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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST IN GUOHUA MACHINERY

Reference is made to the announcement of the Company dated 5 January 2025 (the "**Announcement**") in relation to the disposal of the Equity Interest, representing the entire equity interest in Guohua Machinery. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information in relation to the Disposal.

VALUATION METHOD

As disclosed in the Announcement, the Valuer has adopted an asset-based approach in appraising the value of the Equity Interest. According to the valuation report (the "**Valuation Report**") issued by the Valuer with respect to the independent valuation of the Equity Interest (the "**Valuation**"), the Valuer has considered three generally accepted approaches, namely the market approach, asset-based approach and income approach. Of the three approaches, the Valuer considered that the asset-based approach is the most appropriate approach for the Valuation.

According to the Valuation Report, the Valuer was unable to identify publicly traded companies in the open market that are comparable with Guohua Machinery, nor could they obtain information regarding similar transaction cases from the open market. Therefore, the Valuer did not adopt the market approach. Also, as at 31 August 2025, being the cut-off date or the valuation benchmark date for the Valuation (the "**Cut-off Date**"), Guohua Machinery did not commence actual production and its income is primarily derived from rental fees for leasing factory buildings and supporting assets which it owns to related parties with its historical financial statements indicating continuous losses (also as disclosed in the Announcement, for the eight months ended the Cut-off Date, and the two years ended 31 December 2024 and 2023, Guohua Machinery recorded net loss). Considering that Guohua Machinery did not have a clear future business plan and the significant uncertainty regarding its future earnings, the Valuer did not adopt the income approach. On the other hand, the Valuer noted that the assets and liabilities of Guohua Machinery can be reasonably identified, and therefore, based on the characteristics of Guohua Machinery and the information collected by the Valuer, the Valuer adopted the asset-based approach to appraise the value of the Equity Interest.

KEY ASSUMPTIONS

According to the Valuation Report, the following assumptions have been made for the Valuation:

1. The Valuation assumes change in the ownership interests of the appraised assets, which includes both complete and partial changes in ownership interests.

2. The Valuation assumes that relevant transactions occur in an open market.

3. The Valuation assumes the appraised entity will continue operating as a going concern in accordance with its current business objectives. It means that all assets of the appraised entity will be used for their current purposes and in their current manner of use, without any alteration in their use, or change in the planning or manner of use.

4. The Valuation assumes that the legal documents, accounting vouchers, ledgers, and other materials provided by the appraised entity are authentic, complete, lawful, and reliable.

5. The Valuation assumes a relatively stable macroeconomic environment, where it is assumed that: (1) there will be no significant changes in the PRC's current macroeconomic, political, or policy conditions; (2) there will be no significant changes in the industrial policies of the sector in which the appraised entity operates; (3) socio-economic development is assumed to remain stable; (4) monetary and financial policies are assumed to remain unchanged and will not cause major economic fluctuations; (5) tax regulations, tax types, and tax rates are assumed to remain largely unchanged; and (6) there will be no significant changes in interest rates or exchange rates.

6. The Valuation assumes a relatively stable operating environment for the appraised entity, where it is assumed that there will not be significant changes in the social, political, legal, or economic conditions of the principal business locations and regions where the appraised entity operates, and that the appraised entity will operate within its established business scope without any policy, legal, or artificial obstacles.

INPUT PARAMETERS AND CALCULATION PROCESS OF THE VALUATION

According to the Valuation Report and the valuation approach used, the appraised value of the Equity Interest as at the Cut-off Date was calculated as the sum of: (1) the appraised value of current assets (being the same as their book value) of Guohua Machinery; and (2) the appraised value of non-current assets of Guohua Machinery, minus (3) the appraised value of the liabilities (being the same as their book values) of Guohua Machinery. Where book values of the relevant assets or liabilities of Guohua Machinery as at the Cut-off Date were used in the Valuation Report, such book values were obtained from the audited financial statements of Guohua Machinery as at and for the eight months ended 31 August 2025 (the "**Audited Financial Statements**"), which coincided with the Cut-off Date.

(1) Current assets

The current assets of Guohua Machinery included in the scope of the Valuation were Guohua Machinery's monetary funds, accounts receivables, other receivables and other current assets. The Valuer used the book value of the current assets of Guohua Machinery as their appraised value, which was, as at the Cut-off Date, RMB2,737,944.75.

(2) Non-current assets

The non-current assets of Guohua Machinery included in the scope of the Valuation consisted of Guohua Machinery's (i) factory buildings (the "**Factory Buildings**") and their corresponding land-use rights (the "**Land-use Rights**", and the land in respect of the Land-use Rights were granted, the "**Subject Land**") (categorised under the investment property item in the Audited Financial Statements), (ii) certain equipment (the "**Equipment**") (categorised under the fixed assets item in the Audited Financial Statements) and (iii) long-term deferred expenses. According to the Valuation Report, the appraised value of the non-current assets of Guohua Machinery was, as at the Cut-off Date, RMB345,442,250.00, while their book value was, as at the Cut-off Date, RMB250,228,563.62.

The Factory Buildings and the Subject Land are located in an industrial area in Beilun District, Ningbo City. The Equipment consists of certain lifting equipment as well as the power supply system for buildings, and is located at the same area as the Factory Buildings.

(A) Investment Property – Factory Buildings

To appraise the value of the Factory Buildings, the Valuer adopted the cost approach. While the basic valuation methods for investment property include the market approach, income approach and cost approach, the Valuer did not adopt the market approach or income approach as the specialised industrial-use properties similar to the Factory Buildings have a relatively inactive transaction or rental markets with limited comparable transactions or rental cases to which the Valuer could refer. On the other hand, the Valuer noted that the markets for construction elements such as labour, materials, machinery are relatively active, and relevant price information is more obtainable. As such, the Valuer considered the cost approach to be the most appropriate for appraising the value of the Factory Buildings.

The Valuer adopted the following formula to appraise the value of the Factory Buildings under the cost approach:

$$\text{Appraised Value} = \text{Replacement Cost} \times \text{Remaining Value Rate}$$

where:

Replacement cost was calculated by summing up the following components: (1) construction and installation costs, which the Valuer obtained based on the construction and installation costs for buildings similar to the Factory Buildings in recent projects, and were adjusted for structural, level, foundation, decoration, material and labour differences; (2) pre-construction and other costs, which the Valuer, having considered relevant construction rules and the circumstances of Guohua Machinery, took a percentage of the construction and installation costs; (3) statutory construction fees, which is the urban infrastructure charges assessed per square metre; (4) accrued interest, calculated over the normal construction period using prevailing loan rates and assuming even-distribution of capital investment in the construction process; and (5) developer's profit, based on industry-average investment return rates.

Remaining value rate (also called newness rate or depreciation rate) used in the Valuation was determined by taking the weighted average of the remaining value rates calculated under two methods, i.e. service life method, which takes into account the economic service life of buildings and elapsed years of use, and condition scoring method, which is derived from weighted scoring of the remaining value rates of structural, decorative and equipment components of a building.

Based on the above, the Valuer calculated the appraised value of the Factory Buildings to be, as at the Cut-off Date, RMB186,428,860.00.

(B) Investment Property – Land-use Rights

To appraise the value of the Land-use Rights, the Valuer adopted the market approach. The common land valuation methods include the market approach, income capitalisation approach, hypothetical development approach, cost approximation approach, and benchmark land price coefficient adjustment approach. Based on the information collected by the Valuer who had taken into account the industrial land market conditions in Ningbo City, together with the specific characteristics of the Subject Land, its land-use nature, and the purpose of the Valuation, and the fact that the Subject Land is land for industrial use and is located in Beilun District, Ningbo City, where the land market was relatively active, the Valuer adopted the market approach to appraise the value of the Land-use Rights.

Under the market approach, the Valuer took reference to the recent comparable land parcel transaction cases. The appraisal of the value of the Land-use Rights was done by taking into account the price information in such cases, adjusted for differences between the Subject Land and the land parcels in such cases with respect to transaction circumstances, transaction dates, land locations, land individual factors, and remaining land-use term. The Valuer adopted the following formula to appraise the value of the Land-use Rights under the market approach:

$$V = V_B \times A \times B \times C \times D \times E$$

where:

V = Value of the Land-use Rights
V_B = Transaction price in the recent comparable land parcel transaction cases
A–E are adjustment coefficients which were designed to adjust V_B on account of differences between the Subject Land and the land parcels in comparable cases with respect to (A) transaction circumstances (where unusual transactions are excluded), (B) transaction dates, (C) land locations, (D) individual land factors (such as shape, area, development level of a land parcel), and (E) remaining land-use term.

Based on the above, having also considered the relevant deed tax rate, the Valuer calculated the appraised value of the Land-use Rights to be, as at the Cut-off Date, RMB138,509,240.00.

(C) Fixed Assets – Equipment

According to the Valuation Report, based on the purpose of the Valuation, taking into account the conditions, characteristics of the Equipment and collected information through on-site inspection, the Valuer used the cost approach to calculate the appraised value of the Equipment. The calculation formula is as follows:

$$\text{Appraised Value} = \text{Replacement Cost} \times \text{Remaining Value Rate} - \text{Functional Depreciation} - \text{Economic Depreciation}$$

where:

Replacement cost was based on the Equipment's current purchase price in addition to other relevant fees, including transportation and miscellaneous fees, installation and commissioning costs, construction period management fees and financing costs. The Equipment's current purchase price was determined by obtaining the prevailing market price of the Equipment through direct quotations from manufacturers and consulting relevant resources, or, where such market information was not obtainable, by obtaining the prevailing market price of equipment with comparable specifications and models with the Equipment followed by appropriate adjustments using methods such as the scale index method and the price index method.

Remaining value rate was determined using the comprehensive adjustment coefficient method by first establishing the Equipment's economic service life (N) and estimating its remaining service life (n). Subsequently, an on-site assessment was conducted to evaluate utilisation, workload, condition, operating environment and maintenance in respect of the Equipment. These factors were then analysed collectively to deduce a remaining value rate which reflects both the Equipment's physical state and operational efficiency. The calculation for the remaining value rate is based on the following formula:

$$K = \frac{n}{N} \times B_1 \times B_2 \times B_3 \times B_4 \times B_5 \times 100\%$$

where:

K = Remaining Value Rate
n = Remaining Service Life
N = Economic Service Life
B_1 to B_5 are adjustment coefficients selected by the Valuer based on industry practice and historical data:

Utilisation Coefficient (B_1): 0.85–1.15
Workload Coefficient (B_2): 0.85–1.15
Condition Coefficient (B_3): 0.85–1.15
Environment Coefficient (B_4): 0.80–1.00
Maintenance Coefficient (B_5): 0.85–1.15

The functional depreciation was not considered as the Valuer adopted the cost approach with respect to the valuation of the Equipment. Also, the economic depreciation was not considered as the Valuer, who noted based on the information obtained, that the Equipment operated at normal utilisation levels, and there were no external economic factors causing reduced output or shortened service life.

Based on the above, the Valuer calculated the appraised value of the Equipment to be, as at the Cut-off Date, RMB20,504,150.00.

(D) Long-term Deferred Expenses

According to the Valuation Report, as at the Cut-off Date, the book value of the long-term deferred expenses of Guohua Machinery was RMB702,675.85 (created in August 2023, to be amortised over five years), representing the remaining amortised balance of Guohua Machinery's renovation project for its north plant. As noted in the Valuation Report, since the Valuer has already taken into account the said renovation project when appraising the value of the investment property of Guohua Machinery, the Valuer adjusted the long-term deferred expenses of Guohua Machinery to nil.

(3) Liabilities

The liabilities included in the scope of the Valuation are Guohua Machinery's current liabilities, consisting of taxes payable and other payables (as at the Cut-off Date, Guohua Machinery had no non-current liabilities). The Valuer used their book values as their appraised values, which were, as at the Cut-off Date, in an aggregate amount of RMB11,818,721.87.

REASONS OF MATERIAL DIFFERENCES BETWEEN BOOK VALUES AND APPRAISED VALUES

According to the Valuation Report, as at the Cut-off Date, the total assets of Guohua Machinery had a book value of RMB252,966,508.37 and an appraised value of RMB348,180,194.75, representing an appreciation of RMB95,213,686.38 with an appreciation rate of 37.64%, while the book value and the appraised value of the total liabilities of Guohua Machinery were the same, namely, RMB11,818,721.87. Consequently, as at the Cut-off Date, the appraised value of the shareholder's equity of Guohua Machinery, namely, the appraised value of the Equity Interest as at the Cut-off Date, was RMB336,361,472.88, representing an appreciation of RMB95,213,686.38 and an appreciation rate of 39.48% compared with its book value. As such, the material differences between the book values and appraised values of the Equity Interest are mainly due to the appreciation of the investment property and fixed assets of Guohua Machinery, as further shown in the following table.

Item	As at 31 August 2025 Book Value (A) *in RMB*	Appraised Value (B) *in RMB*	Increase/(Decrease) (C = B – A) *in RMB*	Appreciation/ (Depreciation) Rate (D = C ÷ A × 100) %
I. Current Assets	**2,737,944.75**	**2,737,944.75**	–	–
II. Non-Current Assets	**250,228,563.62**	**345,442,250.00**	95,213,686.38	38.05
Investment Property	233,763,076.46	324,938,100.00	91,175,023.54	39.00
Fixed Assets	15,762,811.31	20,504,150.00	4,741,338.69	30.08
Long-term Deferred Expenses	702,675.85	0.00	(702,675.85)[1]	(100.00)[1]
Total Assets	**252,966,508.37**	**348,180,194.75**	95,213,686.38	37.64
III. Current Liabilities	**11,818,721.87**	**11,818,721.87**	–	–
Total Liabilities	**11,818,721.87**	**11,818,721.87**	–	–
Shareholder's Equity	**241,147,786.50**	**336,361,472.88**	95,213,686.38	39.48

Note (1) – As disclosed in a section in this announcement headed "*Long-term Deferred Expenses – Input Parameters and Calculation Process of the Valuation*", the total depreciation of the long-term deferred expenses of Guohua Machinery as shown in the table above was due to a deliberate adjustment made by the Valuer to avoid double counting.

THE BOARD'S ASSESSMENT ON WHETHER AND HOW THE CONSIDERATION DETERMINED BASED ON THE INDEPENDENT VALUATION IS FAIR AND REASONABLE

The Board has reviewed the methods, basis, and assumptions adopted for the Valuation in the Valuation Report. Based on the review of the Valuation Report and considering:

(i) the assumptions adopted by the Valuer in the Valuation Report are reasonable, and taking into account the actual situation of Guohua Machinery, the use of the asset-based approach to appraise the value of the Equity Interest is more operational and accurate than other valuation methods;

(ii) the Board has not identified any major factors that would cause it to doubt the fairness and reasonableness of the valuation method (i.e. asset-based approach) or assumptions adopted by the Valuer; and

(iii) the book values of Guohua Machinery used in the Valuation are from the Audited Financial Statements, which has a financial period end date that is the same as the Cut-off Date for the Valuation. The alignment between the Cut-off Date and the financial period end date ensures accuracy in deriving certain appraisal items' values in the Valuation and in calculating relevant appreciation rates and appreciation amounts of the appraised assets,

the Board is of the view that the valuation method (i.e. asset-based approach) and assumptions adopted by the Valuer in the Valuation are fair and reasonable, and the appraised value of the Equity Interest as at the Cut-off Date has been carefully and thoroughly considered. Since the Consideration amount (save for the part representing and being numerically the same as the October Capital Injection) is based on the appraised value of the Equity Interest, which is considerably higher than it would have been if determined based on the book value of the Equity Interest, in the absence of other viable valuation methods other than the asset-based approach, the Board considers that the Consideration amount is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

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

Ningbo, PRC, 15 January 2026

As at the date of this announcement, the executive Directors 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.