Haina Intelligent Equipment International Holdings Limited
海納智能裝備國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1645)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- The total revenue of the Group for the year ended 31 December 2024 amounted to approximately RMB369.7 million (2023: approximately RMB350.7 million), representing an increase of approximately 5% as compared with the year ended 31 December 2023.
- The gross profit of the Group for the year ended 31 December 2024 amounted to approximately RMB52.0 million (2023: approximately RMB46.4 million), representing an increase of approximately 12% as compared with the year ended 31 December 2023.
- Loss attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately RMB38.1 million (2023: loss attributable to owners of the Company of approximately RMB35.8 million).
- Basic loss per share for the year ended 31 December 2024 was approximately RMB6.76 cents (2023: basic loss per share of approximately RMB6.35 cents).
- The Board has resolved not to declare a final dividend for the year ended 31 December 2024 (2023: nil).

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Haina Intelligent Equipment International Holdings Limited (the "**Company**" or "**Haina Intelligent**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures of the previous corresponding year (the "**Prior Year**") as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 *RMB'000*	2023 *RMB'000*
Revenue	*4*	**369,657**	350,700
Cost of sales		**(317,659)**	(304,319)
Gross profit		**51,998**	46,381
Other income	*5*	**10,488**	12,151
Selling and distribution costs		**(21,039)**	(16,900)
Administrative and other operating expenses		**(65,148)**	(48,960)
Impairment loss of goodwill		**–**	(1,369)
Impairment loss of trade receivables, net		**(7,131)**	(1,359)
Impairment loss of other receivables		**(326)**	(2,210)
Impairment loss of debt instrument at amortised cost		**(7,463)**	(17,591)
Change in fair value of equity instruments at fair value through profit or loss ("**FVPL**")		**(222)**	(3,910)
Equity-settled share-based payment expenses		**(562)**	(1,428)
Finance costs	*6*	**(1,571)**	(1,533)
Loss before tax	*6*	**(40,976)**	(36,728)
Income tax expense	*7*	**(12)**	(804)
Loss for the year		**(40,988)**	(37,532)
Other comprehensive income (loss) for the year			
Items that will not be reclassified subsequently to profit or loss:			
Exchange difference on translation of the Company's financial statements to presentation currency		**3,950**	4,681
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on consolidation		**(2,394)**	(5,862)
Total other comprehensive income (loss) for the year		**1,556**	(1,181)
Total comprehensive loss for the year		**(39,432)**	(38,713)

	Note	**2024**	2023
		RMB'000	*RMB'000*
Loss for the year attributable to:			
Owners of the Company		**(38,130)**	(35,796)
Non-controlling interests		**(2,858)**	(1,736)
		(40,988)	(37,532)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(36,574)**	(36,977)
Non-controlling interests		**(2,858)**	(1,736)
		(39,432)	(38,713)
		RMB cents	*RMB cents*
Loss per share	*8*		
Basic and diluted		**(6.76)**	(6.35)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	10	**439,274**	198,822
Intangible assets		**6,732**	12,036
Goodwill		**–**	–
Deferred tax assets		**2,174**	2,174
		448,180	213,032
Current assets			
Inventories		**247,087**	248,184
Equity instruments at FVPL		**225**	438
Debt instrument at amortised cost	11	**871**	9,130
Trade and other receivables	12	**123,965**	117,126
Bank deposit with maturity over three months		**1,800**	–
Restricted bank deposits		**14,241**	33,336
Bank balances and cash		**35,490**	56,311
		423,679	464,525
Current liabilities			
Trade and other payables	13	**314,015**	276,089
Lease liabilities		**2,665**	6,845
Interest-bearing borrowings	14	**281,037**	77,026
Income tax payable		**791**	732
		598,508	360,692
Net current (liabilities) assets		**(174,829)**	103,833
Total assets less current liabilities		**273,351**	316,865
Non-current liabilities			
Lease liabilities		**6,174**	10,301
Deferred tax liabilities		**1,210**	1,527
		7,384	11,828
NET ASSETS		**265,967**	305,037
Capital and reserves			
Share capital	15	**5,088**	5,088
Reserves		**261,338**	297,964
Equity attributable to owners of the Company		**266,426**	303,052
Non-controlling interests		**(459)**	1,985
TOTAL EQUITY		**265,967**	305,037

NOTES

Year ended 31 December 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 20 December 2017, and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 3 June 2020 (the "**Listing**"). The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is situated at Flat C, 21/F, Max Share Centre, 373 King's Road, North Point, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in the design and production of automated machines for disposable hygiene products in the People's Republic of China (the "**PRC**").

In the opinion of the Directors, the immediate and ultimate holding company is Prestige Name International Limited, a limited liability company incorporated in the British Virgin Islands (the "**BVI**"). The ultimate controlling parties are Mr. Hong Yiyuan, Mr. Zhang Zhixiong, Mr. Su Chengya, Mr. He Ziping and Mr. Chang Chi Hsung (collectively referred to as the "**Controlling Shareholders**"), who have been acting in concert over the course of the Group's business history.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements are presented in Renminbi ("**RMB**") and all amounts have been rounded to the nearest thousand ("**RMB'000**"), unless otherwise stated.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year had no significant effects on the financial performance and financial position of the Group for the current and prior years.

Going concern assumption

At 31 December 2024, the Group recorded net current liabilities of approximately RMB174,829,000. Based on the estimation of the future cash flows of the Group, after taking into account of (i) the bank balances and cash at 31 December 2024; and (ii) the confirmed and indicated credit commitments from financial institutions, the Directors are of the opinion that the Group will have sufficient working capital to finance its normal operation and meet the obligation for its liabilities for the twelve months from the end of the reporting period of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, and to provide for any further liabilities which might arise. The effect of these potential adjustments has not been reflected in the consolidated financial statements.

3. SEGMENT INFORMATION

The Directors have determined that the Group has a single operating and reportable segment as the Group manages its business as a whole as the design and production of automated machines for disposable hygiene products and the executive directors of the Company, being the chief operating decision makers of the Group, regularly review the internal financial reports on the same basis for the purposes of allocating resources and assessing performance of the Group. Operating segment information is not presented accordingly.

Information about geographical areas

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of the revenue is presented based on the location of customers.

Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
The PRC	**276,738**	286,625
The Philippines	**37,737**	5,053
Uzbekistan	**19,043**	7,356
Indonesia	**13,078**	31,477
Brazil	**12,504**	7,626
Malaysia	**7,109**	–
Jordan	**3,220**	–
India	**59**	25
South Korea	**50**	57
Turkey	**49**	–
Vietnam	**28**	–
Cambodia	**30**	71
Pakistan	**9**	151
Angola	**3**	–
Belarus	**–**	7,290
Dubai	**–**	4,825
Nigeria	**–**	144
	369,657	350,700

The non-current assets are based on the physical location of the assets, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets, and excluded deferred tax assets.

Non-current assets

	2024	2023
	RMB'000	*RMB'000*
The PRC	**445,835**	210,493
Hong Kong	**171**	365
	446,006	210,858

Information about major customers

Details of the customer (including entities under common control) individually accounting for 10% or more of aggregate revenue of the Group during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**41,328**	*Note*

Note: The customer contributed less than 10% of the total revenue of the Group for the year ended 31 December 2023.

4. REVENUE

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within HKFRS 15 – at a point in time		
Sales of machines of		
– baby diaper	**175,896**	146,978
– adult diaper	**115,771**	117,457
– lady sanitary napkin	**31,724**	41,900
– under-pad	**–**	7,313
– wet wipe	**7,386**	3,193
– composite material	**–**	1,929
Sales of components and parts	**38,880**	31,930
	369,657	350,700

The amount of revenue recognised for the year ended 31 December 2024 that was included in the contract liabilities at the beginning of the year is approximately RMB57,819,000 (Note 13(c)) *(2023: approximately RMB47,357,000)*.

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**499**	1,245
Interest income from debt instrument at amortised cost	**1,543**	2,654
Exchange gain, net	**2,325**	3,699
Government grants *(Note (i))*	**990**	741
Additional deduction of input value-added tax ("**VAT**") *(Note (ii))*	**1,956**	–
Sale of scrap materials	**1,116**	407
Others	**2,059**	3,405
	10,488	12,151

Notes:

(i) In the opinion of the management of the Group, there was no unfulfilled condition or contingency relating to the government grants.

(ii) According to Announcement 2023 No. 43 of the Ministry of Finance and the State Taxation Administration of the PRC, with effect from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are eligible for additional VAT credits by 5% of the current period creditable VAT input. The subsidiaries of the Company, 晉江海納機械有限公司 (Jinjiang Haina Machinery Co. Ltd*) ("**Jinjiang Haina**") and 杭州海納機械有限公司 (Hangzhou Haina Machinery Co. Ltd*) ("**Hangzhou Haina**") are qualified for the additional deduction of input VAT.

* *English name is for identification purpose only.*

6. LOSS BEFORE TAX

This is stated after charging (crediting):

	2024	2023
	RMB'000	*RMB'000*
Finance costs		
Interest on bank borrowings	**6,069**	1,528
Finance charges on lease liabilities	**685**	612
	6,754	2,140
Less: interest on bank borrowings capitalised into construction in progress	**(5,183)**	(607)
	1,571	1,533
Staff costs, including directors' remuneration		
Salaries, allowances and other benefits in kind	**57,072**	46,549
Discretionary bonuses	**2,482**	2,336
Equity-settled share-based payment expenses	**562**	1,428
Contributions to defined contribution plans	**11,905**	11,116
	72,021	61,429
Less: capitalised as "intangible assets" *(Note (ii))*	**–**	(2,151)
	72,021	59,278

This is stated after charging (crediting):

	2024	2023
	RMB'000	*RMB'000*
Other items		
Auditor's remuneration		
– Audit service	**1,478**	1,267
– Non-audit service	**194**	190
Amortisation of intangible assets (included in "cost of sales" and "administrative and other operating expenses", as appropriate)	**5,304**	2,513
Cost of inventories *(Note (i))*	**317,659**	304,319
Depreciation of property, plant and equipment (included in "cost of sales" and "administrative and other operating expenses", as appropriate)	**14,692**	14,359
Less: capitalised as "intangible assets" *(Note (ii))*	**–**	(104)
Less: capitalised as "construction in progress"	**(875)**	(875)
	13,817	13,380
Short-term lease payments (included in "cost of sales")	**1,032**	–
Loss on disposal of property, plant and equipment, net	**111**	62
Write-down of inventories (included in "cost of sales")	**7,613**	–
Research and development expenses	**29,573**	27,341
Less: capitalised as "intangible assets"	**–**	(6,610)
	29,573	20,731

Notes:

(i) During the year ended 31 December 2024, cost of inventories included approximately RMB56,060,000 *(2023: approximately RMB38,310,000)*, relating to the aggregate amount of certain staff costs and depreciation and write-down of inventories, which were included in the respective amounts as disclosed above.

(ii) During the year ended 31 December 2023, capitalised intangible assets included approximately RMB2,255,000, relating to the staff costs and depreciation which were included in the respective amounts as disclosed above.

7. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax – current year	**312**	1,130
Hong Kong Profits Tax – current year	**17**	3
	329	1,133
Deferred tax		
Origination and reversal of temporary differences	**(317)**	(329)
Income tax expense for the year	**12**	804

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25% except for Jinjiang Haina, Hangzhou Haina and 晉江市海佳智能裝備有限公司 (Jinjiang Haijia Intelligent Equipment Co., Ltd.*) ("**Jinjiang Haijia**") were recognised as High and New Technology Enterprises and are entitled to a preferential tax rate of 15%. The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years. The latest approvals for Jinjiang Haina, Hangzhou Haina and Jinjiang Haijia enjoying this tax benefit were obtained in December 2023 for the three years ending 31 December 2025, in December 2024 for the three years ending 31 December 2026 and in December 2024 for the three years ending 31 December 2026, respectively.

The Group's entities incorporated in the Cayman Islands and the BVI are exempted from income tax.

For the years ended 31 December 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime under which, the first HK$2 million assessable profits arising from Hong Kong of qualifying entity of the Group were taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2 million were taxed at 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

* *English name is for identification purpose only.*

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Loss:		
Loss attributable to owners of the Company used for the purpose of basic loss per share	**(38,130)**	(35,796)

	2024	2023
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**563,976**	563,976

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares is anti-dilutive during the years ended 31 December 2024 and 2023.

9. DIVIDENDS

No dividend was declared by the Group during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

10. PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment increased to approximately RMB439,274,000 as at 31 December 2024 *(2023: approximately RMB198,822,000)*, primarily attributable to the additions of construction in progress of approximately RMB233,843,000 *(2023: approximately RMB106,743,000)* in relation to the construction of a digital factory and a new research and development and production centre.

11. DEBT INSTRUMENT AT AMORTISED COST

	2024	2023
	RMB'000	*RMB'000*
Unlisted debt instrument, unsecured	**32,810**	32,841
Less: Allowance for expected credit losses ("**ECL**")	**(31,939)**	(23,711)
	871	9,130

On 24 January 2021, the Company and Trendzon Holdings Group Limited (formerly known as "Pipeline Engineering Holdings Limited") (the "**Issuer**") entered into a subscription agreement, pursuant to which the Issuer has conditionally agreed to issue, and the Company has conditionally agreed to subscribe for, the bond in the principal amount of HK$40,000,000 (equivalent to approximately RMB33,248,000) at the interest rate of 6% per annum and with maturity date on 26 January 2022 (the "**Bond**") at the subscription price of HK$40,000,000 (equivalent to approximately RMB33,248,000) (the "**Subscription**"). On 26 January 2021, the Subscription was completed. The Issuer is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1865). Details of the Subscription are set out in the Company's announcements dated 25 and 26 January 2021.

On 25 January 2022, the maturity date of the Bond had been subsequently extended to 25 January 2023. On 3 March 2023, the Company and the Issuer agreed to further extend the maturity date of the Bond from 25 January 2023 to 25 July 2023 and also agreed to amend the bond interest rate from 6% to 8% per annum. Save for the further extension of the maturity date and interest rate for the further extension period, all the terms and conditions of the Bond remain unchanged. Details are set out in the Company's announcements dated 25 January 2022 and 3 March 2023.

The Bond was subsequently guaranteed by a deed of corporate guarantee executed by an independent third party in favor of the Group on 4 March 2023. The independent third party is a company incorporated in the PRC with limited liability and is principally engaged in provision of business services in the PRC.

During the year ended 31 December 2024, the Group received a partial settlement of HK$1,000,000 (equivalent to approximately RMB924,000) for the principal amount from the Issuer and the remaining balance of HK$35,000,000 (equivalent to approximately RMB32,810,000) was outstanding as at 31 December 2024.

The Company issued legal letters to demand the Issuer to make immediate repayment of the outstanding amount of the Bond and the corresponding bond interest receivable on 1 August 2023, 20 September 2023, 1 August 2024 and 22 January 2025 respectively. The Group also issued legal letters to the guarantor to demand settlement on 21 December 2023 and 25 July 2024 respectively.

12. TRADE AND OTHER RECEIVABLES

	Note	2024 RMB'000	2023 RMB'000
Trade receivables		**72,061**	82,439
Less: Allowance for ECL		**(16,448)**	(9,317)
		55,613	73,122
Bills receivables	*12(b)*	**529**	–
	12(a)	**56,142**	73,122
Other receivables			
Prepayment to suppliers		**6,945**	4,790
Other prepaid expenses		**3,076**	3,401
Consideration receivable		**2,344**	2,281
Interest receivable from debt instrument at amortised cost		**722**	502
Deposits and other receivables		**7,592**	6,345
VAT and other tax recoverable		**50,191**	29,328
		70,870	46,647
Less: Allowance for ECL		**(3,047)**	(2,643)
		67,823	44,004
		123,965	117,126

12(a) Trade receivables

Apart from a portion of the contract sum retained by customers to cover the Group's product quality warranty, the Group does not grant credit terms to customers in the sales contract. However, the Group may grant credit terms up to 30 days from the date of issuance of invoices to its customers for their processing of billing settlement or settlement terms as specified in the contracts for a specific settlement arrangement with monthly instalments paid up to 12 months as approved by the management on a case by case basis.

Included in trade receivables at 31 December 2024 was retained sums of approximately RMB9,050,000 *(2023: approximately RMB22,147,000)*. These are due for collection upon the expiry of product quality warranty period (which is usually 12 months from the acceptance by the customer of the machine).

At the end of reporting period, the ageing analysis of trade receivables (net of allowance for ECL) based on revenue recognition date is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**3,278**	9,973
31 to 60 days	**6,054**	3,273
61 to 90 days	**4,665**	7,626
91 to 180 days	**11,273**	20,522
181 to 365 days	**19,544**	10,035
Over 365 days	**11,328**	21,693
	56,142	73,122

At the end of reporting period, the ageing analysis of the trade receivables (net of allowance for ECL) by due date is as follow:

	2024	2023
	RMB'000	*RMB'000*
Not yet due	**27,746**	42,530
Past due:		
Within 30 days	**4,417**	1,981
31 to 60 days	**3,072**	3,466
61 to 90 days	**2,496**	951
91 to 180 days	**4,159**	4,044
181 to 365 days	**5,700**	8,211
Over 365 days	**8,552**	11,939
	28,396	30,592
	56,142	73,122

The Group does not hold any collateral over the trade receivables.

12(b) Bills receivables

At 31 December 2024, the bills receivables were interest-free, guaranteed by banks in PRC and have maturities of less than 1 year.

13. TRADE AND OTHER PAYABLES

	Note	2024 RMB'000	2023 RMB'000
Trade payables	*13(a)*	**87,953**	78,913
Bills payables	*13(b)*	**37,700**	58,688
Other payables			
Salaries payable		**7,634**	6,538
Contract liabilities – receipt in advance	*13(c)*	**95,081**	76,250
Payable for construction in progress		**58,453**	34,099
Payable for property, plant and equipment		**1,851**	–
Other tax payables		**1,574**	2,470
Accruals and other payables		**23,769**	19,131
		188,362	138,488
		314,015	276,089

13(a) Trade payables

The trade payables are non-interest bearing and the Group is normally granted with credit term up to 180 days.

At the end of the reporting period, the ageing analysis of the trade payables based on goods receipt date is as follows:

	2024 RMB'000	2023 RMB'000
Within 30 days	**54,441**	56,097
31 to 60 days	**10,132**	10,838
61 to 90 days	**9,865**	4,642
91 to 180 days	**8,312**	4,631
181 to 365 days	**2,404**	1,842
Over 365 days	**2,799**	863
	87,953	78,913

13(b) Bills payables

At the end of the reporting period, the bills payable are interest-free, guaranteed by banks in PRC and have maturities of less than six months. The Group's bills payables are secured by pledge of the Group's restricted bank deposits of RMB14,211,000 *(2023: RMB33,336,000)*.

13(c) Contract liabilities – receipt in advance

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the period	**76,250**	63,534
Recognised as revenue	**(57,819)**	(47,357)
Receipt in advance	**76,650**	60,073
At the end of the reporting period	**95,081**	76,250

At 31 December 2024, the contract liabilities that are expected to be settled within 12 months are approximately RMB95,081,000 *(2023: approximately RMB76,250,000)*.

For the year ended 31 December 2024, there was an increase in the overall contract activities, thereby increasing the amount arising from the receipt of advances.

14. INTEREST-BEARING BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Bank loans – unsecured	**6,000**	20,000
Bank loans – secured	**275,037**	57,026
	281,037	77,026

At 31 December 2024, the secured bank loans are collectively secured by:

(i) land use rights, buildings and construction in progress of the Group with aggregate net carrying value of approximately RMB41,542,000 *(2023: approximately RMB42,417,000)*, approximately RMB49,282,000 *(2023: nil)* and approximately RMB188,145,000 *(2023: approximately RMB117,557,000)*, respectively;

(ii) restricted bank deposits amounted to approximately RMB30,000 *(2023: nil)*; and

(iii) personal guarantee given by Mr. Hong Yiyuan, who is one of the Controlling Shareholders, to the extent of approximately RMB10,000,000 *(2023: approximately RMB10,000,000)*.

	2024	2023
	RMB'000	*RMB'000*
Analysed for reporting purpose:		
Carrying amounts of interest-bearing borrowings that are repayable*		
Within one year	**65,851**	49,277
More than one year, but not exceeding two years	**12,096**	8,000
More than two years, but not exceeding five years	**28,336**	3,084
More than five years	**174,754**	16,665
Amounts shown under current liabilities	**281,037**	77,026

* *The amounts due are based on scheduled repayment dates, set out in the loan agreements.*

The exposure of the Group's borrowings are as follows:

	2024	2023
	RMB'000	*RMB'000*
Fixed-rate borrowings	**45,783**	49,277
Variable-rate borrowings	**235,254**	27,749
	281,037	77,026

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2024	2023
Effective interest rate:		
Fixed-rate borrowings	**2.00% to 3.65%**	2.70% to 3.65%
Variable-rate borrowings	**2.00% to 3.78%**	3.78% to 3.90%

All of the bank facilities are subject to the fulfillment of certain covenants which are commonly found in lending arrangements with financial institutions. If the Company and subsidiaries were to breach the covenants, the drawn down facilities would become repayable on demand. In addition, certain of the relevant borrowing entities' loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the relevant borrowing entities have complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors its compliance with these covenants and has made payments according to the schedule of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the Group continues to meet these requirements.

15. SHARE CAPITAL

Ordinary share of HK$0.01 each	**Number of shares**	**HK$**	**Equivalent to RMB'000**
Authorised:			
At 31 December 2023, 1 January 2024 and **31 December 2024**	2,000,000,000	20,000,000	10,695
Issued and fully paid:			
At 31 December 2023, 1 January 2024 and **31 December 2024**	563,976,000	5,639,760	5,088

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established manufacturer engaging in the design and production of automated machines for manufacturing disposable hygiene products including baby diapers, adult diapers, lady sanitary napkins, under-pads and wet wipe in the PRC. In 2024, the global economic landscape remained fraught with challenges and opportunities. Although the pace of economic recovery was uneven worldwide, with persistent geopolitical risks, supply chain fluctuations, and inflationary pressures, Haina Intelligent sustained steady growth and further expanded its market share through innovative capabilities, market insights, and robust business strategies amid complex market conditions.

As of 31 December 2024, the Group maintained three production bases in the PRC: the Jinjiang Production Base, the Hangzhou Production Base, and a newly-leased production base in Foshan (in operation at an early-stage), with a total floor area of approximately 130,000 square metres. This includes the newly constructed Hangzhou Production Base spanning approximately 78,579 square metres, of which approximately 19,280 square metres have been completed and in operation, while the remaining part is under renovation and will be progressively put into use. The Group operated 18 production lines at the Jinjiang Production Base and 9 production lines at the Hangzhou Production Base. Our manufacturing process primarily involves the assembly of components and parts for our products, with components and parts predominantly sourced from third-party suppliers.

Besides, on 5 January 2022, the Company's wholly-owned subsidiary, Zhejiang Haina Tongchuang Intelligent Technology Company Limited ("**Haina Tongchuang**") successfully won the bid for the land use rights of a parcel of land with a total site area of approximately 27,594 square metres (the "**Land 1**") at a consideration of approximately RMB21.8 million. The Land 1 will be used for the construction of a digital factory (the "**Factory**"), which will be principally engaged in the design and production of automated machines for disposable hygiene products to meet customers' surging demand for the Group's products and better achieve the expansion plan and centralize its operation management. The project was partially financed by the net proceeds from the placing of new shares under a general mandate which was completed on 30 June 2021. On 15 August 2022, Haina Tongchuang entered into a construction contract with Fujian Huidong Construction Engineering Co., Ltd.*（福建省惠東建築工程有限公司）(the "**Contractor 1**"), pursuant to which the Contractor 1 agreed to carry out the construction works of the Factory and other ancillary facilities on the Land 1 at a total contract price of approximately RMB265.6 million. On 22 April 2024, a supplemental agreement was entered into between Haina Tongchuang and the Contractor 1 in relation to the reduction of the construction work volumes of relevant ancillary facilities, pursuant to which the total contract price was reduced by approximately RMB37.0 million upon completion of the relevant ancillary facilities. Currently, part of the project has been completed and put into use, and the remaining part is under renovation and will be progressively put into use. It is expected to be put into use in the first half of 2025.

* *English name is for identification purpose only.*

On 30 June 2022, Jinjiang Haina, a wholly-owned subsidiary of the Company, has successfully won the bid for the land use rights of a parcel of land with a total site area of approximately 28,353 square metres (the "**Land 2**") at a consideration of approximately RMB19.9 million, which will be used for the construction of a new research and development and production centre (the "**R&D Centre**"). The R&D Centre can shorten the time for transporting, disassembling and re-assembling of raw materials during the Group's production process and facilitate staff deployment. In addition, the R&D Centre can help expand the Group's production capacity to meet customers' surging demand for the Group's products and better achieve the expansion plan. On 4 July 2023, Jinjiang Haina entered into a construction contract with HUIYU(FJ) CONSTRUCTION PROJELE COM., LTD.*（福建省惠裕建設工程有限公司）(the "**Contractor 2**"), pursuant to which the Contractor 2 agreed to carry out the construction works of the R&D Centre and other ancillary facilities on the Land 2 at a total contract price of approximately RMB176.0 million. The project has been topped out and is expected to be completed in the second half of 2025.

During the year, the Group sold 59 units of machines and recorded total revenue of approximately RMB369.7 million, which represents an increase of approximately 5% compared to the Prior Year. The Group reported a net loss of approximately RMB41.0 million for the year. Haina Intelligent focused on intelligent flexible material equipment manufacturing in 2024, further accelerating the intelligent transformation in the manufacturing industry. With the deepening implementation of Industry 4.0, smart manufacturing, automation and digital solutions emerged as critical differentiators for enterprises seeking competitive advantages. While the Group's primary customer base remained concentrated in the domestic market of the PRC, the demand for intelligent manufacturing equipment continues to grow in the PRC, the Southeast Asian and South American markets. As overseas markets acting as key destinations for global manufacturing relocation, the Group also intensified investments and strategic deployment in overseas markets, successfully exploring several new customers. This resulted in substantial sales growth and further enhancing market penetration. During the year, the Group extended its sales network to 13 overseas countries.

In 2024, the Group held 165 patents in the PRC. Leveraging our strengths in proprietary R&D and specialized manufacturing capabilities, particularly through increased investments in automated equipment, and continuously upgrading and innovating our product portfolio in intelligent and green manufacturing, the Group achieved multiple technological breakthroughs. An example was the successful development of a next-generation high-speed intelligent diaper production line, which increased the output from 700 to 900 pieces per minute, representing a nearly 30% improvement in production efficiency, while simultaneously reducing energy consumption by approximately 30%. These advancements further solidified the Group's technological leadership in the global market.

As a responsible enterprise, Haina Intelligent has always regarded sustainable development as one of its core strategies. In 2024, the Group made remarkable advancements in intelligent environmental protection field, including the introduction of energy-efficient intelligent equipment designed to meet clients' needs for slashing carbon emissions during their production process. Furthermore, we are actively driving the development of green factories, aiming to further reduce energy consumption and waste emissions in the production processes in 2025.

* *English name is for identification purpose only.*

GOING FORWARD

Looking ahead to 2025, the global economy will continue to face multiple uncertainties; however, the outlook for the disposable hygiene products industry remains optimistic. Driven by global population expansion, accelerated aging demographics, and rising of hygiene consciousness, demand for disposable hygiene products will sustain to grow. This trend is particularly promising in emerging markets, where rising consumer spending and accelerating urbanization lead to significant growth potential for the industry.

(1) Enhancing R&D efficiency, accelerating the technological upgrade of key components, and promoting technological innovation. Simultaneously, expediting the product production turnover to improve overall efficiency

In June 2022, the Group successfully acquired the Land 2 for the establishment of the R&D Centre to support product development under the "Haina Machinery" brand, and the Group intends to relocate the existing R&D activities to this new facility. The establishment of the R&D Centre will enhance the Group's oversight of development of key products, and shorten lead times for developing customized products, thus improving overall R&D efficiency for new products. As at the date of this announcement, the R&D Centre has gradually completed its topping-out and is expected to be fully operational in the first half of 2025. Upon completion, the project is expected to optimize the Group's production line layout, elevate smart manufacturing capabilities, and improve precision and speed, thereby enabling the Group to open a new chapter in the development of high-end equipment manufacturing.

Additionally, the Group's property, plant and equipment (excluding right-of-use assets, buildings and construction in progress) increased by approximately 127% during the year as compared to the Prior Year, with the growth primarily attributable to the acquisition of new precision manufacturing and automation equipment to enhance the Group's R&D capability by increasing the Group's efforts in conducting R&D activities and strengthening R&D innovations to upgrade new technologies. During the year, the Group incurred R&D expenses (including capitalized expenditures) of approximately RMB29.6 million, all of which were fully funded by the Group's internal resources.

(2) Expanding production capacity of production bases and enhancing the flexibility of production support systems to deliver comprehensive solutions to support customers' integrated service needs

In January 2022, the Group successfully acquired the Land 1 for the construction of the Factory. As at the date of this announcement, the Factory has been partially operational since the end of 2024, with the remaining sections under renovation for office use. After being put into operation, the Factory will primarily focus on the design and production of automated machinery for disposable hygiene products. The Factory is expected to meet the customers' surging demand for the Group's products, including automated packaging needs, in order to deliver comprehensive integrated service solutions to its customers and facilitate the realization of expansion plans and centralized operational management. In 2025, the Group will continue to implement its sustainable development strategy by advancing green factory construction initiatives to reduce energy consumption and waste emissions during production processes.

Meanwhile, the Group will accelerate technological iteration and process upgrades, gradually increasing the in-house production rate of core components year by year, and will continuously optimize our industrial chain layout so as to building us into a specialized, sophisticated, and innovative "little giant" enterprise. The Group has invested in the establishment of three subsidiaries to self-produce and process parts and components used for the production of the Group's machinery, eliminating the previous reliance on external procurement. This shift aims to expedite supply management and accelerate the iteration and upgrading of technologies and processes. Through this integration, the Group will reduce procurement lead times, optimize production workflows, and streamline supply of supporting equipment, thereby providing customers with comprehensive solutions. These efforts are expected to bolster the Group's competitive advantages while enhancing flexibility in both production and service delivery.

(3) Deepening the advancement of the global "platform-based" strategy to achieve sustained breakthroughs in overseas markets

- Emerging markets: Emerging markets such as Asia, Africa and South America will remain key engines for the Group's business growth. We will continue to increase investments in these markets, offering more competitive products and solutions tailored to meet the needs of local customers.

- High-end market: In mature markets such as Europe and the United States, where consumers demanding for high-quality and environmentally friendly products is increasing, the Group will continue to introduce advanced intelligent equipment to meet customers' needs for improving production efficiency and product quality.

During the year, the Group also placed advertisements on multiple mainstream media platforms both domestically and internationally, such as TikTok, Toutiao, Alibaba, Amazon, and others. Additionally, we actively participated in a number of large-scale domestic and overseas exhibitions, including events in Nanjing, Turkey, and other locations. These efforts aim to enhance brand visibility and recognition, accelerating the penetration rate of our brand in both domestic and overseas markets.

In addition, the Group initiated a strategic planning and organizational capability enhancement project, aiming to precisely position our products, markets, and customers. We have implemented tailored tactics to achieve breakthroughs in specific segments and identify continuous growth opportunities. The development of new strategies allows us to adapt to market changes, and gain deeper insights into customer needs, thus conducting targeted development of new products. This will enable us to provide better services to our customers and strive for greater market penetration. "Market share, product quality, and brand" will be the three driving forces for Haina Intelligent's future development. The Group will continue to deepen its presence in the market of the PRC while actively exploring emerging global markets, safeguarding our overseas market share, thus achieving growth in both domestic and international operations. This will further consolidate our leading position in the industry.

(4) Risks and challenges

Despite the optimistic outlook, the Group recognizes that 2025 will present numerous challenges. Global economic uncertainties, fluctuations in raw material prices, and supply chain pressures may all impact our operations. In response, the Group will continue to strengthen risk management, optimize supply chain layout, and enhance operational efficiency to ensure steady business growth.

FINANCIAL REVIEW

REVENUE

By type of products:

	2024			2023		
	Units	***RMB'000***	***%***	*Units*	*RMB'000*	*%*
Baby diaper machines	**27**	**175,896**	**48**	25	146,978	42
Adult diaper machines	**15**	**115,771**	**31**	18	117,457	33
Lady sanitary napkin machines	**8**	**31,724**	**9**	10	41,900	12
Under-pad machines	**–**	**–**	**–**	2	7,313	2
Wet wipe machines	**9**	**7,386**	**2**	5	3,193	1
Composite material machines	**–**	**–**	**–**	2	1,929	1
Components and parts	**N/A**	**38,880**	**10**	N/A	31,930	9
	59	**369,657**	**100**	62	350,700	100

The Group's revenue increased by approximately RMB19.0 million (or 5%) from approximately RMB350.7 million for the Prior Year to approximately RMB369.7 million for the Year. This was mainly due to the increase in sales of baby diaper machines (approximately RMB28.9 million), wet wipe machines (approximately RMB4.2 million), and components and parts (approximately RMB7.0 million). The increase was partially offset by the decrease in sales of adult diaper machines (approximately RMB1.7 million), lady sanitary napkin machines (approximately RMB10.2 million), under-pad machines (approximately RMB7.3 million), and composite material machines (approximately RMB1.9 million).

As at 31 December 2024, the Group entered into sales contracts with its customers for the sales and purchase of 22, 11, and 5 units of baby diaper machines, adult diaper machines, and lady sanitary napkin machines with aggregate contract values of approximately RMB170.8 million, RMB125.6 million, and RMB29.7 million, respectively. Subsequent to the reporting period and up to the date of this announcement, the Group has further entered into sales contracts with its customers for the sales and purchase of 6 units of baby diaper machines with an aggregate contract value of approximately RMB58.6 million. The machines under these contracts are expected to be delivered during the year of 2025.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit of the Group increased by approximately RMB5.6 million from approximately RMB46.4 million for the Prior Year to approximately RMB52.0 million. The gross profit margin for the Year increased by approximately 0.9 percentage point, from approximately 13.2% for the Prior Year to approximately 14.1%. The increases in both gross profit and gross profit margin were mainly due to (i) the upgrade in technical configurations leading to an increase in the selling price of the machines sold; and (ii) the general decline in prices of some of the raw materials and components.

OTHER INCOME

The other income mainly comprised government grants, bond interest income, exchange gain, bank interest income, income from the sale of scrap materials, and insurance claim income. The government grants mainly refer to the government grants provided by government authorities of Fujian Province, such as Jinjiang Finance Bureau and Jinjiang Bureau of Economy and Information Technology, which are unconditional and at the discretion of the relevant authorities. All the government grants received during the Year and/or the Prior Year were one-off and unconditional. The other income decreased from approximately RMB12.2 million for the Prior Year by approximately RMB1.7 million or approximately 13.9% to approximately RMB10.5 million for the Year. The decrease was mainly due to the reduction in exchange gains for the Year.

SELLING AND DISTRIBUTION COSTS

The selling and distribution costs mainly comprised expenses incurred for business trips and entertainment, depreciation, promotional expenses, and repair costs. The selling and distribution costs increased by approximately RMB4.1 million or 24.3% from approximately RMB16.9 million for the Prior Year to approximately RMB21.0 million for the Year. The increase was mainly due to the increase in salaries of marketing staff and after-service expenses during the Year.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The administrative and other operating expenses mainly comprised research and development expenses, staff costs, depreciation, amortisation, and consultancy fee. The administrative and other operating expenses increased by approximately RMB16.1 million or 32.9% from approximately RMB49.0 million for the Prior Year to approximately RMB65.1 million for the Year. The increase was mainly due to the rise in amortization of intangible assets and research and development expenses during the Year.

FINANCE COSTS

For the Year, finance costs were approximately RMB1.6 million, which increased by approximately 6.7% as compared with the Prior Year (approximately RMB1.5 million). The increase was mainly due to an increase in interest on bank borrowings.

INCOME TAX EXPENSE

For the Year, income tax expense was approximately RMB0.01 million, which decreased by approximately 98.8% as compared with the Prior Year (approximately RMB0.8 million). The decrease was mainly due to the decrease in taxable profits of the Group's operating subsidiaries in the PRC for the Year.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group recorded a loss attributable to owners of the Company of approximately RMB38.1 million for the Year (Prior Year: approximately RMB35.8 million). The increase in loss attributable to owners of the Company for the Year was mainly due to the increase in allowance for expected credit losses on trade receivables.

DIVIDEND

The Board has resolved not to declare a final dividend for the Year.

USE OF PROCEEDS FROM LISTING

The shares of the Company have been listed on the Main Board of the Stock Exchange on 3 June 2020 with a total of 122,004,000 offer shares being issued (including the partial exercise of the Over-allotment Option) based on the share price of HK$1.38 per share (the "**Share Offer**"). The aggregate nominal value of the offer shares mentioned above is HK$1,220,040. The net proceeds of the Share Offer, after deducting underwriting commissions and other fees in connection with the Listing, were approximately HK$130.1 million or RMB119.5 million. The net price per offer share is approximately HK$1.07. The Directors intend to deploy the proceeds according to the manner set out in the prospectus of the Company dated 20 May 2020 (the "**Prospectus**"). The use of net proceeds will be in accordance with the implementation plan as set out in the Prospectus. Set out below is the actual use of net proceeds up to 28 April 2023.

	Net proceeds allocation	Unutilised net proceeds as at 1 January 2023	Utilised net proceeds up to 28 April 2023	Unutilised net proceeds up to 28 April 2023
	RMB million	*RMB million*	*RMB million*	*RMB million*
Setting up the research and development centre	24.1	1.1	23.0	1.1
Strengthening research and development capabilities	22.9	2.9	20.0	2.9
Increasing production capacity	16.8	9.6	8.0	8.8
Increasing competitiveness through acquisitions	43.5	27.0	16.5	27.0
Working capital and general corporate purposes	12.2	6.7	5.7	6.5
	119.5	47.3	73.2	46.3

On 28 April 2023, the Group announced that the unutilised net proceeds were reallocated to the setting up of the new research and development centre, the new manufacturing workshop and other office buildings in Jinjiang.

	Net proceeds allocation	Unutilised net proceeds as at 1 January 2024	Utilised net proceeds up to 31 December 2024	Unutilised net proceeds up to 31 December 2024	Time frame for utilisation
	RMB million	*RMB million*	*RMB million*	*RMB million*	
Setting up a new research and development centre in Jinjiang	24.1	15.1	24.1	–	Fully utilised
Setting up a new manufacturing workshop and other office buildings in Jinjiang	22.2	22.2	22.2	–	Fully utilised
	46.3	37.3	46.3	–	

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group's working capital and capital expenditure were mainly financed by internal resources and interest-bearing borrowings. The current ratio of the Group, which is calculated based on the current assets divided by current liabilities, was approximately 0.7 times as at 31 December 2024 (31 December 2023: approximately 1.3 times). The Group generally financed its daily operations from cash flows generated internally.

Up to the date of this announcement, outstanding trade receivables of approximately RMB18.3 million as at 31 December 2024 had subsequently been settled.

FINANCIAL POLICIES

The Group is exposed to liquidity risk in respect of settlement of its trade and other payables, bank borrowings and financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

CAPITAL STRUCTURE

As at 31 December 2024, the capital structure of the Group consisted of equity of approximately RMB266.0 million (31 December 2023: approximately RMB305.0 million) and bank borrowings of approximately RMB281.0 million (31 December 2023: approximately RMB77.0 million) as more particularly described in the paragraph headed "Borrowings" below.

BORROWINGS

As at 31 December 2024, the Group had bank loans of approximately RMB281.0 million (31 December 2023: approximately RMB77.0 million).

For further details of the borrowings, please refer to note 14 in this announcement.

GEARING RATIO

The Group's gearing ratio, which is calculated based on the total interest-bearing liabilities (defined as the sum of bank loans and lease liabilities) divided by the total equity as at the respective year end, was approximately 109.0% as at 31 December 2024 (31 December 2023: approximately 30.9%).

CAPITAL COMMITMENT

As at 31 December 2024 and 2023, the Group had the following capital expenditure commitments:

	At 31 December 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Contracted but not provided net of deposit paid for		
– Construction in progress	**61,261**	327,083
– Development of intangible assets*	**27,679**	27,679
	88,940	354,762

* Regarding developing "5G+ Intelligent Platform for Equipment Operation and Maintenance Services", the first phase of software system deployment has been completed as at 31 December 2024. As the platform application failed to meet the mutual expectations, the project is expected to terminate in 2025.

CONTINGENT LIABILITIES

Save as disclosed elsewhere in this announcement, the Group had no material contingent liabilities as at 31 December 2024 (31 December 2023: nil).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi, Hong Kong dollars and United States dollars. The Group has not experienced any difficulties or effects on its operations or liquidity as a result of the fluctuations in currency exchange rates during the Year. The Group did not enter into any foreign exchange derivative contract to manage the currency translation risk of Renminbi against United States dollars and Hong Kong dollars during the Year, but the Group will continue to review its foreign exchange exposure regularly and might consider using financial instruments to hedge against foreign exchange exposure at appropriate time.

As at 31 December 2024 and 2023, the Group had not entered any financial instrument for hedging against foreign exchange risk.

HUMAN RESOURCES

The Group has employed a total of approximately 514 employees as at 31 December 2024 (31 December 2023: approximately 505 employees) in Hong Kong and the PRC. Staff costs (including Directors' emoluments) amounted to approximately RMB72.0 million for the Year (Prior Year: approximately RMB59.3 million). The remuneration was determined based on the performance and professional experience of employees as well as the prevailing market conditions. The management will regularly review the remuneration policy and arrangement of the Group. In addition to pension, the Group will also distribute discretionary bonus to them as incentives according to their performance. The Group recruits and selects candidates on the basis of their qualifications and suitability for the position. It is the Group's policy to recruit the most capable person available for each position.

CHARGES ON GROUP'S ASSETS

Save as disclosed in notes 13(b) and 14 in this announcement, no assets of the Group are pledged as at 31 December 2024.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS

The Group made no significant investment and material acquisitions and disposals during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In June 2022, the Group successfully acquired the Land 2 for the establishment of the R&D Centre to support product development under the "Haina Machinery" brand, and the Group intends to relocate the existing R&D activities to this new facility. The establishment of the R&D Centre will enhance the Group's oversight of development of key products, and shorten lead times for developing customized products, thus improving overall R&D efficiency for new products. As at the date of this announcement, the R&D Centre has gradually completed its topping-out and is expected to be fully operational in the first half of 2025. Upon completion, the project is expected to optimize the Group's production line layout, elevate smart manufacturing capabilities, and improve precision and speed, thereby enabling the Group to open a new chapter in the development of high-end equipment manufacturing.

Additionally, the Group's property, plant and equipment (excluding right-of-use assets, buildings and construction in progress) increased by approximately 127% during the year as compared to the Prior Year, with the growth primarily attributable to the acquisition of new precision manufacturing and automation equipment to enhance the Group's R&D capability by increasing the Group's efforts in conducting R&D activities and strengthening R&D innovations to upgrade new technologies.

In January 2022, the Group successfully acquired the Land 1 for the construction of the Factory. As at the date of this announcement, the Factory has been partially operational since the end of 2024, with the remaining sections under renovation for office use. After being put into operation, the Factory will primarily focus on the design and production of automated machinery for disposable hygiene products. The Factory is expected to meet the customers' surging demand for the Group's products, including automated packaging needs, in order to deliver comprehensive integrated service solutions to its customers and facilitate the realization of expansion plans and centralized operational management. In 2025, the Group will continue to implement its sustainable development strategy by advancing green factory construction initiatives to reduce energy consumption and waste emissions during production processes.

Meanwhile, the Group will accelerate technological iteration and process upgrades, gradually increasing the in-house production rate of core components year by year, and will continuously optimize our industrial chain layout so as to building us into a specialized, sophisticated, and innovative "little giant" enterprise. The Group has invested in the establishment of three subsidiaries to self-produce and process parts and components used for the production of the Group's machinery, eliminating the previous reliance on external procurement. This shift aims to expedite supply management and accelerate the iteration and upgrading of technologies and processes. Through this integration, the Group will reduce procurement lead times, optimize production workflows, and streamline supply of supporting equipment, thereby providing customers with comprehensive solutions. These efforts are expected to bolster the Group's competitive advantages while enhancing flexibility in both production and service delivery.

Save as the above and the matters disclosed in this announcement, the Group currently has no plan for material investments and capital assets.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there are no significant events affecting the Group which have occurred after 31 December 2024 and up to the date of this announcement.

PUBLIC FLOAT

During the Year and as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Friday, 30 May 2025 ("**2025 AGM**") and the notice of 2025 AGM will be published and despatched to the shareholders of the Company (the "**Shareholders**") in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for attending the 2025 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 26 May 2025.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. In the opinion of the Directors, except for the below deviation, the Company has adopted the applicable code provisions ("**CG Code**") in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange during the Year.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Hong Yiyuan, the chairman of the Board and the chief executive officer of the Company, currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Upon specific enquiries made by the Company, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year and up to the date of this announcement. As at 31 December 2024, there were no treasury shares (as defined under the Listing Rules) held by the Company.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the Group's financial results for the Year including the accounting principles and practices adopted by the Group. There is no disagreement between the Board and the Audit Committee on the Group's financial results for the Year.

SCOPE OF WORK OF THE COMPANY'S AUDITOR ON THE RESULTS ANNOUNCEMENT

The figures in respect of the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of financial position of the Group and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited (formerly knows as Mazars CPA Limited) ("**Forvis Mazars**"), *Certified Public Accountants*, to the amounts set out in the audited consolidated financial statements of the Group for the Year. The work performed by Forvis Mazars in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.haina-intelligent.com. The Company's annual report for the Year containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

The Board would like to express its sincere gratitude to the business partners of the Group and Shareholders for their continuous support. The management team and all staff members should also be lauded for their tireless efforts and dedication to the Group.

By Order of the Board
Haina Intelligent Equipment International Holdings Limited
Hong Yiyuan
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Company has four executive Directors, namely Mr. Hong Yiyuan (Chairman), Mr. Zhang Zhixiong, Mr. Su Chengya and Mr. He Ziping, one non-executive Director, namely Mr. Chang Chi Hsung and three independent non-executive Directors, namely Mr. Chan Ming Kit, Dr. Wang Fengxiang and Ms. Chan Man Yi.