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)

VOLUNTARY ANNOUNCEMENT — BUSINESS UPDATE — ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT WITH CHINA TELECOM CORPORATION LIMITED FUJIAN BRANCH

This is a voluntary announcement made by Haina Intelligent Equipment International Holdings Limited (the "**Company**") on the main content of a non-legally binding strategic cooperation agreement (the "**Strategic Cooperation Agreement**") entered into between the Company and China Telecom Corporation Limited, Fujian Branch (中國電信股份有限公司福建分公司) ("**China Telecom Fujian**") on 14 March 2021.

THE STRATEGIC COOPERATION AGREEMENT

I. Parties to the cooperation

Party A: The Company, which principally engaged in the design and production of automated machines for manufacturing disposable hygiene products, including baby diapers, adult diapers and lady sanitary napkins in the PRC.

Party B: China Telecom Fujian, which is a branch of China Telecom Corporation Limited. China Telecom Corporation Limited is a joint stock limited company incorporated in the People's Republic of China with limited liability whose H shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 728). To the best knowledge, information and belief of the directors of the Company (the "**Directors**"), and having made all reasonable enquires, China Telecom Fujian is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

II. The aims of cooperation

Pursuant to the Strategic Cooperation Agreement, the Company and China Telecom Fujian (together, known as the "**Parties**") will cooperate in the areas of application of 5G to the personal hygiene products industry, including in areas such as novel 5G-integrated applications (5G融合創新應用), digitalisation of operations and maintenance (運維數字化), smart products (產品智慧化), and manufacturing-as-a-service (生產服務化), with an aim to achieving one-stop digital service framework that covers technology, manufacturing, marketing, sales and finance areas. Through the cooperation, the Parties aim to become a benchmark in the application of 5G in the personal hygiene industry.

The Parties will cooperate in research in the following areas:

- personal hygiene product remote operation and maintenance and the applicable standards;
- supply chain digitalisation and application;
- personal hygiene product e-commerce platform covering both upstream and downstream activities; and
- the application of "Industrial Internet Identification and Resolution" to personal hygiene products machinery.

III. Cooperation Mechanism

(a) the Company will purchase certain services and products from China Telecom Fujian, mainly for the development of the "5G + Industrial Internet Digital Empowerment Platform for the Health Products Industry" ("5G＋衛品行業工業互聯網數字賦能平臺"); and

(b) China Telecom Fujian will provide the Company with, among other things, (i) the relevant industry and professional resources required for platform construction, technical research and application implementation, (ii) a dedicated localised 5G network and other basic communication services such as low-latency Internet connectivity through fixed line and mobile networks, (iii) support and guidance in the application scenarios and overall application solutions of the Company's products on the platform, and (iv) support on the Company's operation, maintenance, guidance and promotions efforts on the new platform.

The Parties will establish a high-level strategic communication mechanism to communicate with each other to study material issues in the strategic cooperation and ensure the implementation of the Strategic Cooperation Agreement. The Parties will assign relevant personnel to form a project cooperation team, which will be responsible for the communication of the needs of each Party and the coordination of internal resources to resolve problems and ensure the successful implementation of the strategic cooperation.

IV. **Commencement and Other Matters of the Strategic Cooperation Agreement**

The term of the Strategic Cooperation Agreement is from 14 March 2021 to 14 March 2024, and may be extended by mutual agreement.

The Strategic Cooperation Agreement represents the intention of the parties to cooperate only and does not have any legal effect, save for certain provisions on confidentiality.

REASONS FOR ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

The Directors are of the view that entering into the Strategic Cooperation Agreement will enable the Group to leverage on the extensive experience of China Telecom Fujian in 5G technology and the application of integrated intelligent information services. In addition, the Directors believe that the strategic cooperation will drive further business cooperation between the Group and China Telecom Fujian for the building of a sound and stable long-term partnership, where both parties will benefit from resource and expertise-sharing. Hence, the Directors are of the view that the terms of the Strategic Cooperation Agreement are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

The Company will comply with the applicable approval and disclosure requirements under the Listing Rules for transactions conducted under the Strategic Cooperation Agreement as and when appropriate.

WARNING

The board of Directors (the "Board") wishes to emphasise that, except for certain provision related to confidentiality, the Strategic Cooperation Agreement is non-legally-binding and represents the intention of the parties to cooperate only. There is no assurance as to whether and when the strategic cooperation will ultimately take place and whether the cooperation will lead to successful outcomes. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Haina Intelligent Equipment International Holdings Limited
Hong Yiyuan
Chairman, executive Director and chief executive officer

Hong Kong, 15 March 2021

As at the date of this announcement, the Board comprises Mr. Hong Yiyuan, Mr. Zhang Zhixiong, Mr. Su Chengya and Mr. He Ziping as executive Directors, Mr. Chang Chi Hsung as non-executive Director, and Mr. Chan Ming Kit, Dr. Wang Fengxiang and Mr. Ng Tat Fung as independent non-executive Directors.