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MAIKE TUBE INDUSTRY HOLDINGS LIMITED

(迈科管业控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1553)

- (1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY;**
(2) CONTINUING CONNECTED TRANSACTION IN RELATION TO RENEWAL OF PRODUCTS SUPPLY FRAMEWORK AGREEMENT;
AND
(3) CONTINUING CONNECTED TRANSACTION IN RELATION TO RENEWAL OF PRODUCTS PURCHASE FRAMEWORK AGREEMENT

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Zijing Capital Limited

THE DISPOSAL

After trading hours of the Stock Exchange on 30 December 2024, Jinan Mech, an indirect wholly-owned subsidiary of the Company (as vendor) and Meide (as purchaser) entered into the Equity Transfer Agreement, pursuant to which Jinan Mech has conditionally agreed to sell, and Meide has conditionally agreed to acquire the Sale Shares, representing the entire equity interest in Maik Smart, at the total consideration of RMB45,000,000. Upon completion of the Disposal, Maik Smart will cease to be a subsidiary of the Group. Accordingly, its financial results will no longer be consolidated into the financial statements of the Group.

RENEWAL OF PRODUCTS SUPPLY FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 29 December 2021 (the “**2021 Announcement**”), containing among other things, the continuing connected transaction in relation to the 2022 Products Supply Framework Agreement with a term for three years from 1 January 2022 to 31 December 2024.

As the 2022 Products Supply Framework Agreement will expire on 31 December 2024, on 30 December 2024 (after trading hours), the Company on behalf of the Group and Meide on behalf of Meide Group entered into the 2025 Products Supply Framework Agreement to renew and revise the 2022 Products Supply Framework Agreement for a further term of three years from 1 January 2025 to 31 December 2027.

RENEWAL OF PRODUCTS PURCHASE FRAMEWORK AGREEMENT

Reference is made to the 2021 Announcement, containing among other things, the continuing connected transaction in relation to the 2022 Products Purchase Framework Agreement with a term for three years from 1 January 2022 to 31 December 2024.

As the 2022 Products Purchase Framework Agreement will expire on 31 December 2024, on 30 December 2024 (after trading hours), the Company on behalf of the Group and Meide on behalf of Meide Group entered into the 2025 Products Purchase Framework Agreement to renew and revise the 2022 Products Purchase Framework Agreement for a further term of three years from 1 January 2025 to 31 December 2027.

LISTING RULES IMPLICATIONS

The Disposal

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and is indirectly interested in 39.79% of the total issued share capital of the Company. Mr. Kong wholly-owns Ningbo Ming De, which in turn owns 35.49% of Meide. He currently also holds 11.52% limited partnership interest in and was appointed in January 2017 as the general partner of Jinan Gong Chuang Meide, which in turn owns 64.51% of Meide since August 2016. As such, he obtained control of Meide in January 2017. Accordingly, Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules. In addition, the Disposal also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Renewal of products supply framework agreement

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the largest annual cap under the 2025 Products Supply Framework Agreement exceed 5%, the transactions contemplated under the 2025 Products Supply Framework Agreement (including the annual caps in relation thereto) are subject to the annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Renewal of products purchase framework agreement

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the largest annual cap under the 2025 Products Purchase Framework Agreement exceed 5%, the transactions contemplated under the 2025 Products Purchase Framework Agreement (including the annual caps in relation thereto) are subject to the annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened to consider and, if thought fit, to approve, among other things, (i) the Equity Transfer Agreement; (ii) the 2025 Products Supply Framework Agreement; and (iii) the 2025 Products Purchase Framework Agreement (collectively, the “**Agreements**”) and the transactions contemplated thereunder (including the annual caps in relation thereto).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save as and except for Mr. Kong and his associates, no other shareholder of the Company has a material interest in the transactions contemplated under the Agreements such that he or she shall abstain from voting at the EGM on the relevant resolutions to approve the Agreements and the transactions contemplated thereunder.

A circular containing, inter alia, (i) details of the Equity Transfer Agreement; (ii) details of the 2025 Products Supply Framework Agreement; (iii) details of the 2025 Products Purchase Framework Agreement; (iv) a letter from the Independent Board Committee; (v) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 20 January 2025 in accordance with the Listing Rules.

A. THE DISPOSAL

After trading hours of the Stock Exchange on 30 December 2024, Jinan Mech, an indirect wholly-owned subsidiary of the Company (as vendor) and Meide (as purchaser) entered into the Equity Transfer Agreement in respect of the Disposal.

THE EQUITY TRANSFER AGREEMENT

Date : 30 December 2024 (after trading hours)

Parties

(1) Vendor : Jinan Mech

(2) Purchaser : Meide

Subject matter

Pursuant to the Equity Transfer Agreement, Jinan Mech has conditionally agreed to sell, and Meide has conditionally agreed to acquire the Sale Shares. The Sale Shares represent the entire equity interest in Maike Smart.

Consideration and payment terms

The total consideration for the sale and purchase of the Sale Shares shall be RMB45,000,000, which shall be paid by Meide to Jinan Mech within 5 calendar days after the fulfillment (or waived, where applicable) of the condition precedent.

Basis of the consideration of the Disposal

The consideration of the Disposal of RMB45,000,000 was determined after arm's length negotiations between the parties to the Equity Transfer Agreement on normal commercial terms, taking into consideration of, among other things, (i) the paid-in capital of Maike Smart being RMB45,000,000 as at the date of this announcement; (ii) the historical financial performance of Maike Smart; and (iii) other reasons for and benefits of the Disposal as set out in the section headed "**REASONS FOR AND BENEFITS OF THE DISPOSAL**" below.

Condition Precedent

Completion of the Disposal is conditional upon Independent Shareholders' approval of the Equity Transfer Agreement and the Disposal contemplated thereunder at the EGM.

Completion

Completion of the Disposal refers to the effective date of change of business registration in respect of the Sale Shares to Meide. Completion of the Disposal shall take place within 5 calendar days after the date of which the above condition precedent is fulfilled or such other date as agreed between Meide and Jinan Mech in writing.

As at the date of this announcement, Maike Smart is an indirect wholly-owned subsidiary of the Company. Upon completion of the Disposal, the Group will cease to hold any interest in Maike Smart.

Information on Maike Smart

Maike Smart is a company established under the laws of the PRC as a limited liability company on 25 December 2020 and is principally engaged in the operation of design and supply of assembled piping systems.

Set out below is the audited financial information of Maike Smart (prepared in accordance with China Accounting Standards for Business Enterprises) for the two financial years ended 31 December 2022 and 31 December 2023 respectively:

	For the year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	37,380	25,574
Profit/(loss) before tax	(1,740)	195
Profit/(loss) after tax	(1,754)	190
Net Assets	18,826	6,580

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is made in line with the Group's overall strategic planning. The Board considers that the Disposal will optimise allocation of the Group's resources, strengthen the cash flow of the Group and will enhance the Group's working capital by the disposal of non-core assets. The Disposal will not have a material effect on the core business and operations of the Group.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

It is estimated that the Group will record an unaudited loss of approximately RMB0.20 million as a result of the Disposal, which is based on the difference between (i) the consideration of the Disposal of RMB45,000,000; and (ii) the net assets of the Target Company attributable to the Group of approximately RMB44.80 million before relevant expenses relating to the Disposal as at 31 October 2024. Shareholders should note that the actual amount of gain or loss on the Disposal and the financial effect as a result of the Disposal to be recorded will be subject to the review and final audit by the auditor of the Company. It is intended that the net proceeds from the Disposal will be used for the Group's working capital.

Upon completion of the Disposal, Maike Smart will cease to be a subsidiary of the Group and its financial results will no longer be consolidated into the financial statements of the Group.

B. RENEWAL OF PRODUCTS SUPPLY FRAMEWORK AGREEMENT

As the 2022 Products Supply Framework Agreement will expire after 31 December 2024, on 30 December 2024 (after trading hours), the Company on behalf of the Group and Meide on behalf of Meide Group entered into the 2025 Products Supply Framework Agreement to renew and revise the transactions contemplated under the 2022 Products Supply Framework Agreement for a further term of three years from 1 January 2025 to 31 December 2027.

In view of the reasons as set out under the section “**REASONS FOR AND BENEFITS OF THE TRANSACTIONS**” below, the Board anticipates that the Group will continue to supply products including steel pipes, standard prefabricated pipe nipples, and other products as specified in the 2022 Products Supply Framework Agreement to Meide Group. Accordingly, under the 2025 Products Supply Framework Agreement, the Company and Meide agree to renew and revise the 2022 Products Supply Framework Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027.

Principal terms

Date: 30 December 2024 (after trading hours)

Parties: (1) the Company, on behalf of the Group as the vendor
(2) Meide, on behalf of Meide Group as the purchaser

Term: From 1 January 2025 to 31 December 2027

Pricing: The products will be priced on normal commercial terms and in the ordinary course of the business of the Group with reference to the market price of the same or comparable kind of steel pipes, standard prefabricated pipe nipples provided to Independent Third Parties in the vicinity areas.

Before entering into any transactions with Meide Group, the Group will take reference from at least two separate transactions of similar nature with Independent Third Parties in the vicinity areas.

Payment: The relevant parties will enter into separate agreements which specify and record the specific terms, including payment, delivery terms and other operative provisions of those transactions determined in accordance with the 2025 Products Supply Framework Agreement. The payables pursuant to the 2025 Products Supply Framework Agreement are settled on a monthly basis.

Historical sales amounts

The following table sets out the total sales incurred by the Group pursuant to the 2022 Products Supply Framework Agreement for the two years ended 31 December 2022 and 31 December 2023 and the eleven months ended 30 November 2024:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the eleven months ended 30 November 2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
(i) for distribution	35,520	31,370	31,030
(ii) for internal use within Meide Group	24,630	15,270	16,960

Proposed annual caps

	For the year ending 31 December 2025	For the year ending 31 December 2026	For the year ending 31 December 2027
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
(i) for distribution	70,000	73,500	77,000
(ii) for internal use within Meide Group	30,000	31,500	33,000

Bases and assumptions in estimating the annual caps

In arriving at the above annual caps, we have taken into account (i) the historical transaction amounts between Meide Group and the Group for the two years ended 31 December 2022 and 31 December 2023 and the eleven months ended 30 November 2024; and (ii) the projected increase in demand for the products of the Group from third-party customers of Meide Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The reasons for entering into the 2025 Products Supply Framework Agreement are as follows:

- (i) Meide Group has been distributing the products of the Group to its customers as one of the distributors of the Company; and
- (ii) Meide Group has been purchasing the products of the Group for use internally, including but not limited to factory constructions, pipeline maintenance and use as raw materials.

The transactions contemplated under the 2025 Products Supply Framework Agreement are beneficial for the growth of the Group's business, as distribution through the sales channels of Meide will allow the Group to utilize the sizeable base of third-party customers and help increase the coverage and demand of the Group's products in the market.

Given the established relationship and good track record between the Group and Meide, the Directors consider that it is beneficial for the Group to sell stable and sizable amount of standard prefabricated pipe nipple products and steel pipe products to Meide Group. Moreover, the Group had been supplying products to Meide under the 2022 Products Supply Framework Agreement in a stable and mutually beneficial manner. In order to ensure continuous supply of the products to Meide in the future, the Group entered into the 2025 Products Supply Framework Agreement.

C. RENEWAL OF PRODUCTS PURCHASE FRAMEWORK AGREEMENT

As the 2022 Products Purchase Framework Agreement will expire after 31 December 2024, on 30 December 2024 (after trading hours), the Company on behalf of the Group and Meide on behalf of Meide Group entered into the 2025 Products Purchase Framework Agreement to renew and revise the transactions contemplated under the 2022 Products Purchase Framework Agreement for a further term of three years from 1 January 2025 to 31 December 2027.

In view of the reasons as set out under the section "**REASONS FOR AND BENEFITS OF THE TRANSACTIONS**" below, the Board anticipates that the Group will continue to purchase products including pipe fittings, repair parts, valves and crafts as specified in the 2022 Products Purchase Framework Agreement from Meide Group. Accordingly, under the 2025 Products Purchase Framework Agreement, the Company and Meide agree to renew and revise the 2022 Products Purchase Framework Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027.

Principal terms

Date:	30 December 2024 (after trading hours)
Parties:	(1) the Company, on behalf of the Group as the purchaser (2) Meide, on behalf of Meide Group as the vendor
Term:	From 1 January 2025 to 31 December 2027
Pricing:	The products will be priced on normal commercial terms and in the ordinary course of the business of the Company with reference to the market price of the same or comparable kind of pipe fittings, repair parts, valves, and other crafts provided by Independent Third Parties in the vicinity areas. Before entering into any transactions with Meide Group, the Group will obtain quotes from at least two Independent Third Parties which provide the same or similar products in the vicinity areas.
Payment:	The relevant parties will enter into separate agreements which specify and record the specific terms, including payment, delivery terms and other operative provisions of those transactions determined in accordance with the 2025 Products Purchase Framework Agreement. The payables pursuant to the 2025 Products Purchase Framework Agreement are settled on a monthly basis.

Historical purchase amounts

The following table sets out the total purchase incurred by the Group pursuant to the 2022 Products Purchase Framework Agreement for the two years ended 31 December 2022 and 31 December 2023 and the eleven months ended 30 November 2024:

	For the year ended 31 December 2022 (RMB'000) (audited)	For the year ended 31 December 2023 (RMB'000) (audited)	For the eleven months ended 30 November 2024 (RMB'000) (unaudited)
Total Purchase	15,180	15,880	39,080

Proposed annual caps

	For the year ending 31 December 2025 (RMB'000)	For the year ending 31 December 2026 (RMB'000)	For the year ending 31 December 2027 (RMB'000)
Total Purchase	48,000	48,000	48,000

Bases and assumptions in estimating the annual caps

In arriving at the above annual caps, we have taken into account (i) the expected increase in demand for malleable iron from Meide Group arising from expected orders from customer of the Group for the three years ending 31 December 2025, 31 December 2026 and 31 December 2027; and (ii) the expected increase in demand for products from Meide Group arising from the expansion of service provided by the Group including the provision of fire protection construction work (as contractor).

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The reasons for entering into the 2025 Products Purchase Framework Agreement are as follows:

- (i) given the established relationship and quality products provided by Meide, the Directors consider it to be beneficial for the Group to purchase raw materials and products from Meide; and
- (ii) due to the difference in product specifications and order requirements from customers, the Group does not keep raw materials and products used for assembled piping system as inventory and only purchase required raw materials and products from its suppliers after the Group receives the customers' orders. Given the large scale of operation and range of products offered by Meide Group as well as the proximity of the operations of the Group and Meide Group, the Group will be able to purchase products with different product specifications from Meide Group in satisfaction of the Group's customers' requirements efficiently.

Moreover, the Group had been purchasing products from Meide under the 2022 Products Purchase Framework Agreement in a stable and mutually beneficial manner. Taking into consideration of the anticipated increase in demand for malleable iron from Meide Group arising from expected orders from customers of the Group for the three years ending 31 December 2027, it is desirable to enter into the 2025 Products Purchase Framework Agreement to ensure stable and continuous supply of the products from Meide in the future.

INTERNAL CONTROL AND PRICING POLICIES

In order to ensure that the transactions contemplated under the 2025 Products Supply Framework Agreement and the 2025 Products Purchase Framework Agreement will be conducted on normal commercial terms, the Group has adopted the following measures:

- (a) the Group will adhere to its internal guidelines for connected transactions in accordance with the Listing Rules;
- (b) before entering into any transactions with Meide Group, the Group will take reference from at least two separate transactions of similar nature with Independent Third Parties in the vicinity areas;
- (c) in respect of the 2025 Products Supply Framework Agreement, the finance department of the Group will review and compare the relevant transactions with Independent Third Parties when determining the sale price so as to ensure that the price of the products provided by the Group to Meide Group is fair and reasonable, and is determined on normal commercial terms or on terms no less favourable to Meide Group than the terms available to Independent Third Parties;
- (d) in respect of the 2025 Products Purchase Framework Agreement, the finance department of the Group will review and compare the quotes from Independent Third Parties with the quotes from Meide Group when determining the supplier so as to ensure that the price of the products provided by Meide Group to the Group is fair and reasonable, and is determined on normal commercial terms or on terms no less favourable to the Group than the terms available from Independent Third Parties; and
- (e) the Group will comply with the annual review requirements in respect of the transactions contemplated under the agreements in accordance with Chapter 14A of the Listing Rules, such as engaging the Company's auditor to conduct annual review and having the independent non-executive Directors to review the transactions contemplated under the 2025 Products Supply Framework Agreement and the 2025 Products Purchase Framework Agreement and give opinions/confirmations in the Company's annual reports.

OPINION OF THE BOARD

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, none of the Directors have material interests in the Agreements and the transactions contemplated thereunder and are required to abstain from voting on the relevant Board resolutions.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that, although the Equity Transfer Agreement and the Disposal contemplated thereunder are not in the ordinary and usual course of business of the Group, the terms of the Equity Transfer Agreement have been negotiated on an arm's length basis, are on normal commercial terms and are fair and reasonable, and the Disposal contemplated thereunder is in the interests of the Group and the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) also consider that the terms of the 2025 Products Supply Framework Agreement and the 2025 Products Purchase Framework Agreement have been negotiated on an arm's length basis, are on normal commercial terms and are fair and reasonable, and the transactions contemplated thereunder (including proposed annual caps set out above) are in the ordinary and usual course of business of the Group, and are in the interests of the Group and the Shareholders as a whole.

GENERAL INFORMATION

Information of the Company and the Group

The Company is incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company.

The Group is principally engaged in (i) the manufacturing and sales of standard prefabricated pipe nipple products; (ii) manufacturing and sales of steel pipe products; (iii) the design and supply of assembled piping systems; and (iv) the sale of unused raw materials, including steel coils procured from the suppliers.

Information of Jinan Mech

Jinan Mech is a company established under the laws of the PRC with limited liability company on 21 May 2013, and is an indirect wholly-owned subsidiary of the Company. Jinan Mech is principally engaged in the manufacturing of ERW steel pipes and standard prefabricated pipe nipples. As at the date of this announcement, Jinan Mech is directly wholly-owned by Tube Industry, and is indirectly wholly-owned by the Company.

Information of Meide

Meide is a company established under the laws of the PRC as a limited liability company on 17 January 1992 and is held as to approximately 64.51% by Jinan Gong Chuang Meide and 35.49% by Ningbo Ming De.

Meide is principally engaged in business operations across different sectors, including (i) manufacture and sale of malleable iron, ductile iron and bronze pipe fittings, malleable iron valves and malleable iron electric power fittings in the PRC; (ii) production and sale of iron raw materials typically used in foundry industry; and (iii) financial investment.

Information of Maike Smart

Maike Smart is a company established under the laws of the PRC as a limited liability company, and a direct wholly-owned subsidiary of Jinan Mech and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Maike Smart is principally engaged in the operation of design and supply of assembled piping systems.

LISTING RULES IMPLICATIONS

The Disposal

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the consideration exceeds 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and is indirectly interested in 39.79% of the total issued share capital of the Company. Mr. Kong wholly-owns Ningbo Ming De, which in turn owns 35.49% of Meide. He currently also holds 11.52% limited partnership interest in and was appointed in January 2017 as the general partner of Jinan Gong Chuang Meide, which in turn owns 64.51% of Meide since August 2016. As such, he obtained control of Meide in January 2017. Accordingly, Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules. In addition, the Disposal also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Renewal of products supply framework agreement

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the largest annual cap under the 2025 Products Supply Framework Agreement exceed 5%, the transactions contemplated under the 2025 Products Supply Framework Agreement (including the annual caps in relation thereto) are subject to the annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

Renewal of products purchase framework agreement

As at the date of this announcement, Mr. Kong is one of the controlling shareholders of the Company and Meide is an associate of Mr. Kong and therefore a connected person of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the largest annual cap under the 2025 Products Purchase Framework Agreement exceed 5%, the transactions contemplated under the 2025 Products Purchase Framework Agreement (including the annual caps in relation thereto) are subject to the annual review, reporting, announcement, circular (including independent financial advice) and approval by the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules.

EGM

The Independent Board Committee comprising all the independent non-executive Directors have been established to advise the Independent Shareholders regarding the Agreements and the transactions contemplated thereunder (including the annual caps in relation thereto) and to advise the Independent Shareholders on how to vote at the EGM. Zijing Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

The EGM will be convened to consider and, if thought fit, to approve, among other things, (i) the Equity Transfer Agreement; (ii) the 2025 Products Supply Framework Agreement; and (iii) the 2025 Products Purchase Framework Agreement and the transactions contemplated thereunder (including the annual caps in relation thereto).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save as and except for Mr. Kong and his associates, no other shareholder of the Company has a material interest in the transactions contemplated under the Agreements such that he or she shall abstain from voting at the EGM on the relevant resolutions to approve the Agreements and the transactions contemplated thereunder.

A circular containing, inter alia, (i) details of the Equity Transfer Agreement; (ii) details of the 2025 Products Supply Framework Agreement; (iii) the 2025 Products Purchase Framework Agreement; (iv) a letter from the Independent Board Committee; (v) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 20 January 2025 in accordance with the Listing Rules.

DEFINITIONS

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

“2022 Products Purchase Framework Agreement”	the products purchase framework agreement dated 29 December 2021 entered into between the Company and Meide, pursuant to which the Company agreed to purchase from Meide Group for a term of three years from 1 January 2022 to 31 December 2024
“2022 Products Supply Framework Agreement”	the products supply framework agreement dated 29 December 2021 entered into between the Company and Meide, pursuant to which the Company agreed to supply to Meide Group for a term of three years from 1 January 2022 to 31 December 2024
“2025 Products Purchase Framework Agreement”	the products purchase framework agreement dated 30 December 2024 entered into between the Company and Meide in relation to the renewal and revision of the transactions contemplated under the 2022 Products Purchase Framework Agreement for a further term of 3 years from 1 January 2025 to 31 December 2027
“2025 Products Supply Framework Agreement”	the products supply framework agreement dated 30 December 2024 entered into between the Company and Meide in relation to the renewal and revision of the transactions contemplated under the 2022 Products Supply Framework Agreement for a further term of 3 years from 1 January 2025 to 31 December 2027
“Agreements”	the Equity Transfer Agreement, the 2025 Products Supply Framework Agreement and the 2025 Products Purchase Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	The People’s Republic of China
“Company”	Maike Tube Industry Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 1 February 2019, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01553)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by Jinan Mech to Meide pursuant to the Equity Transfer Agreement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving (i) the Equity Transfer Agreement and the Disposal contemplated thereunder; (ii) the 2025 Products Supply Framework Agreement; and (iii) the 2025 Products Purchase Framework Agreement and the transactions contemplated thereunder (including the annual caps in relation thereto)
“Equity Transfer Agreement”	the equity transfer agreement entered into between Jinan Mech and Meide on 30 December 2024, pursuant to which Jinan Mech agreed to sell and Meide agreed to acquire the Sale Shares, representing the entire equity interest in Maike Smart
“ERW”	The acronym for electric resistance welding, a welding used in the manufacture of pipes under which pipes are made from strips of hot rolled steel coil which are passed through forming rolls and welded by using heat generated by high frequency electric current passing over the surface of the strips
“ERW steel pipe(s)”	Steel pipes formed by utilising ERW technology
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board (which comprises Mr. LIU Fengyuan, Mr. DING Xiaodong and Mr. SUN Yongxi, all being independent non-executive Directors) established to advise the Independent Shareholders on the Agreements and the transactions contemplated thereunder (including the annual caps in relation thereto)

“Independent Financial Adviser” or “Zijing Capital”	Zijing Capital Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser engaged by the Company to advise the Independent Board Committee and the Independent Shareholders on the Agreements and the transactions contemplated thereunder (including the annual caps in relation thereto)
“Independent Shareholders”	Shareholders other than Mr. Kong and his associates who are not required to abstain from voting on the relevant resolutions at the EGM due to their material interests in the Agreements and the transactions contemplated thereunder (including the annual caps in relation thereto)
“Independent Third Party(ies)”	persons who are not the connected person(s) of the Company
“Jinan Gong Chuang Meide”	Jinan Gong Chuang Meide Corporate Management Partnership (Limited Partnership)* (濟南共創玫德企業管理合伙企業(有限合伙)), a limited partnership established under the laws of the PRC on 18 August 2016. As at the date of this announcement, Mr. Kong, one of the controlling shareholders of the Company, held 11.52% of the limited partnership interest and was appointed in January 2017 as the general partner of Jinan Gong Chuang Meide, which in turn owns 64.51% of Meide since August 2016
“Jinan Mech”	Jinan Mech Piping Technology Co., Ltd.* (濟南邁科管道科技有限公司), a company established under the laws of the PRC with limited liability company on 21 May 2013 and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Maike Smart”	Shandong Maike Smart Technology Limited* (山東邁科智能科技有限公司), a company established under the laws of the PRC as a limited liability company on 25 December 2020, a direct wholly-owned subsidiary of Jinan Mech and an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Meide”	Meide Group Co., Ltd.* (玫德集團有限公司) (formerly known as Jinan Meide Foundry Co., Ltd* (濟南玫德鑄造有限公司)), a company established under the laws of the PRC as a limited liability company on 17 January 1992, and held as to approximately 64.51% by Jinan Gong Chuang Meide and 35.49% by Ningbo Ming De
“Meide Group”	Meide and its subsidiaries
“Mr. Kong”	Mr. Kong Linglei (孔令磊), one of the controlling shareholders of the Company. Mr. Kong held 39.79% of the total issued share capital of the Company as at the date of this announcement
“Ningbo Ming De”	Ningbo Ming De Heng Sheng Investment Limited* (寧波明德恆生投資有限公司), a company established under the laws of the PRC as a limited liability company on 15 August 2016 and wholly-owned by Mr. Kong, which in turn holds 35.49% equity interest in Meide
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the entire equity interest in Maike Smart
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Tube Industry”	Tube Industry Investments Limited, a company established under the laws of Hong Kong as a limited liability company on 23 January 2019 and an indirect wholly-owned subsidiary of the Company

“US\$” United States dollars, the lawful currency of the United States of America

“%” per cent

Certain amounts and figures included in this announcement have been subject to rounding adjustments.

By Order of the Board of
Maike Tube Industry Holdings Limited
GUO Lei
Chairman and Executive Director

Hong Kong, 30 December 2024

As at the date of this announcement, the executive Directors are Mr. GUO Lei, Mr. WANG Ning and Mr. YANG Shufeng; the non-executive Director is Ms. ZHAO Xuelian and the independent non-executive Directors are Mr. LIU Fengyuan, Mr. DING Xiaodong and Mr. SUN Yongxi.

* *For identification purposes only*