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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 DISPOSAL OF LAND

This announcement is made in connection with the disposal of land by the Group to Haitian Precision for an aggregate consideration of approximately RMB46,334,319 (equivalent to approximately HK\$52,652,635). Haitian Precision is a connected person of the Company. As certain applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the Disposal are higher than 0.1% but less than 2.5%, the Disposal 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. DISPOSAL OF LAND

Parties to the Land Transfer Agreement

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

Date of the Land Transfer Agreement

15 July 2009

The Land to be disposed

The Land is a piece of vacant land of approximately 121,294 square metres located at Yanshan Village, Xiaogang Town, Beilun District, Ningbo, the PRC. Haitian Technology has obtained the state-owned land use right certificate of the Land for a term until 10 April 2058 for industrial use.

Consideration

The consideration for the Disposal by Haitian Technology to Haitian Precision is approximately RMB46,334,319 (equivalent to approximately HK\$52,652,635), to be paid by Haitian Precision within 30 days after the administrative procedure for transfer of title of the Land is completed.

The book value of the Land recorded in the accounts of the Group is approximately RMB47,902,300 and the Group would record a loss of approximately RMB1,567,981 as a result of the Disposal. The consideration for the Disposal was based on the original cost of acquisition of the Land incurred by Haitian Technology (i.e. approximately RMB46,334,319) and was determined on the basis of normal commercial terms following arm's length negotiations between the Group and Haitian Precision. The Directors plan to use the sale proceeds as general working capital.

B. REASONS FOR AND BENEFITS OF THE PURCHASE

The Land was acquired by Haitian Technology in early 2008 for the purpose of planned expansion of the production capacity of the Group. As a result of the impact of the worldwide financial crises and global economic downturn, there was a decrease in orders from the Group's customers during the first half of 2009 and the planned expansion of production capacity of the Group would be suspended. Accordingly, the Directors consider it would be to the benefits of the Group to dispose the Land and increase cash level of the Group. In addition, the Directors consider the selling price of the Land is reasonable in view of the current economic environment and demand of industrial land in China.

The Directors, including the independent non-executive Directors, believe that the Disposal 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 51.0% by Ningbo Haitian and as to approximately 49.0% by Anson Asia. Mr. Zhang Jingzhang and his associates (including Mr. Zhang Jianming and Mr. Zhang Jianfeng, both executive Directors and sons of Mr. Zhang Jingzhang, and Mr. Guo Mingguang and Mr. Liu Jianbo, both executive Directors and the son-in-laws of Mr. Zhang Jingzhang) are interested in 54.42% equity interest in Ningbo Haitian and pursuant to Rule 14A.11(4) of the Listing Rules, Haitian Precision is a connected person of the Company. As certain applicable percentage ratio(s) (as defined in Rule 14.07 of the Listing Rules) with respect to the Disposal are higher than 0.1% but less than 2.5%, the Disposal 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.

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 Technology is a major operating subsidiary of the Company engaged in production of plastic injection moulding machineries.

Haitian Precision is engaged in the design, development, manufacture and sale of computer numerically controlled turning machines and machining centres.

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 company incorporated in Hong Kong;
“associate(s)”	has the meaning as defined in the Listing Rules;
“Board”	the board of Directors of the Company;
“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;
“Disposal”	the disposal of the Land by Haitian Technology to Haitian Precision pursuant to the Land Transfer Agreement;
“Group”	the Company and its subsidiaries;
“Haitian Precision”	Ningbo Haitian Precision Machinery Co., Ltd., a limited liability company incorporated in the PRC;
“Haitian Technology”	寧波海天科技有限公司 (Ningbo Haitian Technology Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly owned subsidiary of the Company;
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC;
“Land”	a piece of vacant land of approximately 121,294 square metres located at Yanshan Village, Xiaogang Town, Beilun District, Ningbo, the PRC owned by Haitian Technology;
“Land Transfer Agreement”	the state-owned land use right transfer agreement in Chinese dated 15 July 2009 entered into between Haitian Technology and Haitian Precision for the Disposal;
“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; 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

PRC, 16 July 2009

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, Mr. Guo Mingguang, Ms. Chen Ningning and Mr. Liu Jianbo; the Non-executive Director is Mr. Hu Guiqing; and the Independent Non-executive Directors are Mr. Pan Chaoyang, Mr. Gao Xunxian, Mr. Dai Xiangbo and Dr. Steven Chow.

In this announcement, unless otherwise stated, certain amounts denominated in RMB have been translated into HK dollars at an exchange rate of RMB0.88 = 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.*