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HUAZHONG IN-VEHICLE HOLDINGS COMPANY LIMITED

華眾車載控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6830)

CONNECTED TRANSACTIONS IN RELATION TO ACQUISITION OF PROPERTIES AND CAR PARKING SPACES

Sale and Purchase Agreement I

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the Office Units at a consideration of RMB40,742,245 (equivalent to approximately HK\$43,808,866) which will be satisfied by internal resources of the Group.

As at the date hereof, Ningbo Huayou Properties is owned as to 82% by Mr. Zhu Jianfeng and 18% by 寧波市華翔科技有限公司 (Ningbo Huaxiang Technology Co., Ltd.*), each an independent third party, respectively. Mr. Zhou Minfeng, the chairman of the Board of the Company, is a director of Ningbo Huayou Properties and has significant influence over the company. Ningbo Huayou Properties is therefore a connected person of the Company under the Listing Rules. Accordingly, the purchase of the Office Units by Ningbo Huazhong Plastic from Ningbo Huayou Properties constitutes a connected transaction for the Company under the Listing Rules.

Sale and Purchase Agreement II

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement II with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the Commodity Housing Units at a consideration of RMB9,332,305 (equivalent to approximately HK\$10,034,737) which will be satisfied by internal resources of the Group.

As at the date hereof, Ningbo Huayou Properties is owned as to 82% by Mr. Zhu Jianfeng and 18% by 寧波市華翔科技有限公司 (Ningbo Huaxiang Technology Co., Ltd.*), each an independent third party, respectively. Mr. Zhou Minfeng, the chairman of the Board of the Company, is a director of Ningbo Huayou Properties and has significant influence over the company. Ningbo Huayou Properties is therefore a connected person of the Company under the Listing Rules. Accordingly, the purchase of the Commodity Housing Units by Ningbo Huazhong Plastic from Ningbo Huayou Properties constitutes a connected transaction for the Company under the Listing Rules.

Sale and Purchase Agreement III

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement III with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the 122 Car Parking Spaces at a consideration of RMB9,948,000 (equivalent to approximately HK\$10,696,774) which will be satisfied by internal resources of the Group.

As at the date hereof, Ningbo Huayou Properties is owned as to 82% by Mr. Zhu Jianfeng and 18% by 寧波市華翔科技有限公司 (Ningbo Huaxiang Technology Co., Ltd.*), each an independent third party, respectively. Mr. Zhou Minfeng, the chairman of the Board of the Company, is a director of Ningbo Huayou Properties and has significant influence over the company. Ningbo Huayou Properties is therefore a connected person of the Company under the Listing Rules. Accordingly, the purchase of the 122 Car Parking Spaces by Ningbo Huazhong Plastic from Ningbo Huayou Properties constitutes a connected transaction for the Company under the Listing Rules.

INTRODUCTION

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement I with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the Office Units at a consideration of RMB40,742,245 (equivalent to approximately HK\$43,808,866) which will be satisfied by internal resources of the Group.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT I

Date: 23 November 2023

Vendor: Ningbo Huayou Properties

Purchaser: Ningbo Huazhong Plastic

Property: Flats 3-1, 3-2, 3-3, 4-1, 4-2, 4-3, 5-1, 5-2, 5-3, 6-1, 6-2, 6-3, 8-1, 8-2, 8-3, Building 39, No. 25 Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. It has 12 floors above ground level and 2 floors below ground level. Such office units are located on the third, fourth, fifth, sixth and eighth floors, and with a gross floor area of approximately 3,787.51 square meters.

No rental income has previously been generated by the Office Units.

Consideration: RMB40,742,245 (equivalent to approximately HK\$43,808,866), arrived at after arm's length negotiations between Ningbo Huayou Properties and Ningbo Huazhong Plastic based on the prevailing market price for similar properties transacted around the time of the negotiations. The consideration will be satisfied by the internal resources of the Group. The original acquisition cost is unavailable because it is developed by Ningbo Huayou Properties.

The consideration was also determined with reference to a property valuation report prepared by 寧波天潤資產評估有限公司 (Ningbo Tianrun Assets Evaluation Co, Ltd.*), an independent property valuer qualified in the PRC and engaged by the Company. According to the said report, which was prepared based on the comparison approach with reference to comparable transactions available in the market and adjustments for the specific furnishing conditions of the Office Units, the value of the Office Units was estimated at RMB40,742,245 (equivalent to approximately HK\$43,808,866) as at 3 November 2023.

Payment Terms: Instalment

- (1) The purchaser shall pay RMB twelve million (in figures: RMB12,000,000) by 31 December 2023;
- (2) The purchaser shall pay RMB sixteen million (in figures: RMB16,000,000) by 31 January 2024;
- (3) The purchaser shall pay RMB twelve million seven hundred and forty-two thousand two hundred and forty five (in figures: RMB12,742,245) by 28 February 2024

Date of Completion: On or before 28 February 2024

INTRODUCTION

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement II with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the Commodity Housing Units at a consideration of RMB9,332,305 (equivalent to approximately HK\$10,034,737) which will be satisfied by internal resources of the Group.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT II

Date: 23 November 2023

Vendor: Ningbo Huayou Properties

Purchaser: Ningbo Huazhong Plastic

Property: Flats 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1103, 1507, Building 36, No. 40 Huacheng Garden; and Flats 1014, 1703, 514, 614, 714, 814, Building 35, No. 42 and 50 Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. It has 25 floors above ground level and 2 floors below ground level. Such commodity housing is located on the fifth, sixth, seventh, eighth, tenth, eleventh, fifteenth and seventeenth floors, with a gross floor area of approximately 824.7 square meters.

No rental income has previously been generated by the Commodity Housing Units.

Consideration: RMB9,332,305 (equivalent to approximately HK\$10,034,737), arrived at after arm's length negotiations between Ningbo Huayou Properties and Ningbo Huazhong Plastic based on the prevailing market price for similar properties transacted around the time of the negotiations. The consideration will be satisfied by the internal resources of the Group. The original acquisition cost is unavailable because it is developed by Ningbo Huayou Properties.

The consideration was also determined with reference to a property valuation report prepared by 寧波天潤資產評估有限公司 (Ningbo Tianrun Assets Evaluation Co, Ltd.*), an independent property valuer qualified in the PRC and engaged by the Company. According to the said report, which was prepared based on the comparison approach with reference to comparable transactions available in the market and adjustments for the specific furnishing conditions of the Commodity Housing Units, the value of the Commodity Housing Units was estimated at RMB9,332,305 (equivalent to approximately HK\$10,034,737) as at 3 November 2023.

Payment Terms:

Instalment

- (1) The purchaser shall pay RMB two million seven hundred thousand (in figures: RMB2,700,000) by 31 December 2023;
- (2) The purchaser shall pay RMB three million six hundred thousand (in figures: RMB3,600,000) by 31 January 2024;
- (3) The purchaser shall pay RMB three million and thirty-two thousand three hundred and five (in figures: RMB3,032,305) by 28 February 2024

Date of Completion:

On or before 28 February 2024

INTRODUCTION

On 23 November 2023, Ningbo Huazhong Plastic, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement III with Ningbo Huayou Properties, pursuant to which Ningbo Huayou Properties agreed to sell and Ningbo Huazhong Plastic agreed to purchase the 122 Car Parking Spaces at a consideration of RMB9,948,000 (equivalent to approximately HK\$10,696,774) which will be satisfied by internal resources of the Group.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT III

Date: 23 November 2023

Vendor: Ningbo Huayou Properties

Purchaser: Ningbo Huazhong Plastic

Property: 122 car parking spaces from Entrance No. 1, 2, 3, 4-1-582, Basement of Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. It has 2 floors below ground level. Such car parking spaces are located on the negative first and negative second floor.

No rental income has previously been generated by the Car Parking Spaces.

Consideration: RMB9,948,000 (equivalent to approximately HK\$10,696,774), arrived at after arm's length negotiations between Ningbo Huayou Properties and Ningbo Huazhong Plastic based on the prevailing market price for similar properties transacted around the time of the negotiations. The consideration will be satisfied by the internal resources of the Group. The original acquisition cost is unavailable because it is developed by Ningbo Huayou Properties.

The consideration was also determined with reference to a property valuation report prepared by 寧波天潤資產評估有限公司 (Ningbo Tianrun Assets Evaluation Co, Ltd.*), an independent property valuer qualified in the PRC and engaged by the Company. According to the said report, which was prepared based on the comparison approach with reference to comparable transactions available in the market and the 122 Car Parking Spaces, the value was estimated at RMB9,948,000 (equivalent to approximately HK\$10,696,774) as at 3 November 2023.

Payment Terms: Instalment

- (1) The purchaser shall pay RMB three million (in figures: RMB3,000,000) by 31 December 2023;
- (2) The purchaser shall pay RMB four million (in figures: RMB4,000,000) by 31 January 2024;
- (3) The purchaser shall pay RMB two million nine hundred and forty-eight thousand (in figures: RMB2,948,000) by 28 February 2024

Date of Completion: On or before 28 February 2024

REASONS AND BENEFITS FOR THE TRANSACTIONS

The Office Units will be used for the expansion of the Group's operational headquarters and product research and development centre, the Commodity Housing Units will be used as the Group's staff quarters, and the Car Parking Spaces will be for the use of our staff, customers and suppliers, with an aim to integrate the Group's resources and to enhance the overall competitiveness of the Group as a result.

The Directors, excluding Mr. Zhou Minfeng and Ms. Lai Cairong (for the reason of having material interest in the transactions) but including the independent non-executive Directors, of the Company are of the view that the terms and conditions of the purchase of the Project are fair and reasonable, are on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Group and its Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As at the date hereof, Ningbo Huayou Properties is owned as to 82% by Mr. Zhu Jianfeng and 18% by 寧波市華翔科技有限公司 (Ningbo Huaxiang Technology Co., Ltd.*), each an independent third party, respectively. Mr. Zhou Minfeng, the chairman of the Board of the Company, is a director of Ningbo Huayou Properties and has significant influence over the company. Ningbo Huayou Properties is therefore a connected person of the Company under the Listing Rules. Accordingly, the purchase of the Project by Ningbo Huazhong Plastic from Ningbo Huayou Properties constitutes a connected transaction for the Company under the Listing Rules.

Given Ningbo Huayou Properties is a connected person of the Company, the connected transactions in relation to the purchase of the Project shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. The aggregated consideration is RMB60,022,550 (equivalent to approximately HK\$64,540,376).

Since the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules calculated with reference to the purchase of the Project are, in aggregate, over 0.1% but less than 5%, the connected transactions in relation to the purchase of the Project are subject to the reporting and disclosure requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Resolutions of the Board in respect of the purchase of the Project were passed on 23 November 2023. Mr. Zhou Minfeng and Ms. Lai Cairong, the mother of Mr. Zhou Minfeng, having material interest in the transactions, are required under the Listing Rules to abstain from voting. Both of them did not attend the Board meeting approving such transactions and therefore did not vote for the relevant resolutions.

GENERAL INFORMATION

The Company is principally engaged in the manufacture and sale of automotive internal and external structural and decorative parts, moulds and tooling, casings and liquid tanks of air conditioners or heaters and other non-automotive products.

Ningbo Huazhong Plastic is principally engaged in the manufacture of plastic automotive parts, with products including automobile air conditioner plastic shell body, automobile interior and exterior decorative and trim components, and engine components and parts.

Ningbo Huayou Properties is principally engaged in the development, sale and purchase of real estates.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Car Parking Spaces”	122 car parking spaces from Entrance No. 1, 2, 3, 4-1-582, Basement of Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. The car parking spaces are located on the negative first and negative second floors
“Commodity Housing Units”	Flats 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1103, 1507, Building 36, No. 40 Huacheng Garden; and Flats 1014, 1703, 514, 614, 714, 814, Building 35, No. 42 and 50 Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. It has 25 floors above ground level and 2 floors below ground level. Such commodity housing is located on the fifth, sixth, seventh, eighth, tenth, eleventh, fifteenth and seventeenth floors
“Company”	Huazhong In-Vehicle Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ningbo Huazhong Plastic”	寧波華眾塑料製品有限公司 (Ningbo Huazhong Plastic Products Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Ningbo Huayou Properties”	寧波華友置業有限公司 (Ningbo Huayou Properties Co., Ltd.*), a company incorporated in the PRC with limited liability, owned as to 82% by Mr. Zhu Jianfeng, an independent third party, and 18% by 華翔集團股份有限公司 (Huaxiang Group Co., Ltd.*), which is ultimately and beneficially owned by Mr. Zhang Yujun and Mr. Li Jie, each an independent third party
“Office Units”	Flats 3-1, 3-2, 3-3, 4-1, 4-2, 4-3, 5-1, 5-2, 5-3, 6-1, 6-2, 6-3, 8-1, 8-2, 8-3, Building 39, No. 25 Huacheng Garden, Block 3, Lot III-7-D2 in Gaoxin District, Ningbo, Zhejiang Province, PRC. It has 12 floors above ground level and 2 floors below ground level. Such office units are located on the third, fourth, fifth, sixth and eighth floors
“PRC”	the People’s Republic of China, but for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	collectively, Commodity Housing Units, Office Units and 122 Car Parking Spaces
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement I”	the sale and purchase agreement dated 23 November 2023 entered into between Ningbo Huazhong Plastic and Ningbo Huayou Properties in relation to the purchase of the Office Units, details of which are set out in the section headed “Principal Terms of the Sale and Purchase Agreement I” of this announcement

“Sale and Purchase Agreement II”	the sale and purchase agreement dated 23 November 2023 entered into between Ningbo Huazhong Plastic and Ningbo Huayou Properties in relation to the purchase of the Commodity Housing Units, details of which are set out in the section headed “Principal Terms of the Sale and Purchase Agreement II” of this announcement
“Sale and Purchase Agreement III”	the sale and purchase agreement dated 23 November 2023 entered into between Ningbo Huazhong Plastic and Ningbo Huayou Properties in relation to the purchase of the 122 Car Parking Spaces, details of which are set out in the section headed “Principal Terms of the Sale and Purchase Agreement III” of this announcement
“Shareholder(s)”	registered holder(s) of ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For the purposes of illustration only, the exchange rate of HK\$1.00 = RMB0.93 has been used for currency translation. No representation is made that any amount in RMB has been or could be converted at the above rate or at any other rates.

By order of the Board
Huazhong In-Vehicle Holdings Company Limited
Zhou Minfeng
Chairman

Hong Kong, 23 November 2023

As at the date of this announcement, the executive Directors are Mr. Zhou Minfeng and Mr. Wu Bichao; the non-executive Directors are Ms. Lai Cairong, Mr. Wang Yuming, Mr. Guan Xin and Mr. Yu Zhuoping; and the independent non-executive Directors are Mr. Wong Luen Cheung Andrew, Mr. Wang Dongchen and Mr. Xu Jiali.

** For identification purposes only*