

# 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



# 2025

## INTERIM REPORT

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Mr. Hong Yiyuan (*Chairman and Chief Executive Officer*)  
Mr. Zhang Zhixiong  
Mr. Su Chengya  
Mr. He Ziping

### NON-EXECUTIVE DIRECTOR

Mr. Chang Chi Hsung

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Ming Kit  
Dr. Wang Fengxiang (resigned on 9 April 2025)  
Ms. Chan Man Yi  
Dr. Xia Anjun (appointed on 9 April 2025)

## AUDIT COMMITTEE

Ms. Chan Man Yi (*Chairman of the Committee*)  
Mr. Chang Chi Hsung  
Dr. Wang Fengxiang (resigned on 9 April 2025)  
Mr. Chan Ming Kit  
Dr. Xia Anjun (appointed on 9 April 2025)

## REMUNERATION COMMITTEE

Mr. Chan Ming Kit (*Chairman of the Committee*)  
Mr. Hong Yiyuan  
Mr. Zhang Zhixiong  
Dr. Wang Fengxiang (resigned on 9 April 2025)  
Ms. Chan Man Yi  
Dr. Xia Anjun (appointed on 9 April 2025)

## NOMINATION COMMITTEE

Mr. Hong Yiyuan (*Chairman of the Committee*)  
Mr. Chan Ming Kit  
Dr. Wang Fengxiang (resigned on 9 April 2025)  
Ms. Chan Man Yi  
Dr. Xia Anjun (appointed on 9 April 2025)

## AUTHORIZED REPRESENTATIVES

Mr. Hong Yiyuan  
Mr. Lau Wai Piu Patrick

## COMPANY SECRETARY

Mr. Lau Wai Piu Patrick

## AUDITOR

Forvis Mazars CPA Limited  
*Certified Public Accountants, Hong Kong*  
*Registered Public Interest Entity Auditor, Hong Kong*

## REGISTERED OFFICE

Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Wuli Technology Park  
Economic Development Area  
Jinjiang City  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat C, 21st Floor, Max Share Centre  
373 King's Road  
North Point  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

# CORPORATE INFORMATION

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## PRINCIPAL BANKERS

Industrial Bank Co., Ltd., Jinjiang Anhui Branch  
Industrial and Commercial Bank of China Limited,  
Jinjiang Branch

## STOCK CODE

1645

## WEBSITE

[www.haina-intelligent.com](http://www.haina-intelligent.com)

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

Haina Intelligent Equipment International Holdings Limited (the “**Company**” or “**Haina Intelligent**”, together with its subsidiaries, the “**Group**”) (01645.HK) 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 People’s Republic of China (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 six months ended 30 June 2025 (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 layout, 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 areas 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 corresponding period last year (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.



# MANAGEMENT DISCUSSION AND ANALYSIS

As a responsible enterprise, Haina Intelligent has consistently prioritised 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 report, 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 report, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

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, optimise supply chain layout, and enhance operational efficiency to ensure its steady business growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### REVENUE

By type of products:

	Six months ended 30 June					
	Units	2025 RMB'000 (Unaudited)	%	Units	2024 RMB'000 (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
	23	224,153	100	29	182,391	100

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.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 EXPENSES 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 expenses 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 report, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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
	<b>65,857</b>	<b>88,940</b>

\* 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 report, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 report, 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 report, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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.

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

### EVENT AFTER THE REPORTIN PERIOD

Save as disclosed in note 20 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 report.

By order of the Board  
**Hong Yiyuan**  
*Chairman*

Hong Kong, 29 August 2025



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 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 of the Company (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 Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 (“**Mr. Hong**”), 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 report 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.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the each director and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Interest in the shares of the Company

Name of Directors	Capacity	Number of Shares (Other than pursuant to equity derivatives)	Number of underlying shares held pursuant to the share option scheme adopted on 8 May 2020	Approximate percentage of the issued Shares
Mr. Hong Yiyuan ("Mr. Hong") <sup>(2,3)</sup>	Interest in a controlled corporation	349,188,000	—	61.92%
	Beneficial interest and interest held jointly with another person	—	10,000,000	1.77%
Mr. Zhang Zhixiong ("Mr. Zhang") <sup>(2,3)</sup>	Interest in a controlled corporation	349,188,000	—	61.92%
	Beneficial interest and interest held jointly with another person	—	10,000,000	1.77%
Mr. Su Chengya ("Mr. Su") <sup>(2,3)</sup>	Interest in a controlled corporation	349,188,000	—	61.92%
	Beneficial interest and interest held jointly with another person	—	10,000,000	1.77%
Mr. He Ziping ("Mr. He") <sup>(2,3)</sup>	Interest in a controlled corporation	349,188,000	—	61.92%
	Beneficial interest and interest held jointly with another person	—	10,000,000	1.77%
Mr. Chang Chi Hsung ("Mr. Chang") <sup>(2,3)</sup>	Interest in a controlled corporation	349,188,000	—	61.92%
	Interest held jointly with another person	—	10,000,000	1.77%

#### Notes:

- (1) Interests in shares stated above represent long positions.
- (2) The Company is directly owned as to 61.92% by Prestige Name International Limited, a company incorporated in the British Virgin Islands with limited liabilities ("Prestige Name"). Prestige Name is beneficially owned and legally owned as to 46.84%, 26.13%, 19.64%, 6.31% and 1.08% by Mr. Hong, Mr. Zhang, Mr. Su, Mr. He and Mr. Chang (the "Controlling Shareholders"), respectively.
- (3) Mr. Hong, Mr. Zhang, Mr. Su, Mr. He, Mr. Chang and Prestige Name are parties acting in concert pursuant the acting in concert confirmation entered on 4 March 2022 (the "Acting in Concert Confirmation"). By virtue of the SFO, they are deemed to be interested in (i) the indirect attributable interest of the ordinary shares of the Company held by their controlled corporation; and (ii) the respective numbers of shares in Prestige Name held by other parties acting in concert. Therefore, the Controlling Shareholders together are deemed to be interested in a total of 61.92% of the issued share capital of the Company.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, none of the directors and the chief executives of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2025, according to the register kept by the Company under section 336 of the SFO, the corporations or persons (other than a Director or chief executive of the Company) who had interests or short positions in the Shares, or underlying shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares/ underlying shares held <sup>(1)</sup>	Approximate percentage of the issued Shares
Prestige Name <sup>(2,3)</sup>	Beneficial owner	349,188,000	61.92%
	Interests held jointly with another person	10,000,000 <sup>(4)</sup>	1.77%

*Note:*

- (1) Interests in shares stated above represent long positions.
- (2) The Company is directly owned as to 61.92% by Prestige Name. Prestige Name is beneficially owned and legally owned as to 46.84%, 26.13%, 19.64%, 6.31% and 1.08% by Mr. Hong, Mr. Zhang, Mr. Su, Mr. He and Mr. Chang, respectively.
- (3) Mr. Hong, Mr. Zhang, Mr. Su, Mr. He, Mr. Chang and Prestige Name are parties acting in concert pursuant the Acting In Concert Confirmation. By virtue of the SFO, they are deemed to be interested in (i) the indirect attributable interest of the ordinary shares of the Company held by their controlled corporation; and (ii) the respective numbers of shares in Prestige Name held by other parties acting in concert. Therefore, the Controlling Shareholders together are deemed to be interested in a total of 61.92% of the issued share capital of the Company.
- (4) This 10,000,000 shares represent an aggregate of 10,000,000 share options granted to Mr. Hong, Mr. Zhang, Mr. Su and Mr. He, the shareholders of Prestige Name on 21 May 2021 that are exercisable according to the vesting period disclosed in note 17 to the unaudited condensed consolidated financial statements. Pursuant to the Acting in Concert Confirmation, Prestige Name is deemed to be interested in an aggregate of 10,000,000 Shares upon exercise of the said share options.

Save as disclosed above, as at 30 June 2025, no other person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SHARE OPTION SCHEME

On 8 May 2020, a share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Shareholders, under which, options may be granted to any eligible participants (including any executive Directors) to subscribe for shares in the Company subject to the terms and conditions stipulated in the Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years after the date of adoption.

No share options were granted or exercised during the Period. The number of share options available for grant under the Share Option Scheme are 32,400,000 and 32,400,000 at 1 January 2025 and 30 June 2025 respectively. The number of shares that may be issued in respect of share options granted under the Share Option Scheme during the Period divided by the weighted average number of shares in issue (excluding treasury shares) for the Period is zero. For details on movement of the share options, please refer to note 17 to the unaudited condensed consolidated financial statements.

## UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed elsewhere in this report and the announcement of the Company published on 9 April 2025, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Period.

By order of the Board  
**Haina Intelligent Equipment International Holdings Limited**  
**Hong Yiyuan**  
*Chairman and Executive Director*

Hong Kong, 29 August 2025

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

		Six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue</b>	5	<b>224,153</b>	182,391
Cost of sales		(172,502)	(151,858)
<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	(1,404)	(725)
<b>Profit (Loss) before tax</b>	7	<b>7,913</b>	(13,438)
Income tax expense	8	(636)	(117)
<b>Profit (Loss) for the period</b>		<b>7,277</b>	(13,555)
<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		(830)	(3,921)
<b>Total other comprehensive loss for the period</b>		<b>(4,655)</b>	(301)
<b>Total comprehensive income (loss) for the period</b>		<b>2,622</b>	(13,856)
<b>Profit (Loss) for the period attributable to:</b>			
Owners of the Company		8,787	(11,627)
Non-controlling interests		(1,510)	(1,928)
		<b>7,277</b>	(13,555)
<b>Total comprehensive income (loss) for the period attributable to:</b>			
Owners of the Company		4,132	(11,928)
Non-controlling interests		(1,510)	(1,928)
		<b>2,622</b>	(13,856)
<b>Earnings (Loss) per share</b>	10	<b>RMB cents (Unaudited)</b>	<b>RMB cents (Unaudited)</b>
Basic and diluted		1.56	(2.06)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
<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
		<b>474,907</b>	<b>448,180</b>
<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
		<b>449,560</b>	<b>423,679</b>
<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
		<b>648,148</b>	<b>598,508</b>
<b>Net current liabilities</b>		<b>(198,588)</b>	<b>(174,829)</b>
<b>Total assets less current liabilities</b>		<b>276,319</b>	<b>273,351</b>
<b>Non-current liabilities</b>			
Lease liabilities		5,499	6,174
Deferred tax liabilities		1,210	1,210
		<b>6,709</b>	<b>7,384</b>
<b>NET ASSETS</b>		<b>269,610</b>	<b>265,967</b>
<b>Capital and reserves</b>			
Share capital	16	5,088	5,088
Reserves		265,591	261,338
Equity attributable to owners of the Company		270,679	266,426
Non-controlling interests		(1,069)	(459)
<b>TOTAL EQUITY</b>		<b>269,610</b>	<b>265,967</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Reserves							Total	Non-controlling interests	Total equity
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000			
At 1 January 2024 (audited)	5,088	188,294	3,588	12,559	25,832	(5,497)	73,188	303,052	1,985	305,037
Loss for the period	-	-	-	-	-	-	(11,627)	(11,627)	(1,928)	(13,555)
<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	-	-	-	-	-	3,620	-	3,620	-	3,620
<i>Item that may be reclassified subsequently to profit or loss:</i>										
Exchange difference on consolidation	-	-	-	-	-	(3,921)	-	(3,921)	-	(3,921)
<b>Total other comprehensive loss for the period</b>	-	-	-	-	-	(301)	-	(301)	-	(301)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	(301)	(11,627)	(11,928)	(1,928)	(13,856)
<b>Transactions with owners:</b>										
<i>Contributions and distributions</i>										
Recognition of equity-settled share-based payment expenses (Note 17)	-	-	280	-	-	-	-	280	-	280
<b>Total transactions with owners</b>	-	-	280	-	-	-	-	280	-	280
<b>At 30 June 2024 (unaudited)</b>	5,088	188,294	3,868	12,559	25,832	(5,798)	61,561	291,404	57	291,461

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Reserves							Total	Non-controlling interests	Total equity
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000			
At 1 January 2025 (audited)	5,088	188,294	4,150	12,559	26,331	(3,941)	33,945	266,426	(459)	265,967
Profit (Loss) for the period	-	-	-	-	-	-	8,787	8,787	(1,510)	7,277
<b>Other comprehensive loss:</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)	-	(3,825)	-	(3,825)
<i>Item that may be reclassified subsequently to profit or loss:</i>										
Exchange difference on consolidation	-	-	-	-	-	(830)	-	(830)	-	(830)
<b>Total other comprehensive loss for the period</b>	-	-	-	-	-	(4,655)	-	(4,655)	-	(4,655)
<b>Total comprehensive (loss) income for the period</b>	-	-	-	-	-	(4,655)	8,787	4,132	(1,510)	2,622
<b>Transactions with owners:</b>										
<i>Contributions and distributions</i>										
Recognition of equity-settled share-based payment expenses (Note 17)	-	-	121	-	-	-	-	121	-	121
	-	-	121	-	-	-	-	121	-	121
<i>Changes in ownership interests</i>										
Non-controlling interest arising from capital contribution of a subsidiary	-	-	-	-	-	-	-	-	900	900
<b>Total transactions with owners</b>	-	-	121	-	-	-	-	121	900	1,021
<b>At 30 June 2025 (unaudited)</b>	<b>5,088</b>	<b>188,294</b>	<b>4,271</b>	<b>12,559</b>	<b>26,331</b>	<b>(8,596)</b>	<b>42,732</b>	<b>270,679</b>	<b>(1,069)</b>	<b>269,610</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit (Loss) before tax	7,913	(13,438)
Adjustments for:		
Amortisation of intangible assets	2,095	2,703
Bank interest income	(184)	(340)
Interest income from debt instrument at amortised cost	–	(1,341)
Depreciation of property, plant and equipment	6,589	7,988
Equity-settled share-based payment expenses	121	280
Finance costs	1,404	725
Loss on disposal of property, plant and equipment, net	243	17
Provision for impairment loss on property, plant and equipment	–	1,705
Provision for impairment loss on intangible assets	–	16
(Reversal of) Provision for impairment loss on trade receivables, net	(1,778)	1,950
Reversal of impairment loss on other receivables	19	62
Provision for impairment loss on debt instruments at amortised cost	865	3,287
Change in fair value of equity instruments at FVPL	(36)	223
Changes in working capital		
Trade and other receivables	(33,714)	(5,057)
Inventories	3,715	14,258
Trade and other payables	40,369	(27,516)
Cash generated from (used in) operations	27,621	(14,478)
Income tax paid	(184)	(74)
<b>Net cash generated from (used in) operating activities</b>	<b>27,437</b>	<b>(14,552)</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	184	340
Interest received from debt instrument at amortised cost	–	1,341
Proceed from disposal of property, plant and equipment	86	10
Purchase of property, plant and equipment	(53,624)	(125,450)
(Increase) Decrease in restricted bank deposits, net	(1,446)	22,522
Repayment received from debt instrument at amortised cost	–	935
<b>Net cash used in investing activities</b>	<b>(54,800)</b>	<b>(100,302)</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(1,877)	(7,015)
Interest paid	(1,404)	(725)
New bank borrowings raised	82,503	150,709
Repayment of bank borrowings	(54,803)	(15,000)
Acquisition of additional interest in a subsidiary	(420)	–
Capital contribution made by the non-controlling shareholder of a subsidiary	900	–
<b>Net cash from financing activities</b>	<b>24,899</b>	127,969
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(2,464)</b>	13,115
Cash and cash equivalents at the beginning of the reporting period	35,490	56,311
Effect on exchange rate changes	(4,013)	(408)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>29,013</b>	69,018



# 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION *(continued)*

### 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION *(continued)*

### 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 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Mainland China	97,751	109,823
Southeast Asia <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
	<b>224,153</b>	<b>182,391</b>

### 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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. SEGMENT INFORMATION *(continued)*

### Information about geographical areas *(continued)*

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
	<b>472,733</b>	446,006

### 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	23,725	—

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 5. REVENUE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(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	17,055	19,166
	<b>224,153</b>	<b>182,391</b>

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

### 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.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. PROFIT (LOSS) BEFORE TAX

This is stated after charging (crediting):

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>(a) Finance costs</b>			
Interest on bank borrowings		4,366	2,334
Finance charges on lease liabilities		181	373
		<b>4,547</b>	2,707
Less: interest on bank borrowings capitalised into construction in progress		<b>(3,143)</b>	(1,982)
		<b>1,404</b>	725
<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
		<b>36,124</b>	30,993
<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"		<b>(213)</b>	(438)
		<b>6,376</b>	7,550
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		<b>15,108</b>	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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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	–
Income tax expense for the period	636	117

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).

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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 (Unaudited)	2024 (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)	8,787	(11,627)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share ('000)	563,976	563,976

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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER RECEIVABLES

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER RECEIVABLES *(continued)*

### 12(a) Trade receivables *(continued)*

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 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (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
	<b>88,162</b>	56,142

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 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (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
	<b>45,959</b>	28,396
	<b>88,162</b>	56,142



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. TRADE AND OTHER RECEIVABLES *(continued)*

### 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) (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)
	—	871

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.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. DEBT INSTRUMENT AT AMORTISED COST *(continued)*

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 of approximately 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 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
	Note		
<b>Trade payables</b>	14(a)	<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	14(b)	25,241	23,769
		<b>201,281</b>	188,362
		<b>335,127</b>	314,015

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. TRADE AND OTHER PAYABLES *(continued)*

### 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 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (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
	<b>84,416</b>	<b>87,953</b>

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

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15. INTEREST-BEARING BORROWINGS (continued)

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (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
Amounts shown under current liabilities	308,737	281,037

\* 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 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Fixed-rate borrowings	41,850	45,783
Variable-rate borrowings	266,887	235,254
	308,737	281,037

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 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (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%

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15. INTEREST-BEARING BORROWINGS *(continued)*

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>	<b>563,976,000</b>	<b>5,639,760</b>	<b>5,088</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. SHARE-BASED PAYMENTS

Pursuant to the Company's general meeting on 8 May 2020 (the "**Date of Adoption**"), an ordinary resolution was passed to approve and adopt the new share option scheme of the Company (the "**Scheme**").

The purpose of the Scheme is to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity. Participants of the scheme include (i) any eligible employee; (ii) any director (including executive, non-executive and independent non-executive directors) of the Company, any of its subsidiaries or any invested entity; (iii) any supplier of goods or services to any member of the Group or any invested entity; (iv) any customer of the Group or any invested entity; (v) any person or entity acting in their capacities as advisers or consultants that provides research, development or other technological support to the Group or any invested entity; (vi) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity; and (vii) any other group or class of Participants from time to time determined by the directors as having contributed or may contribute to the development and growth of the Group and any invested entity. The Scheme will remain in force for 10 years from the Date of Adoption, unless otherwise terminated or altered.

The total number of shares which may be granted under the Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue immediately upon completion of the Share Offer (the "**10% Limit**") unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% Limit, if applicable. The maximum number of shares issued and issuable to each participant under the Scheme in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue as at proposed grant date.

Each grant of options to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Scheme or any other share option scheme of the Company or any of its subsidiaries shall be subject to approval by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, in aggregate over 0.1% of the relevant class of shares in issue and with an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000 within any 12-month period, are subject to shareholders' approval in general meeting.

The offer of grant of share options is accepted upon a remittance in favour of the Company of HK\$1 by way of consideration for grant is received by the Company from grantee. The exercise period of the share options granted is determinable by the board of directors and commences from the date on which the offer of share options is duly accepted by the grantee in accordance with the Scheme.

The subscription price of share options is determinable by the board of directors, and shall not be lower than highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

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.



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. SHARE-BASED PAYMENTS *(continued)*

Details of the share options granted, exercised, cancelled/lapsed and outstanding under the Scheme during the Period are as follows:

Category of the Grantees	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Vesting date (dd/mm/yyyy)	Exercisable period (dd/mm/ yyyy)	Number of share options				
					As at 01/01/2025	Granted during the period	Exercised	Cancelled/ Lapsed	As at 30/06/2025
Directors									
Mr. Hong Yiyuan	21/05/2021	1.14	01/01/2024	01/01/2024					
				-20/05/2031	2,000,000	-	-	-	2,000,000
				01/01/2025					
				-20/05/2031	1,000,000	-	-	-	1,000,000
				01/01/2026					
				-20/05/2031	1,000,000	-	-	-	1,000,000
					4,000,000	-	-	-	4,000,000
Mr. Zhang Zhixiong	21/05/2021	1.14	01/01/2024	01/01/2024					
				-20/05/2031	1,000,000	-	-	-	1,000,000
				01/01/2025					
				-20/05/2031	500,000	-	-	-	500,000
				01/01/2026					
				-20/05/2031	500,000	-	-	-	500,000
					2,000,000	-	-	-	2,000,000
Mr. Su Chengya	21/05/2021	1.14	01/01/2024	01/01/2024					
				-20/05/2031	1,000,000	-	-	-	1,000,000
				01/01/2025					
				-20/05/2031	500,000	-	-	-	500,000
				01/01/2026					
				-20/05/2031	500,000	-	-	-	500,000
					2,000,000	-	-	-	2,000,000
Mr. He Ziping	21/05/2021	1.14	01/01/2024	01/01/2024					
				-20/05/2031	1,000,000	-	-	-	1,000,000
				01/01/2025					
				-20/05/2031	500,000	-	-	-	500,000
				01/01/2026					
				-20/05/2031	500,000	-	-	-	500,000
					2,000,000	-	-	-	2,000,000
Sub-total					10,000,000	-	-	-	10,000,000

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. SHARE-BASED PAYMENTS *(continued)*

Category of the Grantees	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Vesting date (dd/mm/yyyy)	Exercisable period (dd/mm/ yyyy)	Number of share options			
					As at 01/01/2025	Granted during the period	Cancelled/ Exercised	As at 30/06/2025
Eligible employees	21/05/2021	1.14	01/01/2024	01/01/2024 –20/05/2031	2,000,000	–	–	2,000,000
			01/01/2025	01/01/2025 –20/05/2031	1,000,000	–	–	1,000,000
			01/01/2026	01/01/2026 –20/05/2031	1,000,000	–	–	1,000,000
<b>Sub-total</b>					4,000,000	–	–	4,000,000
<b>Total</b>					14,000,000	–	–	14,000,000

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. RELATED PARTY/CONNECTED TRANSACTION

In addition to the information disclosed elsewhere in the Interim Financial Statements, the Group had the following transactions with related parties:

### 18(a) Related party transaction

There were no other related party transactions during the Period and the Prior Period.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. RELATED PARTY/CONNECTED TRANSACTION *(continued)*

### 18(b) Remuneration for key management personnel of the Group

Remuneration for key management personnel (including directors) of the Group as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits	560	553
Discretionary bonuses	540	546
Share-based payment expenses	85	200
Contribution to defined contribution plans	146	143
	<b>1,331</b>	<b>1,442</b>

### 18(c) Connected transactions

During the Period and the Prior Period, the Group had the following transactions with persons who would be regarded as connected persons as defined in the Chapter 14A of the Listing Rules:

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Purchase of materials from:</b>			
晉江市恒勤機械工貿有限公司 (Jinjiang City Hengqin Machinery Industry and Trade Limited*) ( “Hengqin Machinery” )	(i)	1,885	2,817
晉江市盛榮機械設備有限公司 (Jinjiang City Shengrong Machinery Equipment Limited*) ( “Shengrong Machinery” )	(ii)	1,180	653
廣東愛美高智能設備有限公司 (Guangdong Imiko Intelligent Equipment Co., Ltd.*) ( “Guangdong Imiko” )	(iii)	742	1,062
佛山市後道包裝設備有限公司 (Foshan Houdao Packaging Equipment Co., Ltd.*) ( “Foshan Houdao” )	(iv)	351	—
<b>Sales of materials to:</b>			
廣東愛美高智能設備有限公司 (Guangdong Imiko)	(iii)	28	912

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. RELATED PARTY/CONNECTED TRANSACTION *(continued)*

### 18(c) Connected transactions *(continued)*

Notes:

- (i) Hengqin Machinery is a limited liability company established in the PRC, and is wholly-owned by three relatives of one of the Controlling Shareholders of the Company.
- (ii) Shengrong Machinery is a limited liability company established in the PRC, and is wholly-owned by a relative of one of the Controlling Shareholders of the Company.
- (iii) Guangdong Imiko is a limited liability company established in the PRC, and is ultimately controlled by a controlling shareholder of Aopusi Intelligent Packaging System (Foshan) Co., Ltd.\* (“**Aopusi**”).
- (iv) Foshan Houdao is a limited liability company established in the PRC, a wholly-owned subsidiary of Guangdong Imiko and is ultimately controlled by a controlling shareholder of Aopusi.

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

## 19. COMMITMENTS

At the end of the reporting period, the Group had the following capital expenditure commitment:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Contracted but not provided net of deposit paid for		
– construction in progress	38,178	61,261
– development of intangible assets	27,679	27,679
	<b>65,857</b>	88,940

## 20. 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 report, 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.*