation of a Chinese name and is provided for identification purposes only*

In this announcement, unless the context otherwise requires, the terms "associate(s)", "connected person(s)", "connected transaction(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

By Order of the Board
KangLi International Holdings Limited
Liu Ping
Chairman

Hong Kong, 16 November 2026

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Mei Zefeng, Ms. Liu Ping, Mr. Zhang Zhihong, Mr. Xu Chao and Ms. Lu Xiaoyu, and three independent non-executive Directors, being Mr. Lau Ying Kit, Mr. Qu Xuanhua and Mr. Cao Cheng.