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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

	Six months ended 30 June		
	2015	2014	Increase /(decrease)
	RMB' million	*RMB' million*	%
Revenue	**3,850.2**	3,810.6	1.0
Gross profit	**1,242.6**	1,230.3	1.0
Profit attributable to shareholders of the Company excluding transaction cost of Convertible bonds ("CB") and change in fair value of CB	**656.6**	638.2	2.9
Profit attributable to shareholders of the Company	**585.0**	575.2	1.7
Basic Earnings per share (expressed in RMB per share)	**0.37**	0.36	1.7
Dividend per share (expressed in HK$ per share)			
Proposed interim dividend	**0.16**	0.16	–

- Under the current difficult environment, we continued to deliver outstanding performance and maintain a high level of interim revenue and profit compared to the 1st half of 2014

- Revenue increased to RMB3,850.2 million, representing an increase of 1.0% compared to the 1st half of 2014

- Growing success in strategic shifting small tonnage hydraulic PIMMs to full-electric PIMMs and large tonnage to two-plate PIMMs. The sales of our Zhafir Venus Series (full electric PIMMs) and our Jupiter Series (large two-plate PIMMs) increased by 25.9% and 64.2% and amounted to RMB332.8 million and RMB364.6 million respectively compared to the 1st half of 2014

- Gross profit margin maintained at a high level of 32.3% (1H 2014: 32.3%)

- Profit attributable to shareholders of the Company increased to RMB585.0 million, representing an increase of 1.7% compared to the 1st half of 2014. Excluding the once off transaction cost of CB in 2014 and non-cash accounting loss in change of fair value in CB, profit attributable to shareholders of the Company increased to RMB656.6 million, representing an increase of 2.9% compared to the 1st half of 2014

- Basic earnings per share amounted to RMB0.37 during the period

- The Board proposed an interim dividend of HK16.0 cents per share

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Haitian International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 (the "Reported Period"), together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

(Amounts expressed in RMB'000 unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	**2015**	2014
Revenue	*4*	**3,850,163**	3,810,608
Cost of sales		**(2,607,606)**	(2,580,317)
Gross profit		**1,242,557**	1,230,291
Selling and marketing expenses		**(344,965)**	(330,041)
General and administrative expenses		**(203,725)**	(205,848)
Other income		**22,753**	27,728
Other gains – net		**5,351**	2,071
Operating profit	*5*	**721,971**	724,201
Finance income	*6*	**96,413**	71,522
Finance costs	*6*	**(93,110)**	(82,763)
Finance income/(costs) – net	*6*	**3,303**	(11,241)
Share of profit of an associate		**165**	1,815
Profit before income tax		**725,439**	714,775
Income tax expense	*7*	**(140,431)**	(139,594)
Profit for the period		**585,008**	575,181
Attributable to:			
Shareholders of the Company		**585,008**	575,181
Dividends	*8*	**210,779**	203,139
Earnings per share for profit attributable to shareholders of the Company during the period (expressed in RMB per share)			
– Basic and Diluted	*9*	**0.37**	0.36

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts expressed in RMB'000 unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
	2015	2014
Profit for the period	**585,008**	575,181
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss		
Change in value of available-for-sale financial assets	**3,841**	11,757
Currency translation differences	**3,677**	1,774
Total comprehensive income for the period	**592,526**	588,712
Total comprehensive income attributable to:		
Shareholders of the Company	**592,526**	588,712

CONDENSED CONSOLIDATED BALANCE SHEET

(Amounts expressed in RMB'000 unless otherwise stated)

	Note	**30 June 2015 Unaudited**	31 December 2014 Audited
ASSETS			
Non-current assets			
Land use rights		**386,991**	391,559
Property, plant and equipment		**2,236,353**	2,116,413
Investment in an associate		**12,401**	13,489
Deferred income tax assets		**56,500**	53,311
Loan receivables, interest bearing		**506,680**	510,925
Available-for-sale financial assets	*12*	**–**	50,402
		3,198,925	3,136,099
Current assets			
Inventories		**1,580,126**	1,677,158
Trade and bills receivables	*11*	**2,324,924**	2,217,412
Prepayments, deposits and other receivables		**276,529**	267,843
Available-for-sale financial assets	*12*	**2,479,865**	2,056,122
Derivative financial instruments		**1,228**	–
Restricted bank deposits		**106,548**	152,810
Cash and cash equivalents		**2,258,175**	2,202,827
		9,027,395	8,574,172
Total assets		**12,226,320**	11,710,271
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital	*13*	**160,510**	160,510
Share premium		**1,331,913**	1,331,913
Other reserves		**796,441**	788,923
Retained earnings		**5,160,604**	4,802,961
Total equity		**7,449,468**	7,084,307

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*
(Amounts expressed in RMB'000 unless otherwise stated)

	Note	**30 June 2015 Unaudited**	31 December 2014 Audited
LIABILITIES			
Non-current liabilities			
Deferred income		**9,643**	10,650
Deferred income tax liabilities		**172,394**	150,873
Convertible bonds	*15*	**1,296,230**	1,225,746
		1,478,267	1,387,269
Current liabilities			
Trade and bills payables	*14*	**1,864,153**	1,906,508
Accruals and other payables		**1,091,818**	1,261,253
Current income tax liabilities		**69,186**	66,328
Bank borrowings		**273,428**	–
Derivative financial instruments		**–**	4,606
		3,298,585	3,238,695
Total liabilities		**4,776,852**	4,625,964
Total equity and liabilities		**12,226,320**	11,710,271
Net current assets		**5,728,810**	5,335,477
Total assets less current liabilities		**8,927,735**	8,471,576

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in RMB'000 unless otherwise stated)

	Unaudited					
	Attributable to owners of the Company					
	Share capital	Share premium	Other reserves	Retained earnings	Total	Total equity
Balance at 1 January 2014	**160,510**	**1,331,913**	**640,943**	**4,033,890**	**6,167,256**	**6,167,256**
Comprehensive income						
Profit for the period	–	–	–	575,181	575,181	575,181
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Change in value of available-for-sale financial assets	–	–	11,757	–	11,757	11,757
Currency translation differences	–	–	1,774	–	1,774	1,774
Total comprehensive income for the period ended 30 June 2014	–	–	13,531	575,181	588,712	588,712
Transactions with owners						
Dividend paid – 2013 second interim	–	–	–	(202,273)	(202,273)	(202,273)
Total transactions with owners	–	–	–	(202,273)	(202,273)	(202,273)
Balance at 30 June 2014	**160,510**	**1,331,913**	**654,474**	**4,406,798**	**6,553,695**	**6,553,695**
Balance at 1 January 2015	**160,510**	**1,331,913**	**788,923**	**4,802,961**	**7,084,307**	**7,084,307**
Comprehensive income						
Profit for the period	–	–	–	585,008	585,008	585,008
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Change in value of available-for-sale financial assets	–	–	3,841	–	3,841	3,841
Currency translation differences	–	–	3,677	–	3,677	3,677
Total comprehensive income for the period ended 30 June 2015	–	–	7,518	585,008	592,526	592,526
Transactions with owners						
Dividend paid – 2014 second interim	–	–	–	(227,365)	(227,365)	(227,365)
Total transactions with owners	–	–	–	(227,365)	(227,365)	(227,365)
Balance at 30 June 2015	**160,510**	**1,331,913**	**796,441**	**5,160,604**	**7,449,468**	**7,449,468**

CONDENSED CONSOLIDATED CASHFLOW STATEMENT
(Amounts expressed in RMB'000 unless otherwise stated)

	Six months ended 30 June	
	2015	2014
Cash flows from operating activities:		
Net cash generated from operating activities	**462,546**	724,677
Cash flows from investing activities:		
Purchase of land use rights, property, plant and equipment	**(168,081)**	(301,752)
Net changes in loan receivables, available-for-sale financial assets and financial assets at fair value through profit or loss	**(369,500)**	(770,357)
Interests received	**84,320**	72,647
Net cash used in investing activities	**(453,261)**	(999,462)
Cash flows from financing activities:		
Net changes in bank borrowings	**273,428**	(636,188)
Proceeds from issue of convertible bonds, net of transaction cost	**–**	1,197,084
Dividends paid to the Company's shareholders	**(227,365)**	(202,273)
Net cash generated from financing activities	**46,063**	358,623
Net increase in cash and cash equivalents	**55,348**	83,838
Cash and cash equivalents at beginning of period	**2,202,827**	2,112,640
Cash and cash equivalents at end of period	**2,258,175**	2,196,478

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

1. GENERAL INFORMATION

Haitian International Holdings Limited (the "Company") was incorporated on 13 July 2006, as an exempted company with limited liability under the Companies Law, Cap. 22, (Law 3 of 1961, as combined and revised) of the Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 22 December 2006 and its registered office is at Cricket Square, Hutchins Drive, PO Box 2681, George Town, Grand Cayman KY1-1111 Cayman Islands.

The Company and its subsidiaries (the "Group") are principally engaged in manufacturing and sale of plastic injection moulding machines (the "Plastic Injection Moulding Machines Business").

In the opinion of the directors, the ultimate holding company of the Company is Sky Treasure Capital Limited, a company incorporated in the British Virgin Islands.

This unaudited condensed consolidated interim financial information was approved for issue on 25 August 2015.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with HKAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

(a) New and amended standards and amendments adopted by the Group

The following new and amended standards are mandatory for the first time for the financial year beginning 1 January 2015:

HKFRS 3 (Amendment) "Business combinations" and consequential amendments to HKFRS 9, "Financial instruments", HKAS 37, "Provisions, contingent liabilities and contingent assets", and HKAS 39, "Financial instruments – Recognition and measurement" are effective for annual periods beginning on or after 1 July 2014. This standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in HKAS 32, "Financial instruments: Presentation". All non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

HKFRS 8 (Amendment) "Operating segments" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity's assets when segment assets are reported.

HKFRS 13 "Fair value measurement" is effective for annual periods beginning on or after 1 July 2014. This standard clarifies that the portfolio exception in HKFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of HKAS 39 or HKFRS 9.

HKAS 16 (Amendment) "Property, plant and equipment" and HKAS 38 (Amendment) "Intangible assets" are effective for annual periods beginning on or after 1 July 2014. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

HKAS 24 (Amendment) "Related Party Disclosures" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to address that the reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

HKFRS 3 (Amendment) "Business combinations" is effective for annual periods beginning on or after 1 July 2014. This amendment clarifies that HKFRS 3 does not apply to the accounting for the formation of any joint arrangement under HKFRS 11 in the financial statements of the joint arrangement.

Amendments and interpretations as mentioned above are not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

(b) Standards, amendments and interpretations to existing standards effective in 2015 but not relevant to the Group

HKAS 19 (Amendment)	Defined benefit plans
HKFRS 2 (Amendment)	Share-based payment
HKAS 40	Investment property

(c) New standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2016
HKFRS 7 (Amendments)	Financial instruments: Disclosures	1 January 2016
HKAS 19 (Amendment)	Employee benefits	1 January 2016
HKAS 34 (Amendment)	Interim financial reporting	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

4. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Revenue of plastic injection moulding machine and related products	**3,850,163**	3,810,608

The Group is mainly engaged in the manufacturing and the sale of plastic injection moulding machines. The internal reporting for the chief operating decision-maker is provided on a whole-entity basis. Accordingly the group only has one reportable segment and no further segment information is provided.

The Group is domiciled in Mainland China. The result of its sales from external customers in different countries is as follows:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Mainland China	**2,656,941**	2,579,682
Hong Kong and overseas countries	**1,193,222**	1,230,926
	3,850,163	3,810,608

The total of non-current assets other than financial assets and deferred income tax assets located in different countries are as follows:

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Total non-current assets other than financial assets and deferred income tax assets		
– Mainland China	**2,543,674**	2,420,495
– Hong Kong and overseas countries	**92,071**	100,966
Deferred income tax assets	**56,500**	53,311
Loan receivables, interest bearing	**506,680**	510,925
Available-for-sale financial assets	**–**	50,402
Total non-current assets	**3,198,925**	3,136,099

5. OPERATING PROFIT

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

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Depreciation and amortisation	**80,547**	72,725
(Reversal of)/provision for impairment of trade receivables	**(1,541)**	8,402
(Reversal of)/provision for write-down of inventories	**(4,292)**	13,292
Raw materials and consumables used	**2,307,731**	2,304,223
Net foreign exchange gains	**(3,210)**	(950)
Loss on disposal of property, plant and equipment	**989**	59

6. FINANCE INCOME/(COSTS), NET

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Finance cost:		
Changes in fair value of convertible bonds		
– resulted from change in exchange rate	**1,080**	(9,160)
– resulted from change in bond value	**(71,564)**	(38,652)
Transaction cost of convertible bonds	**–**	(24,316)
Interest expenses on bank loans and convertible bonds	**(13,039)**	(10,635)
Net foreign exchange losses	**(9,587)**	–
Finance income:		
Interest income on bank deposits, financial products and entrusted loans	**96,413**	67,939
Net foreign exchange gains	**–**	3,583
Finance income/(costs), net	**3,303**	(11,241)

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax		
– Mainland China enterprise income tax ("EIT")	**116,719**	115,891
– Overseas income tax	**743**	665
Deferred taxation	**22,969**	23,038
	140,431	139,594

8. DIVIDENDS

At a meeting held on 25 August 2015 the directors declared an interim dividend of HK16.0 cents (equivalent to RMB13.2 cents) per share. This proposed dividend is not reflected as a dividend payable in this condensed consolidated interim financial information, but will be reflected as an appropriation of reserve for the year ending 31 December 2015.

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the period is based on the profit attributable to the shareholders of the Company of approximately RMB585,008,000 (2014: RMB575,181,000) and on the weighted average number of 1,596,000,000 (2014: 1,596,000,000) ordinary shares in issue during the period.

Diluted earnings per share is equal to the basic earnings per share as the conversion of convertible bonds to ordinary shares would have anti-dilutive effect.

10. CAPITAL EXPENDITURE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Land use rights	**–**	74,468
Property, plant and equipment	**168,081**	227,284
	168,081	301,752

11. TRADE AND BILLS RECEIVABLES

Majority of trade and bills receivables are with customers having an appropriate credit history. 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 is as follows:

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Up to 6 months	**1,971,843**	1,926,194
6 months to 1 year	**219,512**	193,590
1 year to 2 years	**111,923**	108,900
2 year to 3 years	**44,784**	15,215
Over 3 years	**24,054**	22,246
	2,372,116	2,266,145
Less: provision for impairment	**(47,192)**	(48,733)
	2,324,924	2,217,412

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are RMB denominated financial products with floating interests ranging from 4.5% to 9.9% (2014: 4.7% to 9.9%) per annum and with maturity dates between 7 days and 302 days (2014: between 5 days and 424 days). None of these assets is either past due or impaired (2014: None).

13. SHARE CAPITAL

	Authorised share capital		
	Number of shares	Amount	
	'000	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2015	5,000,000	500,000	502,350

	Issued and fully paid up		
	Number of shares	Amount	
	'000	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2015	1,596,000	159,600	160,510

14. TRADE AND BILLS PAYABLES

Aging analysis of trade and bills payables is as follows:

	As at 30 June 2015	As at 31 December 2014
	RMB'000	*RMB'000*
Up to 6 months	**1,862,777**	1,905,214
6 months to 1 year	**461**	138
1 year to 2 years	**114**	92
Over 2 years	**801**	1,064
	1,864,153	1,906,508

15. CONVERTIBLE BONDS

On 13 February 2014, the Company issued convertible bonds due 2019 in an aggregate principal amount of US$200,000,000 (equivalent to approximately RMB1,221,400,000). Interest of 2.00% per annum will be paid semi-annually. The convertible bonds may be converted into ordinary shares of the Company, at the option of holder thereof, at any time after 26 March, 2014 up to the close of business on the day falling seven days prior to 13 February 2019 (the "Maturity Date") (both day inclusive) or if such convertible bonds shall have been called for redemption before Maturity Date, then up to and including the close of business on a date no later than seven days prior the date fixed for redemption thereof, at an initial conversion price (subject to adjustment for among other things, consolidation and subdivision of shares, capitalization of profits or reserves, right issues, distributions and certain other dilutive events) of HK$24.6740 per share.

The Convertible bonds are designated as financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value at initial recognition with transaction cost charge to the profit or loss accounts. Subsequently, the fair values are remeasured, gains and losses from changes therein are recognised in the profit or loss account.

None of convertible bonds were converted into ordinary shares of the Company during the period.

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Convertible bonds issued by the Company		
At 1 January	**1,225,746**	–
Issue of convertible bonds during the period	**–**	1,221,400
Change in fair value of convertible bonds	**70,484**	4,346
At 30 June/31 December	**1,296,230**	1,225,746

The fair value of the convertible bonds as at 30 June 2015 is approximately US$212,024,000, equivalent to approximately RMB1,296,230,000), which is determined by valuation technique using observable inputs (Level 2): quoted prices for identical or similar instruments in inactive markets.

16. COMMITMENTS

(a) Capital commitments

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Acquisition of property, plant and equipment		
– Contracted but not provided for	**228,330**	284,443

(b) Operating lease commitments

The Group leases certain of its office premises and plant and equipment under non-cancellable operating lease agreements. The leases have various terms and renewal rights.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2015 *RMB'000*	As at 31 December 2014 *RMB'000*
Not later than 1 year	**6,833**	12,933
Later than 1 year and no later than 5 years	**100**	116
	6,933	13,049

BUSINESS REVIEW

In the first half of 2015, China's growth momentum continued to slow down and recorded a GDP growth of 7.0% which represents the lowest level of growth since 2009. The China manufacturing PMI kept struggling near its expansion/contraction benchmark of 50 throughout the period. Such statistics indicate investment and consumption sentiment in China remained at a subdued level. In addition, recent trend of currency depreciation other than US dollars has brought challenges to our operations. On one hand, the depreciations of Yen and Euro make our major overseas competitors more flexible in pricing strategy; on the other hand, the depreciation of currencies in some emerging markets such as Brazil and Russia has shrunk our customers' purchasing power and affected their CAPEX plan. All of these have created a challenging business environment for our customers and us.

We respond to the current tough business environment by continuous enhancement of our competitive edge in technology innovation, brand reputation, product quality and service standards. With the committed strategies in shifting small tonnage hydraulic PIMMs to full-electric PIMMs and large tonnage to two-plate PIMMs, we made a remarkable achievement in optimizing our sales mix in the first half of 2015. In the first half of 2015, the sales of our Zhafir Venus Series(full electric PIMMs) and our Jupiter Series(large two-plate PIMMs) increased to RMB332.8 million and 364.6 million, representing an increase of 25.9% and 64.2% respectively compared to the same period in 2014. In the first half of 2015, the sales mix of full-electric PIMMs in small tonnage PIMMs and that of two-plate PIMMs in medium-to-large tonnage PIMMs reached 13.7% (1H 2014:10.9%) and 27.0%(1H 2014: 17.0%) respectively. The strong growth of full electric and two-plate PIMMs are able to offset the general weak demand of PIMMs industry and enable us to outperform our industry peers and deliver outstanding performance in current difficult environment. We recorded revenue of RMB3,850.2 million for the six months ended 30 June 2015, representing an increase of 1.0% compared to the revenue of RMB3,810.6 million for the six months ended 30 June 2014. In the first half of 2015, our gross margin continued to maintain at 32.3% (1H 2014: 32.3%). Our net profit attributable to shareholders of the Company for the six months ended 30 June 2015 increased to RMB585.0 million, representing a mild increase of 1.7% compared to the first half of 2014. Excluding the transaction cost of CB in 2014 and non-cash accounting loss of change in fair value of CB, the adjusted net profit attributable to shareholders of the Company for the six months ended 30 June 2015 would increase to RMB656.6 million, representing an increase of 2.9% compared to the first half of 2014.

The Board of Directors has declared a first interim dividend of HK$0.16 per share for the six months ended 30 June 2015(1H 2014: HK$0.16).

Domestic and export sales

The Group's sales by geographic areas are summarized in the following table:

(RMB million)	**1st half of 2015**	1st half of 2014	1st half 2015 Vs 1st half 2014
Domestic Sales	**2,605.8**	2,527.7	3.1%
Export Sales	**1,166.5**	1,204.7	(3.2%)
Parts	**77.9**	78.2	(0.4%)
Total	**3,850.2**	3,810.6	1.0%

Amid slowdown of economic growth in China, as well as lacklustre export demand and lack of investment confidence, the domestic demand of PIMMs remained sluggish in first half of 2015. Benefiting from well market acceptance of our full-electric PIMMs and two-plate PIMMs, we not only achieved a mild growth of domestic sales by 3.1% to RMB2,605.8 million in the first half of 2015 but also outperformed our industry peers and further reinforced our leading market position in China.

Under unfavorable market conditions resulted from weakening of currencies other than USD, we have substantially mitigated adverse impacts from such trend by our unique technology to point product strategy i.e. offering products to bring the customers real benefit exactly to the point with reasonable costs and our long term commitment in enhancing our pre-sales and after-sales service quality. These allow us to avoid pure price competitions with our competitors and strong growth in market share among Asia regions including Vietnam, Korea and India. As a result, we still maintained similar level of export sales and recorded a mild drop of 3.2% to RMB1,166.5 million in the first half of 2015. This is still the second highest export revenue in our history.

Small and medium-to-large tonnage sales

The Group's sales by small tonnage and medium-to-large tonnage plastic injection moulding machines are summarized in the following table:

(RMB million)	**1st half of 2015**	1st half of 2014	1st half 2015 Vs 1st half 2014
Small tonnage	**2,421.9**	2,424.6	(0.1%)
Medium-to-large tonnage	**1,350.4**	1,307.8	3.3%
Parts	**77.9**	78.2	(0.4%)
Total	**3,850.2**	3,810.6	1.0%

Small tonnage PIMMs are generally more sensitive to macroeconomic changes. Under the sluggish market environment, the traditional small tonnage PIMMs experienced certain decline of sales. However full-electric PIMMs (Zhafir Venus Series) recorded a strong growth of 25.9% compared to same period in 2014 and this substantially compensated the drop of sales in small tonnage hydraulic PIMMs. As a result, the sales of small tonnage PIMMs recorded a small drop of 0.1% to RMB2,421.9 million in the first half of 2015. The medium-to-large tonnage PIMMs are usually employed by medium-to-large-size enterprises which generally have stronger financial position and carefully planned CAPEX. Therefore, the demand of medium-to-large tonnage PIMMs are more resilient in current market conditions. Also benefiting from positive market response of our large two-plate PIMMs (Jupitor Series), we still recorded a mild growth of 3.3% in medium to large tonnage PIMM with revenue amounted to RMB1,350.4 million in the first half of 2015.

PROSPECT

Although the recent released economic data did not show clear improvement of the Chinese economy, we believe the domestic market will gradually stablise and smoothly transit to the new normal growth model under the backdrop of series of actions including the People's Bank of China lowering the reserve requirement ratio and cutting benchmark interest rates, recent mild depreciation of RMB and increasing efforts in boosting economy by the Chinese government. With more long term strategies including the "One Belt One Road", "Made in China 2025" and Internet Plus Plan recently unveiled, we are optimistic to the long term development of the Chinese manufacturing industries and the PIMM industry. The "One Belt One Road" initially starts with building up regional infrastructures and trade co-operation with countries and with long term objectives in enhancing the depth and dimension of Chinese manufacturers' trade relationship with the rest of the world. The "Made in China 2025" strategy is the first stage of three decades plan to change China from the biggest manufacturing power in the world into a world-class strong manufacturing power. The aforesaid strategies, alongside with the Internet Plus Plan, will push forward the transformation and upgrading of the Chinese manufacturing industries and this will drive the replacement demand of equipment and steer the economy towards a more sustainable growth.

In the process of transforming the Chinese economy to the "new normal" era with the new growth model which focus more on consumption and quality instead of quantity, risk and opportunities come hand-in-hand. We observed the risk of decline in quantity demand of low-end PIMMs but also the opportunities of speed up in the upgrade of the manufacturing industry and demand of innovative, advanced, high efficiency and quality PIMMs, especially for full-electric PIMMs and large two-plate PIMMs. Our resilient performance under the difficult environment and optimised product mix well-reflected that we are on the right track to capture these opportunities and outperform the industry peers. With nearly 50 years history, we have navigated through different crisis and structural changes of the Chinese economy. We consistently overcame the challenges and captured the opportunities to make us even stronger. We will continue to adopt our three successful strategies to maintain our market leading position: Communication for trust — Innovation of technology to point for products — Efficiency for sustainable growth and profitability. We will tackle the challenges amidst uncertain economic environment through our long term committed strategies in increasing sales mix in full-electric and two-plate PIMMs, speeding up product innovation to well address customers' needs, improving product quality and enhancing our pre-sales and after-sales services. We believe that our proven business strategies and strong execution will enable us to minimize the adverse impact to our operations from unfavorable market conditions and capture the business opportunities resulted from the structural changes of the Chinese economy.

FINANCIAL REVIEW

Revenue

In the first half of 2015, China's economic growth still faced downward pressures and the depreciation of Yen, Euro and certain emerging market currencies also created some challenges to our export trade. The general weak demand of PIMMs were offset by the strong growth of full-electric and two-plate PIMMs. Therefore, our sales still increased to RMB3,850.2 million, representing a mild increase of 1.0% compared to the first half of 2014. During the period under review, our domestic sales increased by 3.1% to RMB2,605.8 million and our export sales decreased by 3.2% to RMB1,166.5 million.

Gross Profit

In the first half of 2015, we recorded gross profit of approximately RMB1,242.6 million, representing an increase of 1.0% compared to the first half of 2014. Overall gross margin maintained at similar level of 32.3% in the first half of 2015 (1H 2014: 32.3%).

Selling and administrative expenses

The selling and administrative expenses increased by 2.4% from RMB535.9 million in the first half of 2014 to RMB548.7 million in the first half of 2015. The increase of expense was roughly in line with sales which i) primarily due to the increase in sales commission expenses and transportation charges resulting from higher level of sales in the 1st half of 2015 and ii) increase in business expansion.

Other income

Other income mainly consists of government subsidy and decreased by 17.9% from RMB27.7 million in the first half of 2014 to RMB22.8 million in the first half of 2015.

Finance income/costs – net

We recorded net finance income of RMB3.3 million in the first half of 2015 and a net finance costs of RMB11.2 million in the first half 2014. The changes were mainly attributable to i) increase in interest income from RMB67.9 million in the 1st half of 2014 to RMB96.4 million in the 1st half of 2015 which resulted from increase of average bank balances and wealth management products, ii) the once-off transaction cost of CB amounted to RMB24.3 million was recorded in the 1st half of 2014, iii) the increase in non-cash accounting loss of change in fair value of CB from RMB38.7 million in the first half of 2014 to RMB71.6 million. Excluding the once-off transaction cost of CB in 2014 and non-cash accounting loss of change in fair value of CB, the net finance income increased from RMB51.7 million in the first half of 2014 to RMB74.9 million in the first half of 2015.

Income tax expenses

Income tax expenses increased by 0.6% from RMB139.6 million in the first half of 2014 to RMB140.4 million in the first half of 2015. Our effective tax rate maintained at a similar level of 19.4% in the first half of 2015 (1H 2014:19.5%).

Net profit attributable to shareholders

As a result, our net profit attributable to shareholders for the six months ended 30 June 2015 increased to RMB585.0 million, representing a mild increase of 1.7% compared to the first half of 2014. Excluding the once-off transaction cost of CB in 2014 and non-cash accounting loss in change of fair value in CB, the adjusted net profit attributable to shareholders for the six months ended 30 June 2015 increased to RMB656.6 million, representing an increase of 2.9% compared to the first half of 2014.

Liquidity, Financial Resources, Borrowing and Gearing

The Group finances its operations and investment activities mainly with internally generated cash flow. As at 30 June 2015, the Group's total cash and cash equivalents and restricted cash amounted to RMB2,258.2 million and RMB106.5 million respectively (31 December 2014: RMB2,202.8 million and RMB152.8 million). The Group's short-term bank borrowing amounted to RMB273.4 million as at 30 June 2015 (31 December 2014: Nil). In February 2014, we issued US dollar denominated 2.00 coupon CB due 2019 of USD200 million for general corporate purposes. As at 30 June 2015, the convertible bonds balance amounted to RMB1,296.2 million which represented the market fair value of CB (31 December 2014: RMB1,225.7 million).

The Group also placed certain surplus fund into wealth management products which recorded as available-for-sale financial assets. The wealth management products with floating interests ranging from 4.5% to 9.9% (2014: 4.7% to 9.9%) per annum. As at 30 June 2015, the Group's available-for-sale financial assets amounted to RMB2,479.9 million (31 December 2014: RMB2,106.5 million).

The gearing ratio is defined as total borrowings (including convertible bonds) net of cash divided by shareholders' equity. As at 30 June 2015, our Group was in a strong financial position with a net cash position amounting to RMB795.1 million (31 December 2014: RMB1,129.9 million). Accordingly, no gearing ratio is presented.

Capital Expenditure

During the first half of 2015, our capital expenditure consisted of additions of property, plant and equipment and land use rights which amounted to RMB168.1 million (1H 2014: RMB301.8 million).

Charges on Group Assets

As at 30 June 2015, our Group had no pledge of assets (31 December 2014: Nil).

Foreign Exchange Risk Management

During the Reported Period, our Group exported approximately 31.0% of its products to international markets. Such sales were denominated in US dollars or other foreign currencies, while our Group's purchases denominated in US dollars or other foreign currencies accounted for less than 10% of our total purchases. Our Group purchased certain forward contracts or other means to reduce its foreign currency exposure. In addition, during the Reported Period, our Group borrowed certain Euro denominated bank loans to hedge the exchange risk of Euro denominated receivables arising from export sales.

Financial guarantee

As at 30 June 2015, our Group provided guarantee to banks in connection with facilities granted to the customers with an amount of RMB992.1 million (31 December 2014: RMB1,025.8 million).

EMPLOYEES

As at 30 June 2015, our Group had a total workforce of approximately 5,300 employees. Most of our employees were located in China. We offered our staff with competitive remuneration schemes. In addition, discretionary bonuses will be paid to staff based on individual and our performance. We are committed to nurturing a learning culture in our organization.

PROPOSED INTERIM DIVIDEND

The Board had resolved to recommend the payment of an interim dividend of HK$0.16 per share for the six months ended 30 June 2015 which is expected to be paid on or before 22 September 2015 to our shareholders whose names appear on the register of members of the Company on 15 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 10 September 2015 to 15 September 2015 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 9 September 2015.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

The Board is committed to maintaining and ensuring high standards of corporate governance practices. The Board emphasizes on maintaining a Board with balance of skill sets of directors, better transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the Directors, except for the deviation set out below, the Company complied with all the applicable code provisions set out in Corporate Governance Code in existing Appendix 14 of the Listing Rules during 6 months ended 30 June 2015.

One non-executive director was unable to attend the annual general meeting of the Company held on 18 May 2015 due to other important engagement. This is not in compliance with the following Code Provisions:

Code Provision A.6.7: non-executive directors shall attend general meetings.

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.

AUDIT COMMITTEE

The Company has an audit committee which 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 of the Company.

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial information for the period ended 30 June 2015, including the accounting principles adopted by the Group, with the Company's management.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding directors' securities transactions. Specific enquiry has been made to all Directors, who are confirmed that they had complied with the required standard set out in the Model Code for the Reported Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is required to be published on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkex.com.hk and on the Company's website at www.haitian.com. The interim 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
Haitian International Holdings Limited
Zhang Jingzhang
Chairman

Ningbo, China, 25 August 2015

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jingzhang, Mr. Zhang Jianming, Prof. Helmut Helmar Franz, Mr. Zhang Jianfeng, Mr. Zhang Jianguo and Ms. Chen Ningning; the Non-executive Directors are Mr. Guo Mingguang and Mr. Liu Jianbo; and the Independent Non-executive Directors are Mr. Lou Baijun, Mr. Gao Xunxian, Dr. Steven Chow and Mr. Jin Hailiang.