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

ACQUISITION OF PROPERTIES AND ASSETS IN BRAZIL FOR AFTER-SALES SERVICE

This announcement is made in connection with the acquisition of properties and related assets at Sao Roque City, State of Sao Paulo, Brazil by the Group for its after-sales services for an aggregate consideration of approximately R$6.3 million (equivalent to approximately HK$23.7 million). The Vendor 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 Acquisition are less than 5%, the Acquisition is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but is exempted from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

A. ACQUISITION OF THE PROPERTIES

Parties to the Property Acquisition Agreement

(i) the Vendor (as vendor); and

(ii) the Purchaser (as purchaser).

Date of the Property Acquisition Agreement

16 November 2012

The Properties

The Buildings comprises a warehouse, an office building, a guardhouse and an electricity room of approximately 5,598.51 square metres in total for storage and maintenance of machineries and office use. The Buildings have been leased to the Group for storage of the Group's products pending delivery to customers in Brazil and related after-sales services since 2008.

The Land on which the Buildings are located has a size of approximately 10,733.72 square metres located at Sao Roque City, State of Sao Paulo, Brazil.

Consideration

The consideration for the acquisition of the Properties is approximately R$5.1 million (equivalent to approximately HK$19.2 million). The Group would pay R$800,000 (equivalent to approximately HK$3.0 million) and the remaining sum of the consideration within two weeks and 180 days from the date of the Property Acquisition Agreement respectively.

The consideration was based on the valuation of the Buildings and the Land by an independent valuation firm appointed by the Purchaser at approximately R$5.1 million (equivalent to approximately HK$19.2 million). The total costs (including land purchase cost and construction expenses) of the Buildings and the Land were approximately R$4.6 million (equivalent to approximately HK$17.3 million).

The consideration for the acquisition of the Properties was determined on the basis of normal commercial terms following arm's length negotiations between the Group and the Vendor. The Group will fund the acquisition of the Properties through internal resources.

B. ACQUISITION OF THE ASSETS

Parties to the Asset Acquisition Agreement

(i) the Vendor (as vendor); and

(ii) the Purchaser (as purchaser).

Date of the Asset Acquisition Agreement

16 November 2012

The Assets

The Assets include machinery processing equipment, office furniture and other auxiliary facilities. The Assets have been leased to the Group for its after-sales services in Brazil since 2008.

Consideration

The consideration for the acquisition of the Assets is approximately R$1.2 million (equivalent to approximately HK$4.5 million), to be paid by the Group within 180 days from the date of the Asset Acquisition Agreement.

The consideration for the acquisition of the Assets was based on the book value of the Assets at approximately R$1.2 million (equivalent to approximately HK$4.5 million). The total purchase costs of the Assets were approximately R$1.8 million (equivalent to approximately HK$6.8 million).

The consideration of the acquisition of the Assets was determined on the basis of normal commercial terms following arm's length negotiations between the Group and the Vendor. The Group will fund the acquisition of the Assets through internal resources.

C. FURTHER INFORMATION OF THE PROPERTIES AND THE ASSETS

During the two financial years ended 31 December 2010 and 2011, the Group paid R$162,000 (equivalent to approximately HK$610,000) and R$180,000 (equivalent to approximately HK$678,000) respectively to the Vendor for the lease of the Properties and the Assets. This was the sole income of the Vendor arising from the Properties and the Assets during these two years.

D. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been leasing the Buildings and the Assets for its after-sales services to customers in Brazil since 2008 and considers maintaining a stable presence for emerging markets in Brazil and Latin America is critical for the Group's business development in such region. As informed by the Vendor of its plan to sell the Properties and the Assets, the Group considers it will be more cost efficient and create less disturbance to the Group's after-sales services to acquire the Properties and the Assets at reasonable price.

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

E. LISTING RULES IMPLICATIONS

The Vendor is a wholly owned subsidiary of Ningbo Haitian. Mr. Zhang Jingzhang, the Chairman, and his associates (including Mr. Zhang Jianming and Mr. Zhang Jianfeng, both executive Directors and Mr. Zhang Jingzhang's sons, and Mr. Guo Mingguang and Mr. Liu Jianbo, both non-executive Directors and Mr. Zhang Jingzhang's sons-in-law) are interested in 54.42% equity interest in Ningbo Haitian and pursuant to Rule 14A.11(4) of the Listing Rules, the Vendor 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 Acquisition are less than 5%, the Acquisition is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules but is exempted from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

Directors including Mr. Zhang Jingzhang, Mr. Zhang Jianming, Mr. Zhang Jianfeng, Mr. Guo Mingguang, Mr. Liu Jianbo, Mr. Zhang Jianguo, Mr. Hu Guiqing and Ms. Chen Ningning, who are considered to have material interests in the Acquisition, had abstained from voting on the resolution of the Board to approve the Acquisition.

F. 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. The Purchaser is an indirect wholly owned subsidiary of the Company and is engaged in sales and after-sale servicing of plastic injection moulding machineries in Brazil and nearby regions.

The Vendor is an investment holding company. The Properties and the Assets are its major assets.

G. DEFINITIONS

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

"Acquisition"	the acquisition of the Properties and the Assets by the Group;
"Assets"	the assets purchased by the Group under the Asset Acquisition Agreement including machinery processing equipment, office furniture and other auxiliary facilities;
"Asset Acquisition Agreement"	the agreement dated 16 November 2012 entered into between the Vendor and the Purchaser for the sale and purchase of the Assets;
"associate(s)"	has the meaning as defined in the Listing Rules;
"Board"	the board of Directors of the Company;
"Buildings"	comprising a warehouse, an office building, a guardhouse and an electricity room of approximately 5,598.51 square metres in total located on the Land for storage and maintenance of machineries and office use;
"Company"	Haitian International Holdings Limited, a limited liability company incorporate in the Cayman Islands;
"connected person"	has the meaning as defined in the Listing Rules;
"Director(s)"	director(s) of the Company;
"Group"	the Company and its subsidiaries;
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC;

"Land"	a piece of land of approximately 10,733.72 square metres located at No. 128 Nelson Vernalha Street, Sao Roque City, State of Sao Paulo, Brazil;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Ningbo Haitian"	寧波海天股份有限公司 (Ningbo Haitian Group Co., Ltd.*), a limited liability company incorporated in the PRC;
"PRC"	the People's Republic of China;
"Properties"	the Land and the Buildings;
"Property Acquisition Agreement"	the agreement dated 16 November 2012 entered into between the Vendor and the Purchaser for the sale and purchase of the Properties;
"Purchaser"	HAITIAN HUAYUAN SOUTH AMERICA COMERCIO DE MAQUINAS LTDA., a limited liability company incorporated in Brazil and an indirect wholly owned subsidiary of the Company;
"R$" or "BRL"	Real, the lawful currency of Brazil; and
"Vendor"	HAITIAN AMERICA DO SUL COMERCIO DE MAQUINAS LTDA., a limited liability company incorporated in Brazil and a connected person of the Company.

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

Ningbo, PRC, 16 November 2012

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jingzhang, Mr. Zhang Jianming, Prof. Helmut Helmar Franz, Mr. Zhang Jianfeng, Mr. Zhang Jianguo and Ms. Chen Ningning; the Non-executive Directors are Mr. Hu Guiqing, Mr. Guo Mingguang and Mr. Liu Jianbo; and the Independent Non-executive Directors are Mr. Dai Guowah, Mr. Gao Xunxian, Dr. Steven Chow and Mr. Lou Baijun.

In this announcement, unless otherwise stated, certain amounts denominated in R$ have been translated into HK dollars at an exchange rate of R$1= HK$3.7647, for illustration purpose only. Such conversions shall not be construed as representations that amounts in R$ 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.*