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## HAITIAN INTERNATIONAL HOLDINGS LIMITED

海天國際控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1882)**

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### HIGHLIGHTS

	<b>2024</b>	2023	Change
	<i>RMB' million</i>	<i>RMB' million</i>	%
Revenue	<b>16,128.3</b>	13,069.3	23.4
Gross profit	<b>5,235.8</b>	4,200.3	24.7
Operating profit	<b>3,533.9</b>	2,788.1	26.7
Profit attributable to shareholders of the Company	<b>3,080.3</b>	2,491.5	23.6
Basic earnings per share (expressed in RMB per share)	<b>1.93</b>	1.56	23.7
Dividend per share (expressed in HKD per share)			
Full year dividends	<b>0.73</b>	0.66	10.6

- Benefiting from the restructuring of the global industrial chain and the acceleration of exports of certain downstream industries, the sales revenue of the Company amounted to RMB16,128.3 million for the year ended 31 December 2024, representing an increase of 23.4% as compared to the corresponding period in 2023 (2023: RMB13,069.3 million).
- Thanks to the relatively low prices of raw material in 2024 and the scale of economy, the gross profit margin increased as compared to 2023 and reached 32.5% for the full year (2023: 32.1%).
- Profit attributable to shareholders of the Company amounted to RMB3,080.3 million for the year ended 31 December 2024 (2023: RMB2,491.5 million), representing an increase of 23.6% compared to 2023. The net profit margin was 19.1% in 2024 (2023: 19.1%).
- Earnings per share amounted to RMB1.93 for the year ended 31 December 2024, representing an increase of 23.7% compared to 2023.
- The Board declared a second interim dividend of HKD0.73 per share, resulting in total dividends for 2024 of HKD0.73 per share (2023: total dividends of HKD0.66 per share).

The board (the “Board”) of directors (the “Directors”, each a “Director”) of Haitian International Holdings Limited (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 (the “Reported Period”) with comparative figures for the year ended 31 December 2023. These annual results have been reviewed by the audit committee of the Company (the “Audit Committee”) and approved by the Board.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Year Ended 31 December 2024

(Amounts expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
Revenue	4	16,128,328	13,069,307
Cost of sales		(10,892,555)	(8,869,034)
<b>Gross profit</b>		<b>5,235,773</b>	4,200,273
Selling and marketing expenses		(1,275,639)	(1,127,044)
General and administrative expenses		(1,037,467)	(888,246)
Other income		391,062	402,472
Other gains – net	5	220,149	200,641
<b>Operating profit</b>	6	<b>3,533,878</b>	2,788,096
Finance income		243,118	308,165
Finance costs		(69,682)	(74,062)
Finance income – net	7	173,436	234,103
Share of profit of associates		38,221	14,472
<b>Profit before income tax</b>		<b>3,745,535</b>	3,036,671
Income tax expense	8	(664,238)	(542,026)
<b>Profit for the year</b>		<b>3,081,297</b>	2,494,645
<b>Profit attributable to:</b>			
Shareholders of the Company		3,080,332	2,491,528
Non-controlling interests		965	3,117
		<b>3,081,297</b>	2,494,645
<b>Earnings per share for profit attributable to shareholders of the Company during the year</b> (expressed in RMB per share)			
– basic and diluted	9	1.93	1.56
Dividends	10	1,074,693	955,355

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2024

(Amounts expressed in RMB)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Profit for the year</b>	<b>3,081,297</b>	2,494,645
<b>Other comprehensive income:</b> <i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>(96,036)</u>	<u>82,347</u>
<b>Total comprehensive income for the year</b>	<b><u>2,985,261</u></b>	<b><u>2,576,992</u></b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	<b>2,984,296</b>	2,573,875
Non-controlling interests	<u>965</u>	<u>3,117</u>
	<b><u>2,985,261</u></b>	<b><u>2,576,992</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts expressed in RMB)

	Note	2024 RMB'000	2023 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	6,611,640	6,061,869
Right-of-use assets	11	766,994	701,521
Investments in associates		562,456	549,235
Intangible assets		48,538	49,878
Trade and bills receivables	12	399,829	170,406
Other financial assets at amortised cost		179,501	194,318
Prepayments and other assets		223,073	75,186
Financial asset at fair value through profit or loss	13	2,365,634	886,500
Term deposits		2,051,307	1,731,302
Deferred income tax assets		213,184	210,091
		<u>13,422,156</u>	<u>10,630,306</u>
<b>Current assets</b>			
Inventories		4,576,322	3,539,012
Trade and bills receivables	12	3,705,594	3,432,511
Other financial assets at amortised cost		292,356	285,301
Prepayments and other assets		428,576	219,977
Prepaid income tax		35,872	8,372
Financial assets at fair value through profit or loss	13	4,605,836	3,242,687
Derivative financial instruments		–	13,512
Restricted bank deposits		52,807	68,557
Term deposits		1,280,605	2,207,974
Cash and cash equivalents		2,745,387	5,445,649
		<u>17,723,355</u>	<u>18,463,552</u>
<b>Total assets</b>		<u><b>31,145,511</b></u>	<u><b>29,093,858</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	14	160,510	160,510
Share premium		1,331,913	1,331,913
Other reserves		2,335,453	2,374,263
Retained earnings		17,017,154	14,949,403
		<u>20,845,030</u>	<u>18,816,089</u>
<b>Non-controlling interests</b>		<u>24,445</u>	<u>26,191</u>
<b>Total equity</b>		<u><b>20,869,475</b></u>	<u><b>18,842,280</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 31 December 2024**(Amounts expressed in RMB)*

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>56,932</b>	21
Bank borrowings		<b>2,011,287</b>	2,502,505
Deferred income		<b>21,950</b>	34,397
Deferred income tax liabilities		<b>275,341</b>	212,550
		<b>2,365,510</b>	2,749,473
<b>Current liabilities</b>			
Lease liabilities		<b>17,915</b>	1,144
Trade and bills payables	15	<b>4,576,533</b>	4,023,120
Accruals and other payables		<b>1,948,817</b>	1,759,036
Contract liabilities		<b>1,053,889</b>	1,158,200
Current income tax liabilities		<b>291,984</b>	315,671
Bank borrowings		–	244,934
Derivative financial instruments		<b>21,388</b>	–
		<b>7,910,526</b>	7,502,105
<b>Total liabilities</b>		<b>10,276,036</b>	10,251,578
<b>Total equity and liabilities</b>		<b>31,145,511</b>	29,093,858

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2024

(Amounts expressed in RMB)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity	
	Note	Share capital	Share premium	Other reserves	Retained earnings			Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>Balance at 1 January 2023</b>		160,510	1,331,913	2,261,593	13,257,101	17,011,117	28,883	17,040,000
<b>Comprehensive income</b>								
Profit for the year		-	-	-	2,491,528	2,491,528	3,117	2,494,645
<b>Other comprehensive income</b>								
Currency translation differences		-	-	82,347	-	82,347	-	82,347
<b>Total comprehensive income for the year ended 31 December 2023</b>		-	-	82,347	2,491,528	2,573,875	3,117	2,576,992
<b>Transactions with owners</b>								
Dividend paid								
- 2022 second interim		-	-	-	(768,277)	(768,277)	-	(768,277)
Appropriations		-	-	30,949	(30,949)	-	-	-
Disposal of a subsidiary		-	-	(626)	-	(626)	-	(626)
Capital withdraw by non-controlling interests		-	-	-	-	-	(5,809)	(5,809)
<b>Total transactions with owners</b>		-	-	30,323	(799,226)	(768,903)	(5,809)	(774,712)
<b>Balance at 31 December 2023</b>		<u>160,510</u>	<u>1,331,913</u>	<u>2,374,263</u>	<u>14,949,403</u>	<u>18,816,089</u>	<u>26,191</u>	<u>18,842,280</u>
<b>Balance at 1 January 2024</b>		<u>160,510</u>	<u>1,331,913</u>	<u>2,374,263</u>	<u>14,949,403</u>	<u>18,816,089</u>	<u>26,191</u>	<u>18,842,280</u>
<b>Comprehensive income</b>								
Profit for the year		-	-	-	3,080,332	3,080,332	965	3,081,297
<b>Other comprehensive income</b>								
Currency translation differences		-	-	(96,036)	-	(96,036)	-	(96,036)
<b>Total comprehensive income for the year ended 31 December 2024</b>		-	-	(96,036)	3,080,332	2,984,296	965	2,985,261
<b>Transactions with owners</b>								
Dividend paid								
- 2023 second interim	10	-	-	-	(955,355)	(955,355)	-	(955,355)
Dividend paid to non-controlling interests		-	-	-	-	-	(2,711)	(2,711)
Appropriations		-	-	57,226	(57,226)	-	-	-
<b>Total transactions with owners</b>		-	-	57,226	(1,012,581)	(955,355)	(2,711)	(958,066)
<b>Balance at 31 December 2024</b>		<u>160,510</u>	<u>1,331,913</u>	<u>2,335,453</u>	<u>17,017,154</u>	<u>20,845,030</u>	<u>24,445</u>	<u>20,869,475</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2024

(Amounts expressed in RMB)

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Net cash generated from operating activities	<b>2,101,403</b>	2,012,591
Net cash used in investing activities	<b>(3,079,675)</b>	(701,957)
Net cash (used in)/generated from financing activities	<b>(1,721,990)</b>	544,169
Net (decrease)/increase in cash and cash equivalents	<b>(2,700,262)</b>	1,854,803
Cash and cash equivalents at beginning of year	<b>5,445,649</b>	3,590,846
Cash and cash equivalents at end of year	<b>2,745,387</b>	5,445,649



*Notes:*

**1. GENERAL INFORMATION**

Haitian International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and distribution of plastic injection moulding machines.

The Company was incorporated in the Cayman Islands on 13 July 2006, as an exempted company with limited liability under the Companies Act of Cayman Islands. The Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Directors consider there is no ultimate holding company as at 31 December 2024. Mr. Zhang Jingzhang, a former Director, and Mr. Zhang Jianming, the chairman of the Board and an executive Director, are the ultimate controlling parties of the Company.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2006.

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. They have been approved for issue by the Company’s Board of Directors on 17 March 2025.

**2. BASIS OF PREPARATION**

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants

The financial statements have been prepared on a historical cost basis, except for the following:

- financial assets and liabilities (including derivative instruments) at fair value through profit or loss (“Financial assets and liabilities at FVPL”).

### 3. CHANGES IN ACCOUNTING POLICIES

#### (a) Amended standards adopted by the Group

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")	1 January 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")	1 January 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 January 2024

The amendments listed above did not have any impact on the amounts recognised current or in prior periods and are not expected to significantly affect the future periods.

#### (b) New standards and interpretations not yet adopted

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

		<b>Effective for annual periods beginning on or after</b>
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026

#### 4. REVENUE AND SEGMENT INFORMATION

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Sales of plastic injection moulding machines and related products	<b>16,128,328</b>	13,069,307

The chief operating decision-maker has been identified as the executive committee, which comprises all executive Directors and the senior management. The executive committee reviews the Group's internal reporting in order to assess performance and allocate resources. Based on these internal reports, the executive committee has determined that no segment information is presented as substantially all of the Group's sales and operating profits are derived from the sales of plastic injection moulding machines, and no geographical segment information is presented as the management reviews the business performance based on type of business, not geographically.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in Mainland China. Analysis of the Group's sales to external customers in different countries or regions based on the customers' locations is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	<b>10,112,300</b>	7,916,831
Hong Kong and overseas countries or regions	<b>6,016,028</b>	5,152,476
	<b>16,128,328</b>	13,069,307

The total of non-current assets other than term deposits, trade and bills receivables, other financial assets at amortised cost, financial assets at FVPL and deferred income tax assets located in different countries or regions is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Total non-current assets other than term deposits, trade and bills receivables, other financial assets at amortised cost, financial assets at FVPL and deferred income tax assets		
– Mainland China	<b>5,724,816</b>	5,558,867
– Hong Kong and overseas countries or regions	<b>2,487,885</b>	1,878,822
	<b>8,212,701</b>	7,437,689

#### 5. OTHER GAINS – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net fair value and disposal gains on financial assets at FVPL	<b>230,201</b>	173,248
Net fair value change on derivative financial instruments	<b>(82,574)</b>	13,512
Net foreign exchange gains	<b>54,764</b>	16,100
Losses on disposals of property, plant and equipment, net	<b>(5,104)</b>	(16,981)
Gains on disposal of a subsidiary	–	10,441
Others	<b>22,862</b>	4,321
	<b>220,149</b>	200,641

## 6. OPERATING PROFIT

Operating profit is stated mainly after crediting/(charging) the following:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation and amortisation	478,958	391,391
Raw materials and consumables used	9,649,138	7,945,572
Changes in inventories of finished goods and work in progress	(494,218)	(375,802)
Sales commission and after-sales service expenses	668,015	583,046
(Reversal of)/Provision for impairment of trade receivables	(30,139)	3,579
Provision for write-down of inventories	10,039	4,338
Employment costs <sup>(i)</sup>	1,786,795	1,458,094

(i) For the year ended 31 December 2024, the employment costs related to research and development activities were approximately RMB266,722 thousand (2023: RMB245,888 thousand).

## 7. FINANCE INCOME – NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Finance costs:		
Interest expense	(61,295)	(73,936)
Net foreign exchange losses	(4,210)	–
Interest and finance charges paid/payable for lease liabilities	(4,177)	(126)
	<u>(69,682)</u>	<u>(74,062)</u>
Finance income:		
Net foreign exchange gains	–	28,793
Interest income on restricted bank deposits, term deposits and cash and cash equivalents	238,118	273,152
Interest income on entrusted loans	5,000	6,220
	<u>243,118</u>	<u>308,165</u>
Finance income, net	<u>173,436</u>	<u>234,103</u>

## 8. INCOME TAX EXPENSE

The amount of income tax charged to the consolidated statement of profit or loss represents:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax		
– Mainland China enterprise income tax and Hong Kong profits tax	511,513	584,614
– Overseas income tax	93,027	108,293
Deferred taxation	<u>59,698</u>	<u>(150,881)</u>
	<u>664,238</u>	<u>542,026</u>

Haitian Plastics Machinery Group Co., Ltd. (海天塑機集團有限公司) renewed its status as a High and New Technology Enterprise (“HNTE”) in 2023. Wuxi Haitian Machinery Co., Ltd. (無錫海天機械有限公司) renewed its status as HNTE in 2024. Ningbo Zhafir Plastics Machinery Manufacturing Co., Ltd. (寧波長飛亞塑料機械製造有限公司) renewed its status as HNTE in 2022. Zhejiang Keqiang Intelligent Control System Co., Ltd. (浙江科強智能控制系統有限公司) renewed its status as HNTE in 2022. Ningbo Haitian Intelligent Manufacture Technology Co., Ltd. (寧波海天智造科技有限公司) renewed its status as HNTE in 2024. Haitian Machinery Guangdong Co., Ltd. (海天機械(廣東)有限公司) qualified as HNTE in 2024. These entities were entitled to a reduced income tax rate of 15% for three consecutive years commencing from the first year when these entities were granted the HNTE status. They are required to re-apply for preferential tax treatment after the current preferential tax periods expire.

The other major operating subsidiaries of the Group in Mainland China are subject to enterprise income tax at a rate of 25% for the year ended 31 December 2024 (2023: 25%).

Subsidiaries established in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the taxable income for the year ended 31 December 2024 (2023: 16.5%).

Taxation on overseas (other than Mainland China and Hong Kong) profits has been calculated on the estimated assessable profits for the year ended 31 December 2024 at the applicable rates of taxation prevailing in the countries in which the Group operates.

## 9. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 is based on the profit attributable to the shareholders of the Company of approximately RMB3,080,332 thousand (2023: RMB2,491,528 thousand) and on the weighted average number of 1,596,000 thousand (2023: 1,596,000 thousand) ordinary shares in issue during the year.

	<b>For the year ended 31 December</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Profit attributable to shareholders of the Company	<u>3,080,332</u>	2,491,528
Weighted average number of ordinary shares in issue	<u>1,596,000</u>	1,596,000
Basic earnings per share (expressed in RMB per share)	<u>1.93</u>	<u>1.56</u>

Diluted earnings per share is not presented as there were no dilutive ordinary shares.

## 10. DIVIDENDS

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Interim dividend of nil (2023: nil) per ordinary share	—	—
Second interim dividend of HKD0.73 (2023: HKD0.66) per ordinary share	<u>1,074,693</u>	955,355
	<u>1,074,693</u>	<u>955,355</u>

On 17 March 2025, the Board has declared payment of a second interim dividend of HKD0.73 per share (2023: HKD0.66 per share) for the year ended 31 December 2024. On the basis of the total issued share capital of 1,596,000,000 shares of the Company as of the date of this announcement, it is estimated that the aggregate amount of the second interim dividend would be approximately RMB1,074.69 million (2023: RMB955.36 million). The actual total amount of the second interim dividend to be paid will be subject to the total number of issued share capital of the Company as at the record date for determining the entitlement of shareholders to the second interim dividend. Such dividend has been approved by the Board which has complied with the related regulations in Cayman Islands. The second interim dividend has not been reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2024.

#### 11. CAPITAL EXPENDITURES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Property, plant and equipment	1,047,254	1,174,148
Land use rights	9,380	1,724
	<u>1,056,634</u>	<u>1,175,872</u>

#### 12. TRADE AND BILLS RECEIVABLES

Most of the Group's sales are covered by guarantees from distributors, credit arrangements from insurance companies in Mainland China, or letters of credit issued by banks. The Group grants its customers credit terms ranging from 15 days to 36 months. The ageing analysis of trade and bills receivables based on invoice date is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Up to 1 year	3,804,605	3,294,039
1 year to 2 years	333,972	350,670
2 years to 3 years	68,426	45,900
Over 3 years	33,825	20,853
	<u>4,240,828</u>	<u>3,711,462</u>
Less: provision for impairment	(135,405)	(108,545)
	<u>4,105,423</u>	<u>3,602,917</u>

#### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2024, the Group held financial assets at fair value through profit or loss amounting to approximately RMB6,971,470 thousand (2023: RMB4,129,187 thousand). These financial assets represented various wealth management products, such as structure deposits from banks, trusts and investment funds, etc., which were conducive to improving the capital usage efficiency and generating investment returns from the Group's idle funds of which the expected return rates ranged from 2.10% to 6.60% (2023: 2.50% to 7.80%) per annum with remaining maturity days between 0 day and 1,786 days (2023: between 0 day and 1,305 days).

#### 14. SHARE CAPITAL

	Authorised share capital		
	Number of shares '000	Nominal value of shares HKD'000	Nominal value of shares RMB'000
As at 1 January 2023, 31 December 2023 and 31 December 2024 (shares with a par value of HKD0.1 per share)	5,000,000	500,000	502,350
Issued and fully paid			
	Number of shares '000	Nominal value of shares HKD'000	Nominal value of shares RMB'000
As at 1 January 2023, 31 December 2023 and 31 December 2024 (shares with a par value of HKD0.1 per share)	1,596,000	159,600	160,510

#### 15. TRADE AND BILLS PAYABLES

As at 31 December 2024 and 2023, the ageing analysis of the trade and bills payables based on invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Up to 1 year	4,571,721	4,019,543
1 year to 2 years	3,505	2,348
Over 2 years	1,307	1,229
	<u>4,576,533</u>	<u>4,023,120</u>

#### 16. CAPITAL COMMITMENTS

	2024 RMB'000	2023 RMB'000
Acquisition of property, plant and equipment – Contracted but not provided for	<u>766,473</u>	<u>1,066,225</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

In 2024, the global economy kept the momentum of slow recovery with different paces across regions. The developed economies lacked growth momentum due to high interest rates, high inflation and geopolitical conflicts, while some emerging markets and developing economies showed strong resilience in their economies, which was attributable to favorable factors such as the shift of manufacturing industry chain and the recovery of tourism. As for the domestic economy, despite multiple negative impacts such as the slowdown in investment, insufficient domestic demand and pressure on exports due to trade protectionism, the Company managed to reach a record high in annual results by virtue of its global strategy and first-mover advantage in overseas investment and deployment, as well as the benefits from the acceleration of exports of certain downstream industries.

Benefiting from the restructuring of the global industrial chain and the acceleration of exports of certain downstream industries, the sales revenue of the Company amounted to approximately RMB16,128.3 million for the year ended 31 December 2024, representing an increase of 23.4% as compared to the corresponding period in 2023 (2023: RMB13,069.3 million). Thanks to the relatively low prices of raw materials in 2024 and the scale of economy, the gross profit margin increased as compared to 2023 and reached 32.5% for the full year (2023: 32.1%).

The net profit attributable to shareholders of the Company for the year ended 31 December 2024 amounted to approximately RMB3,080.3 million (2023: RMB2,491.5 million), representing an increase of 23.6% compared to the same period last year. Meanwhile, the net profit margin for the reporting period amounted to 19.1% (2023: 19.1%).

The Board has declared a second interim dividend of HKD0.73 per share for the year ended 31 December 2024, resulting in total dividends for 2024 of HKD0.73 per share (2023: total dividends of HKD0.66).

### Domestic and overseas sales

The following table summarises the Group's domestic and overseas sales by geographic areas:

<i>(RMB' million)</i>	<b>2024</b>	<b>%</b>	2023	<b>%</b>	<b>2024 vs 2023</b>
Domestic sales	<b>10,112.3</b>	<b>62.7%</b>	7,916.8	60.6%	<b>27.7%</b>
Overseas sales	<b>6,016.0</b>	<b>37.3%</b>	5,152.5	39.4%	<b>16.8%</b>
Total	<b>16,128.3</b>	<b>100%</b>	13,069.3	100%	<b>23.4%</b>



In terms of domestic market, certain downstream industries featuring daily consumer products showed robust demand in the first half of the year, whereas the automobile industry chain experienced recovery of demand in the second half of the year. Besides, through the launch of diversified and multi-level models and specialised machines for different customers, the Company was able to further increase its domestic market share, and recorded domestic sales of approximately RMB10,112.3 million for the full year, representing an increase of 27.7% year-on-year.

In terms of overseas market, benefiting from the structural change in the global industrial chain, as well as the Company's first-mover advantage in overseas investment and deployment, sales in certain countries and regions in Southeast Asia, North America and South America increased significantly. As a result, the Company recorded overseas sales of approximately RMB6,016.0 million, representing an increase of 16.8% year-on-year.

### Sales mix of PIMMs by product series

The Group's sales by product series are summarised in the following table:

<i>(RMB' million)</i>	<b>2024</b>	<b>%</b>	2023	<b>%</b>	<b>2024 vs 2023</b>
PIMMs	<b>15,405.1</b>	<b>95.5%</b>	12,446.8	95.2%	<b>23.8%</b>
Parts & service	<b>723.2</b>	<b>4.5%</b>	622.5	4.8%	<b>16.2%</b>
Total	<b>16,128.3</b>	<b>100%</b>	13,069.3	100%	<b>23.4%</b>

In 2024, with the general recovery of the downstream industries, all machine models of the Company have recorded year-on-year growth at different paces, among which Mars and Electrical series achieved significant growth, thanks to the rapid recovery of demand in daily consumer products, some home appliances and 3C products in the downstream industry. Benefiting from the continuous investments in production capacities in the global automobile industry chain, particularly the new energy vehicle, the Jupiter series of the Company increased steadily year-on-year. In 2024, the Company's sale of PIMMs increased by 23.8% year-on-year to approximately RMB15,405.1 million, the sales of parts and service increased by 16.2% year-on-year to approximately RMB723.2 million.

### Prospect

In 2025, the global economy will maintain moderate growth, especially as some developing economies will continue their economic expansion thanks to the restructuring of the manufacturing industry chain, providing support for global economic growth. At the same time, the international landscape is full of uncertainties. Global economic recovery will face significant challenges from the intensified geopolitical conflicts and rising trade protectionism. As for domestic economy, technology innovation, green transformation and new quality productivity forces will become the new drivers for economic growth. Consumption potential will be released continuously, underpinned by the consumption upgrades, changes to new consumption patterns and support of trade-in policy. The Company will continue to ride on the recovery of the global manufacturing industry and the resurgence of consumption demand.

Despite the intensified competition in various industries in China in recent years, the Company will leverage its multi-dimensional, efficient and synergistic market strategies, as well as active global presence, so as to further develop various established and emerging markets and increase its market share. The year of 2024 is the “Year of Quality and Service” for the Company. In the new year, the Company will continue to emphasise the importance of service, improve customer satisfaction and increase customer stickiness. Meanwhile, in order to strengthen the cooperation between the Company and its customers, the Company will continue to provide customised solutions and value-added services to expand its markets from single-machine sales to overall solutions for deeper market penetration.

Technology innovation has always been the core growth driver for the Company. In order to continuously upgrade and iterate machines, the Company has put the research and development of its new generation of models on the agenda. This year, it will also upgrade various existing models via performance optimisation, cost reduction and efficiency improvement so as to enhance our product competitiveness. More investment will be put into the research and development of intelligent technologies, and provide customers with more efficient production solutions through the introduction of big data and Internet of Things. We will also continue to strengthen the application of energy-saving and green technologies in our products to reduce energy consumption for our customers, so as to further enhance the value for price of our products throughout their lifecycle.

The Company will continue to firmly implement the “Five Five” strategy and expand its presence in global investments. As production capacity will be released after factories in Japan and Serbia are completed in 2025, the Company will accelerate the application of the intelligence and localisation of the supply chain to tackle the complex and changing geopolitical landscape. The Company will strive to achieve real-time monitoring of the entire production process by way of digitalisation and give full play to the advantages of the supply chain to reduce costs and increase efficiency.

Meanwhile, the Company will continue to build its management team with the young generation as the core, which features a combination of senior, middle-aged and young employees, so as to stimulate organisational vitality. It will also motivate and encourage young people towards overseas development and utilise the Company’s first-mover advantage in expanding in the oversea markets.

On the premise of the strategic concept of “technology to the point”, we will satisfy customised needs and demand from each niche market while standardising the production of our components. We strive to maintain our leading position in every aspect. As always, the Company will continue to create value for its customers with better quality and more convenient services, and will grow and develop together with its customers, employees, partners and investors.

## Financial Review

### *Revenue*

Benefiting from the restructuring of the global industrial chain and the acceleration of exports of certain downstream industries, the sales revenue of the Company amounted to approximately RMB16,128.3 million for the year ended 31 December 2024, representing an increase of 23.4% as compared to the corresponding period in 2023 (2023: RMB13,069.3 million).

### *Gross Profit*

In 2024, the Company had a gross profit of approximately RMB5,235.8 million, representing an increase of 24.7% compared to 2023. Benefiting from the relatively low raw material prices in 2024 and the scale of economy, the gross profit margin increased as compared to 2023 and reached 32.5% for the full year (2023: 32.1%).

### *Selling and Administrative Expenses*

The selling and administrative expenses increased by 14.8% from approximately RMB2,015.3 million in 2023 to approximately RMB2,313.1 million in 2024. The increase in expenses was mainly due to the increase of sales commissions, labour costs, R&D expenses and other sales and administrative expenses. The labour costs related to research and development activities were approximately RMB266.7 million (2023: RMB245.9 million) in 2024.

### *Other Income*

Other income mainly consists of government subsidy and decreased by 2.8% from approximately RMB402.5 million in 2023 to approximately RMB391.1 million in 2024.

### *Finance Income – Net*

The Company recorded a net finance income of approximately RMB173.4 million in 2024, representing a decrease as compared to a net finance income of approximately RMB234.1 million in 2023. The decrease was mainly attributable to i) the interest income of approximately RMB238.1 million from restricted bank deposits, term deposits and cash and cash equivalents in 2024 compared to approximately RMB273.2 million in 2023; ii) interest expense of approximately RMB61.3 million in 2024 compared to approximately RMB73.9 million in 2023; and iii) net foreign exchange losses of approximately RMB4.2 million in 2024 compared to net foreign exchange gains of approximately RMB28.8 million in 2023.

### *Income Tax Expenses*

Income tax expenses increased by 22.5% from approximately RMB542.0 million in 2023 to approximately RMB664.2 million in 2024. The Company's effective tax rate maintained at a similar level of 17.7% (2023: 17.8%) in 2024.

### *Net Profit Attributable to Shareholders*

As a result of the foregoing, our net profit attributable to shareholders of the Company in 2024 amounted to approximately RMB3,080.3 million, representing an increase of 23.6% compared to 2023.

### *Liquidity, Financial Resources, Borrowings and Gearing*

The Group finances its operations and investment activities mainly with internally generated cash flow. As at 31 December 2024, the Group's total cash and cash equivalents, term deposits and restricted bank deposits amounted to approximately RMB2,745.4 million, RMB3,331.9 million and RMB52.8 million respectively (31 December 2023: RMB5,445.6 million, RMB3,939.3 million and RMB68.6 million respectively). The Group's bank borrowings amounted to approximately RMB2,011.3 million as at 31 December 2024 (31 December 2023: RMB2,747.4 million).

The Group also placed certain surplus funds into wealth management products which were recorded as financial assets at fair value through profit or loss ("FVPL"). The wealth management products carry floating interests ranging from 2.10% to 6.60% (2023: 2.50% to 7.80%) per annum. As at 31 December 2024, the Group's financial assets at FVPL amounted to approximately RMB6,971.5 million (31 December 2023: RMB4,129.2 million).

The net gearing ratio is defined by the Company's management as total borrowings net of cash divided by shareholders' equity. As at 31 December 2024, the Group was in a strong financial position with a net cash position amounting to approximately RMB4,118.8 million (31 December 2023: RMB6,706.0 million). Accordingly, no net gearing ratio is presented.

### *Capital Expenditures*

In 2024, the Group's capital expenditures consisted of additions of property, plant and equipment, freehold land, and land use rights, which amounted to approximately RMB1,056.6 million (2023: RMB1,175.9 million).

### *Charges on Group Assets*

As at 31 December 2024, the Group's term deposits in Renminbi and U.S. dollars, amounting to approximately RMB470.0 million and USD20.6 million (equivalent to approximately RMB148.1 million) respectively, and bills receivables amounting to approximately RMB156.1 million, are pledged as security for bills payables, borrowing and derivative financial instrument of the Group.

### *Foreign Exchange Risk Management*

As of 31 December 2024, the Group exported approximately 37.3% of its products to international markets. Such sales were denominated in U.S. dollars or other foreign currencies, while the Group's purchases denominated in U.S. dollars or other foreign currencies accounted for less than 10.0% of the total purchases.

### *Financial Guarantee*

As at 31 December 2024, the Group provided guarantees to banks in connection with facilities granted to the customers with an amount of approximately RMB241.1 million (31 December 2023: RMB388.9 million). As at 31 December 2024, the Group reassessed the provisions based on the credit history of its customers and the current market condition. No significant provision is noticed.

### **EMPLOYEES**

As at 31 December 2024, the Group had a total workforce of 8,074 employees. Most of our employees were located in China. The Group offered its staff with competitive remuneration schemes. In addition, discretionary bonuses will be paid to staff based on individual and the Group's performance. The Group is committed to nurturing a learning culture in its organisation.

### **EVENTS AFTER THE REPORTING DATE OF 31 DECEMBER 2024**

The Board is not aware of any other important event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

### **PAYMENT OF DIVIDEND**

The Board had not declared an interim dividend for the six months ended 30 June 2024. The Board has now declared a second interim dividend of HKD0.73 per share for the year ended 31 December 2024 (2023: HKD0.66 per share), resulting in total dividends for 2024 of HKD0.73 per share (2023: total dividends of HKD0.66 per share). On the basis of the total issued share capital of 1,596,000,000 shares of the Company as of the date of this announcement, it is estimated that the aggregate amount of the second interim dividend would be approximately RMB1,074.69 million (2023: RMB955.36 million). The actual total amount of the second interim dividend to be paid will be subject to the total number of issued share capital of the Company as at the record date for determining the entitlement of shareholders to the second interim dividend. The second interim dividend is expected to be paid on 11 April 2025 to the shareholders whose names appear on the register of members of the Company on 1 April 2025.

The Board has decided to consider and if think fit to declare dividends once for every fiscal year in the future. Currently, the Company does not have any predetermined dividend payout ratio.

Declaration and recommendation of payment of dividends of the Company is subject to the approval of the Directors, depending on results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Directors may consider relevant from time to time. The Board has discretion as to the declaration and payment of dividends and there can be no assurance or guarantee that dividends will be paid in any particular amount for any given period in the future.

## **ANNUAL GENERAL MEETING (“AGM”)**

The AGM of the Company will be held on 16 May 2025. Notice of the AGM will be issued and dispatched to shareholders in due course.

### **Closure of Register of Members**

#### *(a) Entitlement to the Second Interim Dividend*

The register of members of the Company will be closed on 1 April 2025 whereby no transfer of shares will be registered on that date. In order to qualify for the second interim dividend, all properly completed shares transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 31 March 2025.

#### *(b) Entitlement to Attend and Vote at the AGM*

The register of members of the Company to attend the AGM will be closed from 12 May 2025 to 16 May 2025 (both days inclusive). In order to be eligible to attend the AGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 9 May 2025, for registration.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining and ensuring high standards of corporate governance practices. The Board emphasises on maintaining a board with a balance of skill sets of directors, better transparency and effective accountability system in order to enhance shareholders’ value. The Company complied with all the applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the time being in force for the year ended 31 December 2024.

Details of the implementation of the Company’s corporate governance practices will be set out in the corporate governance report in the annual report of the Company to be published in due course.



## **AUDIT COMMITTEE**

The Audit Committee was established in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive Directors.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2024, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee, together with the management and the external auditors, has reviewed regularly the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters and reviewed the financial results of the Group.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions. Specific enquiry has been made to all Directors, each of whom confirmed that he or she had complied with the required standard set out in the Model Code during the Reported Period.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

## **PURCHASES, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reported Period under review.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (“HKEx”) at [www.hkex.com.hk](http://www.hkex.com.hk) and on the Company’s website at [www.haitian.com](http://www.haitian.com). The annual report of the Company will be dispatched to the shareholders and will be available on the websites of HKEx and the Company in due course.

By order of the Board of  
**Haitian International Holdings Limited**  
**Zhang Jianming**  
*Chairman*

Hong Kong, China, 17 March 2025

*As at the date of this announcement, the executive Directors are Mr. Zhang Jianming, Mr. Zhang Bin, Mr. Zhang Jianfeng, Mr. Chen Weiqun and Ms. Chen Lu; the non-executive Directors are Mr. Guo Mingguang and Mr. Liu Jianbo; and the independent non-executive Directors are Mr. Lou Baijun, Mr. Guo Yonghui, Ms. Yu Junxian and Mr. Lo Chi Chiu.*