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## **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)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **HIGHLIGHTS**

- The Group recorded a revenue of approximately RMB224.2 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB182.4 million).
- The Group recorded a gross profit of approximately RMB51.7 million and gross profit margin of approximately 23.1% for the six months ended 30 June 2025 (six months ended 30 June 2024: gross profit of approximately RMB30.5 million and gross profit margin of approximately 16.7%).
- Profit attributable to owners of the Company for the six months ended 30 June 2025 amounted to approximately RMB8.8 million (six months ended 30 June 2024: loss attributable to owners of the Company of approximately RMB11.6 million).

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 unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”), together with the comparative figures for corresponding six months ended 30 June 2024 (the “**Prior Period**”) as follows:

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	<b>5</b>	<b>224,153</b>	182,391
Cost of sales		<u>(172,502)</u>	<u>(151,858)</u>
<b>Gross profit</b>		<b>51,651</b>	30,533
Other income	6	2,552	5,145
Selling and distribution costs		(10,584)	(7,708)
Administrative and other operating expenses		(35,111)	(33,152)
Provision for impairment loss on property, plant and equipment	11	—	(1,705)
Provision for impairment loss on intangible assets		—	(16)
Reversal of (Provision for) impairment loss on trade receivables, net		1,778	(1,950)
Provision for impairment loss on debt instrument at amortised cost		(865)	(3,287)
Provision for impairment loss on other receivables		(19)	(62)
Change in fair value of equity instruments at fair value through profit or loss (“FVPL”)		36	(231)
Equity-settled share-based payment expenses	17	(121)	(280)
Finance costs	7	<u>(1,404)</u>	<u>(725)</u>
<b>Profit (Loss) before tax</b>	<b>7</b>	<b>7,913</b>	(13,438)
Income tax expense	8	<u>(636)</u>	<u>(117)</u>
<b>Profit (Loss) for the period</b>		<u><b>7,277</b></u>	<u>(13,555)</u>
<b>Other comprehensive (loss) income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference on translation of the Company’s financial statements to presentation currency		(3,825)	3,620
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on consolidation		<u>(830)</u>	<u>(3,921)</u>
<b>Total other comprehensive loss for the period</b>		<u><b>(4,655)</b></u>	<u>(301)</u>
<b>Total comprehensive income (loss) for the period</b>		<u><u><b>2,622</b></u></u>	<u><u>(13,856)</u></u>

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Profit (Loss) for the period attributable to:</b>			
Owners of the Company		8,787	(11,627)
Non-controlling interests		<u>(1,510)</u>	<u>(1,928)</u>
		<u>7,277</u>	<u>(13,555)</u>
<b>Total comprehensive income (loss) for the period attributable to:</b>			
Owners of the Company		4,132	(11,928)
Non-controlling interests		<u>(1,510)</u>	<u>(1,928)</u>
		<u>2,622</u>	<u>(13,856)</u>
		RMB cents	RMB cents
		(Unaudited)	(Unaudited)
<b>Earnings (Loss) per share</b>	10		
Basic and diluted		<u>1.56</u>	<u>(2.06)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Non-current assets</b>			
Property, plant and equipment	11	468,096	439,274
Intangible assets		4,637	6,732
Deferred tax assets		2,174	2,174
		<u>474,907</u>	<u>448,180</u>
<b>Current assets</b>			
Inventories		243,372	247,087
Equity instrument at FVPL		254	225
Debt instrument at amortised cost	13	—	871
Trade and other receivables	12	159,434	123,965
Bank deposit with maturity over three months		1,800	1,800
Restricted bank deposits		15,687	14,241
Bank balances and cash		29,013	35,490
		<u>449,560</u>	<u>423,679</u>
<b>Current liabilities</b>			
Trade and other payables	14	335,127	314,015
Lease liabilities		3,041	2,665
Interest-bearing borrowings	15	308,737	281,037
Income tax payable		1,243	791
		<u>648,148</u>	<u>598,508</u>
<b>Net current liabilities</b>		<u>(198,588)</u>	<u>(174,829)</u>
<b>Total assets less current liabilities</b>		<u>276,319</u>	<u>273,351</u>

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Non-current liabilities</b>			
Lease liabilities		5,499	6,174
Deferred tax liabilities		<u>1,210</u>	<u>1,210</u>
		<u>6,709</u>	<u>7,384</u>
<b>NET ASSETS</b>		<u><b>269,610</b></u>	<u><b>265,967</b></u>
<b>Capital and reserves</b>			
Share capital	16	5,088	5,088
Reserves		<u>265,591</u>	<u>261,338</u>
Equity attributable to owners of the Company		270,679	266,426
Non-controlling interests		<u>(1,069)</u>	<u>(459)</u>
<b>TOTAL EQUITY</b>		<u><b>269,610</b></u>	<u><b>265,967</b></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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 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 in Hong Kong 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. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Interim Financial Statements are presented in Renminbi (“**RMB**”) and all amounts are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2024 (the “**Annual Report**”).

The Interim Financial Statements have been prepared on historical cost basis.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report except for the adoption of the new/revised HKFRS Accounting Standards, HKASs and Interpretations which are relevant to the Group as detailed in note 3 below (hereinafter collectively referred to as the “new/revised HKFRS Accounting Standards”) which are effective for current interim period.

### **Going concern**

At 30 June 2025, the Group recorded net current liabilities of approximately RMB198,588,000. Based on the estimation of the future cash flows of the Group, after taking into account of (i) the bank and cash balances at 30 June 2025; 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 unaudited condensed consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements have been prepared on a going concern basis.

### **3. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS**

In the current interim period, the Group has adopted for the first time the following new/revised HKFRS Accounting Standards issued by the HKICPA, which are effective for the current period.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the new/revised HKFRS Accounting Standards in the current period had no material impact on the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted. The Directors do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the consolidated financial statements of the Group.

### **4. SEGMENT INFORMATION**

The Directors have determined that the Group has a single operating and reportable segment for the Period and the Prior Period, 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. 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*

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Mainland China	97,751	109,823
Southeast Aisa ( <i>Note (i)</i> )	47,153	54,345
South Asia ( <i>Note (ii)</i> )	40,526	33
South America	22,073	7,509
Central Asia	6,576	10,649
East Africa	5,879	—
West Asia	3,755	—
Others	440	32
	<u>224,153</u>	<u>182,391</u>

#### *Notes:*

- (i) Southeast Asia included the sales to external customers located to Republic of Indonesia, Vietnam, the Philippines, Cambodia, and Malaysia.
- (ii) South Asia included the sales to external customers located to India, Bangladesh, and Islamic Republic of Pakistan.

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

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Mainland China	472,667	445,835
Hong Kong	66	171
	<u>472,733</u>	<u>446,006</u>

## Information about major customers

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

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	<u>23,725</u>	<u>—</u>

## 5. REVENUE

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue from contracts with customers within HKFRS 15</b>		
– at a point in time		
Sales of machines of		
– baby diaper	115,800	78,121
– adult diaper	81,897	61,031
– lady sanitary napkin	9,401	20,605
– wet wipes	—	3,468
Sales of components and parts	<u>17,055</u>	<u>19,166</u>
	<u>224,153</u>	<u>182,391</u>

The amounts of revenue recognised for the Period and the Prior Period that were included in the contract liabilities at the beginning of each reporting period are approximately RMB55.3 million and RMB50.5 million, respectively.

## 6. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	184	340
Interest income from debt instrument at amortised cost	—	1,341
Exchange gain, net	—	1,350
Government grants ( <i>Note (i)</i> )	544	380
Additional deduction of input value-added tax (“VAT”) ( <i>Note (ii)</i> )	268	—
Sales of scrap materials	731	607
Others	825	1,127
	<u>2,552</u>	<u>5,145</u>

*Notes:*

- (i) In the opinion of the management of the Group, there was no unfulfilled condition or contingency relating to the governments 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 input VAT. The subsidiaries of the Company, Jinjiang Haina Machinery Co. Ltd\* (晉江海納機械有限公司) (“**Jinjiang Haina**”) and Hangzhou Haina Machinery Co. Ltd\* (杭州海納機械有限公司) (“**Hangzhou Haina**”) are qualified for the additional deduction of input VAT.

\* *English name is for identification purpose only.*

## 7. PROFIT (LOSS) BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>(a) Finance costs</b>		
Interest on bank borrowings	4,366	2,334
Finance charges on lease liabilities	181	373
	<u>4,547</u>	<u>2,707</u>
<i>Less: interest on bank borrowings capitalised into construction in progress</i>	<u>(3,143)</u>	<u>(1,982)</u>
	<u>1,404</u>	<u>725</u>

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>(b) Staff costs, including directors' remuneration</b>			
Salaries, allowances, discretionary bonus and other benefits in kind		30,680	26,901
Equity-settled share-based payment expenses		121	280
Contributions to defined contribution plans		5,323	3,812
		<u>36,124</u>	<u>30,993</u>
<b>(c) Other items</b>			
Cost of inventories ( <i>Note</i> )		172,502	151,858
Auditor's remuneration		196	194
Amortisation of intangible assets (included in "cost of sales" and "administrative and other operating expenses", as appropriate)		2,095	2,703
Depreciation of property, plant and equipment (included in "cost of sales" and "administrative and other operating expenses", as appropriate)		6,589	7,988
Less: capitalised as "construction in progress"		(213)	(438)
		<u>6,376</u>	<u>7,550</u>
Exchange loss (gain), net		573	(1,350)
Short-term lease payments (included in "cost of sales")		842	—
Loss on disposal of property, plant and equipment, net		243	17
Research and development expenses		15,108	13,920

*Note:* During the Period, cost of inventories included approximately RMB24.5 million (the Prior Period: approximately RMB21.2 million), relating to the aggregate amount of certain staff costs and depreciation, which were included in the respective amounts as disclosed above.

## 8. INCOME TAX EXPENSE

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Current tax</b>			
PRC Enterprise Income Tax—current period		352	117
Hong Kong Profits Tax—current period		284	—
		<u>636</u>	<u>117</u>
Income tax expense for the period			

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 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 Period, Hong Kong Profits Tax is calculated in accordance with the two-tiered 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 any 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 continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax has not been provided as the Group had no assessable profit arising from Hong Kong for the Prior Period.

\* *English name is for identification purpose only.*

## 9. DIVIDENDS

The Board has resolved not to declare an interim dividend for the Period (the Prior Period: Nil).

## 10. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company for the period is based on the following data:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
<b>Profit (Loss):</b>		
Profit (Loss) attributable to owners of the Company used		
for the purpose of basic earnings (loss) per share (RMB '000)	<u>8,787</u>	<u>(11,627)</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of		
basic earnings (loss) per share ('000)	<u>563,976</u>	<u>563,976</u>

Diluted earnings (loss) per share is same as basic earnings (loss) per share for the Period and the Prior Period as the computation of diluted earnings (loss) per share does not assume the exercise of the Company's share options since their exercise would result in a decrease in the basic earnings (loss) per share.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the Period, property, plant and equipment (excluding right-of-use assets) purchased of by the Group were approximately RMB34,322,000 (year ended 31 December 2024: approximately RMB252,650,000), disposal of by the Group were approximately RMB487,000 (year ended 31 December 2024: approximately RMB492,000), and transfer of construction in progress amounted of RMB495,000 to property, plant and equipment (year ended 31 December 2024: approximately RMB49,282,000) during the period.

During the Period, the Group recognised right-of-use assets (presented in property, plant and equipment) by incurring lease liabilities of approximately RMB1,578,000 (year ended 31 December 2024: approximately RMB6,608,000).

During the Period, the Group is applying building ownership certificate for the Group's buildings with net carrying amount of approximately RMB48,461,000 from the relevant PRC government authorities (year ended 31 December 2024: approximately RMB49,282,000).

During the Prior Period, in light of the reduction of revenue and continuous operating losses of the Group's production facilities in Hangzhou as a result of the fierce market competition, the management of the Group considered that there is indication of impairment on the property, plant and equipment (including right-of-use assets) of RMB224,055,000 allocating to Hangzhou Haina representing a separate cash-generating unit (the "**Hangzhou Haina CGU**") and the impairment assessment of these property, plant and equipment has been performed together with intangible assets and goodwill relating to Hangzhou Haina CGU. Accordingly, the carrying value of the asset has been reduced by approximately RMB1,705,000 to reflect this impairment loss during the Prior Period.

## 12. TRADE AND OTHER RECEIVABLES

		At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
	<i>Note</i>		
<b>Trade receivables</b>		<b>102,486</b>	72,061
<i>Less:</i> Allowance for expected credit losses (“ECL”)		<b>(14,660)</b>	(16,448)
		<b>87,826</b>	55,613
<b>Bills receivables</b>	<i>12(b)</i>	<b>336</b>	529
	<i>12(a)</i>	<b>88,162</b>	56,142
<b>Other receivables</b>			
Prepayment to suppliers		4,885	6,945
Other prepaid expenses		3,342	3,076
Consideration receivable	<i>12(c)</i>	2,280	2,344
Interest receivable from debt instrument at amortised cost		702	722
Deposits and other receivables		4,117	7,592
VAT and other tax recoverable		58,928	50,191
		<b>74,254</b>	70,870
<i>Less:</i> Allowance for ECL		<b>(2,982)</b>	(3,047)
		<b>71,272</b>	67,823
		<b>159,434</b>	123,965

### 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 would normally grant credit terms up to 30 days from the date of issuance of invoices to its customers for their processing of billing settlement as approved by the management on a case by case basis.

Included in trade receivables at 30 June 2025 and 31 December 2024 were retained sums of approximately RMB12,700,000 and RMB9,050,000, respectively. These amounts 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).

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

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	39,565	3,278
31 to 60 days	6,653	6,054
61 to 90 days	1,997	4,665
91 to 180 days	14,917	11,273
181 to 365 days	12,995	19,544
Over 365 days	12,035	11,328
	<u>88,162</u>	<u>56,142</u>

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

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Not yet due	42,203	27,746
Within 30 days	16,582	4,417
31 to 60 days	8,171	3,072
61 to 90 days	5,338	2,496
91 to 180 days	6,454	4,159
181 to 365 days	5,504	5,700
Over 365 days	3,910	8,552
	<u>45,959</u>	<u>28,396</u>
	<u>88,162</u>	<u>56,142</u>

## 12(b) Bills receivables

At 30 June 2025, the bills receivables were interest-free, guaranteed by banks in the PRC and have maturities of less than 1 year.

## 12(c) Consideration receivable

As at 30 June 2025, the consideration receivable represents a carrying amount before ECL of final instalment of HK\$2,500,000 (equivalent to approximately RMB2,280,000) (year ended 31 December 2024: HK\$2,500,000 (equivalent to approximately RMB2,344,000)) in relation to a disposal of an unlisted equity instrument to an independent third party at a total consideration of HK\$14,200,000 due to the investment no longer meets the investment objective of the Group during the year ended 31 December 2022.

## 13. DEBT INSTRUMENT AT AMORTISED COST

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Unlisted debt instrument, unsecured	31,912	32,810
Less: Allowance for ECL	(31,912)	(31,939)
	<u>—</u>	<u>871</u>

On 24 January 2021, the Company and Pengo Holdings Group Limited (formerly known as “Trendzon Holdings Group Limited” and “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).

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 has 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. 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 favour 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.

As at 30 June 2025, the remaining balance of HK\$35,000,000 (equivalent to approximately RMB31,912,000) was outstanding.

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.



On 1 August 2025, the Company issued a statutory demand to demand the Issuer to make repayment of the outstanding principal amount of HK\$35,000,000 (equivalent to approximately RMB31,912,000) and the relevant interests amount accrued up to 31 July 2025 approximately of HK\$3,588,000 (equivalent to approximately RMB3,271,000) within 3 weeks after services of the statutory demand.

#### 14. TRADE AND OTHER PAYABLES

		At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Note</i>		
<b>Trade payables</b>	<i>14(a)</i>	<b>84,416</b>	87,953
<b>Bills payables</b>		<b>49,430</b>	37,700
<b>Other payables</b>			
Salaries payable		4,930	7,634
Contract liabilities – receipt in advance		129,057	95,081
Payable for construction in progress		39,151	58,453
Payable for property, plant and equipment		1,662	1,851
Other tax payables		1,240	1,574
Accruals and other payables	<i>14(b)</i>	25,241	23,769
		<b>201,281</b>	188,362
		<b>335,127</b>	314,015

##### 14(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 each reporting period, the ageing analysis of the trade payables based on goods receipt date is as follows:

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	56,680	54,441
31 to 60 days	7,394	10,132
61 to 90 days	6,086	9,865
91 to 180 days	7,670	8,312
181 to 365 days	2,748	2,404
Over 365 days	3,838	2,799
	<u>84,416</u>	<u>87,953</u>

#### 14(b) Accruals and other payables

As at 30 June 2025 and 31 December 2024, include in the balance of accruals and other payables of approximately RMB2,915,000, which represents a payable in relation to the development of a “5G+ Intelligent Platform for Equipment Operation and Maintenance Services”.

### 15. INTEREST-BEARING BORROWINGS

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Bank loans – unsecured	6,000	6,000
Bank loans – secured	302,737	275,037
	<u>308,737</u>	<u>281,037</u>
<b>Denominated in:</b>		
RMB	<u>308,737</u>	<u>281,037</u>

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<b>Analysed for reporting purpose:</b>		
Carrying amounts of interest-bearing borrowings that are repayable*		
Within one year	52,289	65,851
More than one year, but not exceeding two years	13,288	12,096
More than two years, but not exceeding five years	33,154	28,336
More than five years	210,006	174,754
	<u>308,737</u>	<u>281,037</u>
Amounts shown under current liabilities	<u>308,737</u>	<u>281,037</u>

\* *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:

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Fixed-rate borrowings	41,850	45,783
Variable-rate borrowings	266,887	235,254
	<u>308,737</u>	<u>281,037</u>

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

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Effective interest rate:		
Fixed-rate borrowings	2.00% to 3.30%	2.00% to 3.65%
Variable-rate borrowings	2.00% to 3.90%	2.00% to 3.78%

At 30 June 2025, 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 RMB41,104,000 (31 December 2024: approximately RMB41,542,000), approximately RMB48,461,000 (31 December 2024: approximately RMB49,282,000) and approximately RMB343,188,000 (31 December 2024: approximately RMB188,145,000), respectively;
- (ii) restricted bank deposits amounted to nil (31 December 2024: approximately RMB30,000); and
- (iii) personal guarantee given by Mr. Hong Yiyuan, who is one of the Controlling Shareholders, to the extent of approximately RMB10,000,000 (31 December 2024: approximately RMB10,000,000).

The banking facilities are subject to the fulfillment of covenants relating to certain of the Company's ratios based on its statement of financial position, as are commonly found in lending arrangements with financial institutions. If the Company was to breach the covenants, the drawn down facilities would become repayable on demand. In addition, the Company's term 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 Company has complied with the covenants and met the scheduled repayment obligations.

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

## 16. SHARE CAPITAL

Ordinary share of HK\$0.01 each	Number of shares	HK\$	Equivalent to RMB'000
<b>Authorised:</b>			
At 31 December 2024, 1 January 2025 (audited) and <b>30 June 2025 (unaudited)</b>	2,000,000,000	20,000,000	10,695
<b>Issued and fully paid:</b>			
At 31 December 2024, 1 January 2025 (audited) and <b>30 June 2025 (unaudited)</b>	563,976,000	5,639,760	5,088

## 17. SHARE-BASED PAYMENTS

Movements on the number of share options outstanding during the period are as follows:

	Number of outstanding share options
At 31 December 2024, 1 January 2025 (audited) and 30 June 2025 (unaudited)	14,000,000

On 21 May 2021, the Company offered to grant a total of 14,000,000 share options at an exercise price of HK\$1.14 per share of the Company to certain eligible participants (the “**Grantees**”), of which 10,000,000 and 4,000,000 share options were respectively granted to the executive directors of the Company and certain employees of the Group, pursuant to the Scheme of the Company. The Grantees are entitled, subject to the terms and conditions of the grant and upon exercise, to subscribe a total of 14,000,000 ordinary shares in the share capital of the Company.

The fair values of share options granted to directors and employees on 21 May 2021 are approximately HK\$0.355 and HK\$0.360 per option respectively, which are calculated using a Binomial Option Pricing model by an independent professional valuer, Roma Appraisals Limited with the following key inputs:

Share price at the date of grant	HK\$1.14
Exercise price	HK\$1.14
Expected volatility	46.42%
Risk-free interest rate	1.10%
Expected dividend yield	6.09%

During the Period, with reference to the fair value of the share options granted, the Group recognised approximately RMB121,000 (the Prior Period: approximately RMB280,000) as equity-settled share-based payment expenses. None of the share options was exercised.

## 18. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the Interim Financial Statements, the Group has the following subsequent event:

In July 2025, a service provider of Jinjiang Haina (the “**Plaintiff**”) submitted an application for civil case proceedings at Fujian Province Jinjiang City People’s Court\* (福建省晉江市人民法院) (the “**Jinjiang Court**”) for claiming an outstanding contract sum of approximately RMB3,218,000 and damages of approximately RMB965,000 from Jinjiang Haina in relation to the development of a “5G+ Intelligent Platform for Equipment Operation and maintenance Services” (the “**Claim**”). Up to the date of this announcement, the Claim is still in the early stage of legal proceedings and the Directors are of the opinion that no further provision is required to be provided as at 30 June 2025 in respect of the Claim.

\* English name is for identification purpose only.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

The Company 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 and wet wipe in the PRC.

In the first half of 2025, despite under a complex domestic and international environment, China's economy demonstrated a moderate recovery and structural optimization. Driven by the trade-in policy (including intensified efforts to promote equipment upgrades and expanded support for consumer goods trade-ins) and large-scale fiscal subsidies, consumption recovery gained momentum during the Period. Although the global economy facing challenges such as geopolitical risks, supply chain volatility and inflationary pressures, the Group has maintained steady growth in this complex market environment by leveraging its technological innovation capabilities, comprehensive industrial chain integration and market expansion strategies. With the process from technological breakthroughs to full-chain collaboration, and domestic leadership to global expansion, Haina Intelligent is spearheading the transformation and upgrading of traditional manufacturing into the smart equipment sector through continuous innovation.

As of June 30, 2025, the Group operates three production bases in Mainland China, namely Jinjiang Production Base, Hangzhou Production Base and Foshan Production Base, with a total gross floor area of approximately 130,000 square meters (of which the new Hangzhou production base occupies approximately 78,579 square meters, with approximately 19,280 square meters already completed and put into use, while the remaining sections are in the final stages of construction and will be gradually commissioned). The Group operates 18 production lines at Jinjiang Production Base and 9 production lines at Hangzhou Production Base. The Group's production process primarily involves assembling components and parts for disposable hygiene product automated machines, most of which are sourced from third party suppliers.

During the Period, the Group recorded a total revenue of approximately RMB224.2 million, representing an increase of approximately 22.9% as compared to the Prior Period, with a total of 23 machines sold. The Group's unaudited profit after tax for the Period was approximately RMB7.3 million, an increase of RMB20.8 million as compared to the Prior Period. The Board does not recommend the payment of an interim dividend for the Period. In 2025, the Group continued to focus on deepening its expertise in flexible materials and intelligent equipment manufacturing. With the accelerated intelligent transformation of the manufacturing industry and the further advancement of Industry 4.0, intelligent manufacturing, automation, and digital solutions have become critical elements for enterprises to enhance their competitiveness. Meanwhile, the Group's primary customer base remains concentrated in the domestic PRC market, however, with the sustained growth in demand for intelligent equipment in regions such as the PRC, Southeast Asia, and South America, and the fact that overseas markets are key destinations for global manufacturing relocation, the Group has also increased its investment and expanded its presence in overseas markets, which has successfully secured certain new clients, achieved significant sales growth and further enhancing market penetration. During the Period, the Group's sales network has extended to more than 14 overseas countries.

As of 30 June 2025, the Group has possessed 165 patents in the PRC. Leveraging its strengths in independent R&D and specialised manufacturing abilities, particularly through increased investment in automation equipment, the Group has continuously advanced product upgrades and innovation in intelligent and green manufacturing, which achieved multiple technological breakthroughs.

In 2024, the Group successfully developed a new-generation high-speed intelligent diaper production line, increasing production speed from 700 to 900 pieces per minute, boosting production efficiency by nearly 30%, while also reducing energy consumption by nearly 30%. In the first half of 2025, the Group achieved a breakthrough in its fully servo-driven sanitary pad production line, with the production capacity of this series of sanitary pads increasing from a maximum of 1,200 pieces per minute to 3,000 pieces per minute, representing a nearly 150% improvement in its production efficiency. The products' energy consumption per unit is expected to decrease by nearly 60%. These two technological breakthroughs and upgrades in both diaper and pad production lines further solidify the Group's leading technological position in the industry. Looking ahead, the Group will continue to increase R&D investments, intensify exploration in intelligent manufacturing and green production, contribute to the industry's sustainable development, and further strengthen its competitive edge in global markets.

As a responsible enterprise, Haina Intelligent has consistently prioritized sustainability as a core strategy. In the first half of 2025, the Group made significant progress in eco-friendly technologies, introducing energy-efficient intelligent equipment to meet clients' needs for reducing carbon emissions during production. Meanwhile, the Group has actively advanced green factory initiatives, deepening its digital and green transformation efforts.

## Going forward

Looking ahead to the second half of 2025, while the global economy continues to face multiple uncertainties, the disposable hygiene products industry remains promising. With accelerating population aging, intelligent innovation upgrades, and heightened hygiene awareness, those market forces will continue driving consumer demand for environmentally friendly and innovative disposable hygiene products. Particularly in emerging markets, where consumption upgrades and urbanization are accelerating, the industry's growth potential appears especially significant.

The Group will focus on the following development strategies:

***(1) Improving the capability of research and development ("R&D"), accelerating technological upgrading and product iteration***

In June 2022, the Group successfully acquired a land parcel in Tonglin Village, Anhai Town, Fujian Province, the PRC, for the establishment of a research and development centre (the "**R&D Centre**") to provide development services for products under the "**Haina Machinery**" brand and to relocate existing R&D activities. Upon completion, the R&D Centre will enable the Group to more effectively monitor the development progress of key products, shorten the R&D cycle for customised products, and thereby enhance the efficiency of new product development. As of the date of this announcement, the main structure of the R&D Centre has progressively reached topping-out and is expected to be in full operation in the second half of 2025. Once in operation, the project is anticipated to optimize the Group's production line layout and smart manufacturing capabilities, improve production precision and speed, and facilitate the Group entering into a new phase of advanced equipment manufacturing development.

In addition, the Group has purchased multiple precision manufacturing and automation equipment since last year to strengthen its R&D activities, enhance its innovation capabilities, improve its new technology research and development capabilities, thereby strengthening its overall R&D capabilities. During the Period, the Group incurred R&D expenses (including capitalised expenses) of approximately RMB15.1 million, which were fully funded by the Group's internal resources.



**(2) *Expanding production capacity, enhancing production flexibility, and providing integrated solutions***

In January 2022, the Group successfully acquired a land parcel located on the west side of Fengyun Road, Qianjiang Economic Development Area, Hangzhou City, Zhejiang Province, the PRC, for the construction of a new digital factory (the “**Factory**”). As of the date of this announcement, partial areas of the Factory were put in use by the end of 2024, while the remaining areas are in the final stages of completion. Upon full completion, the Factory will be put into full operation and the vacant areas will be leased to the market. When in full operation, the Factory will primarily engage in the design and production of automated machinery for disposable hygiene products. It is expected to meet the surging demand for the Group’s products, including automated packaging equipment, providing customers with comprehensive integrated solutions and supporting the Group’s expansion plans and centralised operational management objectives. In the second half of 2025, the Group will continue to implement its sustainable development strategy by advancing green factory initiatives and striving to reduce energy consumption and waste emissions during the production process.

Meanwhile, the Group will accelerate technological iteration and process upgrades, progressively increasing the in-house production rate of core components year by year to optimise its industrial chain layout and establish itself as a technologically advanced “**little giant**” enterprise. The Group will gradually manufacture and process the components for the Group’s machinery, replacing the previous external procurement model. This integration will expedite component supply management and technological process upgrades, effectively shortening procurement cycles, optimising production workflows, and consolidating supporting equipment supply. By providing customers with integrated solutions, this initiative will create additional competitive advantages for the Group and enhance flexibility in production and services.

**(3) *Taking thorough steps to promote global “platformisation” strategy to achieve continuous breakthroughs in overseas markets***

In emerging markets like Asia, Africa, and South America will remain key growth drivers for the Group’s business. The Group will increase investments to deliver competitive products and solutions that meet customer needs. The Group will introduce advanced intelligent equipment to align with demand for superior quality. During the Period, the Group placed advertisements on mainstream media platforms in both domestic and overseas markets and participated in large-scale exhibitions to enhance brand exposure and market penetration. Furthermore, the Group has initiated strategic planning and organizational enhancement programs to precisely target products, markets, and customers, achieving technological breakthroughs in niche segments to capture growth opportunities. “Market share, product quality and branding” serve as the three key pillars of the Group’s development. Moving forward, the Group will continue to deepen its presence in the PRC market, while actively exploring markets of emerging economies around the world and protect the overseas market share, so as to achieve both domestic and overseas business growth and solidify its leading position in the industry.

#### (4) *Risks and challenges*

Despite the optimistic outlook, the Group recognises that numerous challenges are present in 2025. Global economic uncertainties, fluctuations in raw material prices, and supply chain pressures may all impact on the Group's operation. In response, the Group will continue to strengthen risk control, optimize supply chain layout, and enhance operational efficiency to ensure its steady business growth.

### Financial review

#### *Revenue*

By type of products:

	Six months ended 30 June					
	<i>Units</i>	2025 <i>RMB'000</i> (Unaudited)	%	<i>Units</i>	2024 <i>RMB'000</i> (Unaudited)	%
Baby diaper machines	15	115,800	52	11	78,121	43
Adult diaper machines	6	81,897	37	9	61,031	33
Lady sanitary napkin machines	2	9,401	4	5	20,605	11
Wet wipe machines	—	—	—	4	3,468	2
Components and parts	N/A	17,055	7	N/A	19,166	11
	<b>23</b>	<b>224,153</b>	<b>100</b>	<b>29</b>	<b>182,391</b>	<b>100</b>

The Group's revenue increased by approximately RMB41.8 million (or 22.9%) to approximately RMB224.2 million for the Period as compared to approximately RMB182.4 million for the Prior Period. This was mainly due to the increase in the sales of baby diaper machines (approximately RMB37.7 million) and adult diaper machines (approximately RMB20.9 million). The increase was partially offset by the decrease in sales of lady sanitary napkin machines (approximately RMB11.2 million), wet wipe machines (approximately RMB3.5 million) and components and parts (approximately RMB2.1 million).

As at 30 June 2025, the Group has entered into sales contracts with its customers for the sales and purchase of 27, 11, 9 and 2 units of baby diaper machines, adult diaper machines, lady sanitary napkin machines and wet wipe machines with aggregate contract values of approximately RMB242.2 million, RMB137.7 million, RMB46.4 million and RMB1.7 million, respectively. Subsequent to 30 June 2025, the Group further entered into sales contracts with its customers for the sales and purchase of 1 and 2 units of baby diaper machines and wet wipe machines with aggregate contract values of approximately RMB7.0 million and RMB1.5 million, respectively. The machines under these contracts are expected to be delivered during the year of 2025 and 2026.

### ***Gross profit and gross profit margin***

The gross profit increased by approximately RMB21.2 million to approximately RMB51.7 million for the Period as compared to approximately RMB30.5 million for the Prior Period. The gross profit margin increased by approximately 6.4 percentage points to approximately 23.1% for the Period as compared to approximately 16.7% for the Prior Period. The increases in both gross profit and gross profit margin were mainly due to (i) an increase in the selling price of machines sold as a result of technical upgrade; and (ii) a decrease in the price of main raw materials and accessories.

### ***Other income***

The other income mainly comprised government grants, bond interest income, exchange gain, bank interest income and income from the sale of scrap materials and settlements of insurance claims. The government grants mainly represent the government grants received from government authorities of Fujian Province such as Jinjiang Finance Bureau\* (晉江市財政局) and Jinjiang Bureau of Economy and Information Technology\* (晉江市經濟和信息化局), which the entitlements were unconditional and at the discretion of the relevant authorities. All the government grants received during the Period and/or the Prior Period were one-off and unconditional. The Group's other income decreased from approximately RMB5.1 million for the Prior Period by approximately RMB2.5 million or approximately 49.0% to approximately RMB2.6 million for the Period. Such decrease was mainly due to the decrease in bond interest income and foreign exchange gain during the Period.

### ***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 RMB2.9 million or 37.7%, from approximately RMB7.7 million for the Prior Period to approximately RMB10.6 million for the Period. The increase was mainly due to the increase in advertising and consulting expenses, business trips for exhibition and after-sales service expenses.

### ***Administrative and other operating expenses***

The administrative and other operating expenses mainly comprised R&D expenses, staff costs, depreciation, amortization and donations. The administrative and other operating expenses increased from approximately RMB33.2 million for the Prior Period by approximately RMB1.9 million or 5.7% to approximately RMB35.1 million for the Period. The increase was mainly due to the increase in R&D expenses, salaries and welfare of administrative staff during the Period.

### ***Finance costs***

For the Period, finance costs was approximately RMB1.4 million, which increased by approximately 100.0% as compared to approximately RMB0.7 million for the Prior Period. The increase was mainly due to an increase in interest on bank borrowings.

### ***Income tax expense***

For the Period, income tax expense was approximately RMB0.6 million, which increased by approximately 500.0% as compared to approximately RMB0.1 million for the Prior Period. The increase was mainly due to the increase in taxable profits of the Group's operating subsidiaries in the PRC for the Period.

### ***Profit attributable to owners of the company***

The Group recorded a profit attributable to owners of the Company of approximately RMB8.8 million for the Period (Prior Period: loss attributable to owners of the Company of approximately RMB11.6 million). The increase in profit attributable to owners of the Company for the Period was mainly due to the increase in gross profit as discussed above.

### **Dividend**

The Board has resolved not to declare an interim dividend for the Period.

### ***Liquidity and financial resources***

During the Period, the Group's working capital was 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 30 June 2025 (31 December 2024: approximately 0.7 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 RMB35.6 million as at 30 June 2025 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 term and long term.

### **Capital structure**

As at 30 June 2025, the capital structure of the Group consisted of equity of approximately RMB269.6 million (31 December 2024: approximately RMB266.0 million) and bank borrowings of approximately RMB308.7 million (31 December 2024: RMB281.0 million) as more particularly described in the paragraph headed "Borrowings" below.

## Borrowings

As at 30 June 2025, the Group had bank loans of approximately RMB308.7 million (31 December 2024: approximately RMB281.0 million).

For further details of the borrowings, please refer to note 15 to the unaudited condensed consolidated financial statements.

## 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 period end was approximately 117.7% as at 30 June 2025 (31 December 2024: approximately 109.0%).

## Capital commitment

As at 30 June 2025, the Group had the following capital expenditure commitments:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Contracted but not provided, net of deposit paid for		
– Construction in progress	38,178	61,261
– Development of intangible assets*	27,679	27,679
	<u>65,857</u>	<u>88,940</u>

- \* 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 progress of the project was deferred in 2024.

## Contingent liabilities

Save as disclosed elsewhere in this announcement, the Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: 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 Period. 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 Period, 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 30 June 2025 and 31 December 2024, the Group had not entered any financial instrument for the hedging of foreign currencies.

## **Human resources**

The Group has employed a total of approximately 563 employees as at 30 June 2025 (30 June 2024: approximately 529 employees) in Hong Kong and the PRC. Staff costs (including Directors' emoluments) amounted to approximately RMB36.1 million for the Period (Prior Period: approximately RMB31.0 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 certain employees 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 note 15 to the unaudited condensed consolidated financial statements, no assets of the Group were charged or pledged as at 30 June 2025.

## **Significant investments and material acquisitions and disposals**

During the Period, the Group did not have significant investment and material acquisitions and disposals.

## Future plans for material investments and capital assets

In June 2022, the Group successfully acquired the R&D Centre to provide development services for products under the “Haina Machinery” brand and to relocate existing R&D activities. Upon completion, the R&D Centre will enable the Group to more effectively monitor the development progress of key products, shorten the R&D cycle for customised products, and thereby enhance the efficiency of new product development. As of the date of this announcement, the main structure of the R&D Centre has progressively reached topping-out and is expected to be in full operation in the second half of 2025. Once in operation, the project is anticipated to optimize the Group’s production line layout and smart manufacturing capabilities, improve production precision and speed, and facilitate the Group entering into a new phase of advanced equipment manufacturing development.

In addition, the Group has purchased multiple precision manufacturing and automation equipment since last year to strengthen its R&D activities, enhance its innovation capabilities, improve its new technology research and development capabilities, thereby strengthening its overall R&D capabilities.

In January 2022, the Group successfully acquired the Factory. As of the date of this announcement, partial areas of the Factory were put in use by the end of 2024, while the remaining areas are in the final stages of completion. Upon full completion, the Factory will be put into full operation and the vacant areas will be leased to the market. When in full operation, the Factory will primarily engage in the design and production of automated machinery for disposable hygiene products. It is expected to meet the surging demand for the Group’s products, including automated packaging equipment, providing customers with comprehensive integrated solutions and supporting the Group’s expansion plans and centralized operational management objectives. In the second half of 2025, the Group will continue to implement its sustainable development strategy by advancing green factory initiatives and striving to reduce energy consumption and waste emissions during the production process.

Meanwhile, the Group will accelerate technological iteration and process upgrades, progressively increasing the in-house production rate of core components year by year to optimize its industrial chain layout and establish itself as a technologically advanced “**little giant**” enterprise. The Group will gradually manufacture and process the components for the Group’s machinery, replacing the previous external procurement model. This integration will expedite component supply management and technological process upgrades, effectively shortening procurement cycles, optimising production workflows, and consolidating supporting equipment supply. By providing customers with integrated solutions, this initiative will create additional competitive advantages for the Group and enhance flexibility in production and services.

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 note 18 to the unaudited condensed consolidated financial statements, there are no significant events affecting the Group which have occurred after the Period and up to the date of this announcement.

## **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 of the Company 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 as set out in the Corporate Governance Code (“**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules during the Period.

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.

## **Compliance with the model code**

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. Having made specific enquiry of all Directors, all the Directors have confirmed that they have fully complied with the required standards set out in the Model Code during the Period.

## **Audit committee**

The audit committee of the Company (the “**Audit Committee**”) assists the Board in discharging its responsibilities for corporate governance, financial reporting and corporate control. The duties of the Audit Committee include reviewing, in draft form, the annual report and accounts, half-year report and provide advice and comments to the Board. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Chan Ming Kit, Dr. Xia Anjun and Ms. Chan Man Yi and one non-executive Director, namely Mr. Chang Chi Hsung. The chairman of the Audit Committee is Ms. Chan Man Yi, who holds the appropriate professional accounting qualification and financial management expertise as required under the Listing Rules to chair the Audit Committee.



The financial information in this announcement has not been reviewed nor audited by the Company's auditor but the Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the Period and is of the opinion that the preparation of such statements complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

### **Purchase, sale or redemption of shares**

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 Period. As at 30 June 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

### **Publication of interim results announcement and interim report**

This announcement is published on the Company's website (<http://www.haina-intelligent.com>) and the Stock Exchange's website (<https://www.hkexnews.hk>). The interim report of the Company for the Period will be despatched to the shareholders of the Company and will be published on the respective websites of the Stock Exchange and the Company in due course.

### **Appreciation**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support throughout the Period.

By order of the Board

**Haina Intelligent Equipment International Holdings Limited**

**Hong Yiyuan**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 29 August 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, Mr. Chang Chi Hsung and three independent non-executive Directors, namely Mr. Chan Ming Kit, Dr. Xia Anjun and Ms. Chan Man Yi.*