Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2018

HIGHLIGHTS

	Six months ended 30 June		
	2018	2017	Increase
	RMB' million	*RMB' million*	*%*
Revenue	**5,877.4**	5,036.9	16.7
Gross profit	**1,824.3**	1,769.5	3.1
Operating profit	**1,362.8**	1,160.7	17.4
Profit attributable to shareholders of the Company excluding change in fair value of convertible bonds ("CB") resulted from bond value changes	**1,076.3**	1,023.9	5.1
Profit attributable to shareholders of the Company	**1,169.4**	941.9	24.2
Basic Earnings per share (expressed in RMB per share)	**0.73**	0.59	24.2
Dividend per share (expressed in HK$ per share)			
Proposed interim dividend	**0.25**	0.25	–

- Despite the slow-down in global economic growth and the liquidity tightening policy under the de-leveraging in China, we still managed to achieve a record first-half-year revenue of RMB5,877.4 million for the six months ended 30 June 2018, representing an increase of 16.7% compared to the same period in 2017.

- We made further progress in shifting small-tonnage PIMMs to electrical PIMMs and large-tonnage PIMMs to two-platen PIMMs. The sales of our Zhafir electrical series PIMMs and Jupiter series (large two-platen PIMMs) increased by 30.6% and 32.6% compared to the first half of 2017 and reached RMB680.5 million and RMB835.2 million respectively.

- Gross profit margin dropped to 31.0% mainly as a result of a combination of increase in raw material prices since the end of last year and the decrease of the export revenue in RMB terms resulted from the fluctuation of the exchange rate (1H2017: 35.1%).

- Profit attributable to shareholders of the Company increased to RMB1,169.4 million, representing an increase of 24.2% compared to the first half of 2017. Excluding the non-cash accounting gain of change in fair value in CB, profit attributable to shareholders of the Company would amount to RMB1,076.3 million, representing an increase of 5.1% compared to the first half of 2017.

- Basic earnings per share amounted to RMB0.73 during the period, representing an increase of 24.2% compared to the same period in last year.

- The Board proposed an interim dividend of HKD25.0 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 2018 (the "Reporting Period"), together with the comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Amounts expressed in RMB'000 unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	**2018**	2017
Revenue	*4*	**5,877,350**	5,036,916
Cost of sales		**(4,053,026)**	(3,267,409)
Gross profit		**1,824,324**	1,769,507
Selling and marketing expenses		**(439,930)**	(390,540)
General and administrative expenses		**(302,292)**	(245,081)
Other income		**119,172**	14,114
Other gain – net		**161,480**	12,674
Operating profit	*5*	**1,362,754**	1,160,674
Finance income	*6*	**118,347**	123,995
Finance costs	*6*	**(20,769)**	(118,853)
Finance income – net	*6*	**97,578**	5,142
Share of profit of an associate		**2,147**	1,246
Profit before income tax		**1,462,479**	1,167,062
Income tax expense	*7*	**(293,094)**	(225,144)
Profit for the period		**1,169,385**	941,918
Profit attributable to:			
Shareholders of the Company		**1,169,365**	941,891
Non-controlling interests		**20**	27
		1,169,385	941,918
Dividends	*8*	**354,312**	340,247
Earnings per share for profit attributable to shareholders of the Company during the period (expressed in RMB per share)			
– Basic and Diluted	*9*	**0.73**	0.59

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts expressed in RMB'000 unless otherwise stated)

	Unaudited Six months ended 30 June	
	2018	2017
Profit for the period	**1,169,385**	941,918
Other comprehensive income for the period:		
Items that may be reclassified to profit or loss		
Change in value of available-for-sale financial assets	**–**	13,439
Currency translation differences	**(12,116)**	(2,359)
Total comprehensive income for the period	**1,157,269**	952,998
Total comprehensive income attributable to:		
Shareholders of the Company	**1,157,231**	952,961
Non-controlling interests	**38**	37

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

	Note	30 June 2018 Unaudited	31 December 2017 Audited
ASSETS			
Non-current assets			
Land use rights		**357,495**	361,794
Property, plant and equipment		**3,499,459**	3,287,040
Intangible assets		**57,123**	–
Investment in an associate		**–**	16,744
Deferred income tax assets		**86,254**	88,070
Other receivables		**9,744**	13,045
Trade receivable	*11*	**151,757**	160,599
Term deposits		**–**	100,000
		4,161,832	4,027,292
Current assets			
Inventories		**2,886,488**	2,771,531
Trade and bills receivable	*11*	**3,612,125**	3,252,825
Prepayments, deposits and other receivables		**712,398**	242,393
Prepaid income tax		**4,103**	692
Financial assets at fair value through profit or loss	*12, 3(c)*	**3,977,488**	–
Available-for-sale financial assets	*12, 3(c)*	**–**	4,779,309
Restricted bank deposits		**271,674**	190,613
Term deposits		**100,000**	–
Cash and cash equivalents		**3,036,740**	3,029,252
		14,601,016	14,266,615
Total assets		**18,762,848**	18,293,907
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		**1,132,460**	1,129,513
Retained earnings		**8,744,979**	7,938,917
		11,369,862	10,560,853
Non-controlling interests		**538**	500
Total equity		**11,370,400**	10,561,353

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

	Note	**30 June 2018 Unaudited**	31 December 2017 Audited
LIABILITIES			
Non-current liabilities			
Deferred income		**9,604**	9,987
Deferred income tax liabilities		**296,263**	267,695
Convertible bonds	*15*	**–**	915,591
		305,867	1,193,273
Current liabilities			
Trade and bills payable	*14*	**3,929,865**	3,368,057
Accruals and other payables		**839,583**	1,840,435
Contract liabilities	*3(c)*	**670,144**	–
Current income tax liabilities		**225,228**	158,767
Bank borrowings		**588,961**	1,172,022
Convertible bonds	*15*	**832,800**	–
		7,086,581	6,539,281
Total liabilities		**7,392,448**	7,732,554
Total equity and liabilities		**18,762,848**	18,293,907
Net current assets		**7,514,435**	7,727,334
Total assets less current liabilities		**11,676,267**	11,754,626

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Amounts expressed in RMB'000 unless otherwise stated)

	Attributable to shareholders of the Company						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017	**160,510**	**1,331,913**	**904,915**	**6,721,130**	**9,118,468**	**610**	**9,119,078**
Comprehensive income							
Profit for the period	–	–	–	941,891	941,891	27	941,918
Other comprehensive income							
Change in value of available-for-sale financial assets	–	–	13,439	–	13,439	–	13,439
Currency translation differences	–	–	(2,369)	–	(2,369)	10	(2,359)
Total comprehensive income for the period ended 30 June 2017	–	–	11,070	941,891	952,961	37	952,998
Transactions with owners							
Dividend paid – 2016 second interim	–	–	–	(283,900)	(283,900)	–	(283,900)
Total transactions with owners	–	–	–	(283,900)	(283,900)	–	(283,900)
Balance at 30 June 2017	**160,510**	**1,331,913**	**915,985**	**7,379,121**	**9,787,529**	**647**	**9,788,176**
Balance at 1 January 2018	**160,510**	**1,331,913**	**1,129,513**	**7,938,917**	**10,560,853**	**500**	**10,561,353**
Change in accounting policy	–	–	(124,309)	124,309	–	–	–
Restated total equity at 1 January 2018	**160,510**	**1,331,913**	**1,005,204**	**8,063,226**	**10,560,853**	**500**	**10,561,353**
Comprehensive income							
Profit for the period	–	–	–	1,169,365	1,169,365	20	1,169,385
Other comprehensive income							
Currency translation differences	–	–	(12,134)	–	(12,134)	18	(12,116)
Total comprehensive income for the period ended 30 June 2018	–	–	(12,134)	1,169,365	1,157,231	38	1,157,269
Transactions with owners							
Dividend paid – 2017 second interim	–	–	–	(348,222)	(348,222)	–	(348,222)
Appropriations	–	–	139,390	(139,390)	–	–	–
Total transactions with owners	–	–	139,390	(487,612)	(348,222)	–	(348,222)
Balance at 30 June 2018	**160,510**	**1,331,913**	**1,132,460**	**8,744,979**	**11,369,862**	**538**	**11,370,400**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts expressed in RMB'000 unless otherwise stated)

	Note	**Six months ended 30 June** **2018**	2017
Cash flows from operating activities:			
Net cash generated from operating activities		**882,129**	897,050
Cash flows from investing activities:			
Purchase of property, plant and equipment	*10*	**(365,205)**	(327,668)
Payment for acquisition of an associate		**(38,686)**	–
Net changes in other receivables, available-for-sale financial assets and financial assets at fair value through profit or loss		**303,000**	(311,481)
Interests received		**157,533**	119,748
Net cash generated from/(used in) investing activities		**56,642**	(519,401)
Cash flows from financing activities:			
Net changes in bank borrowings		**(583,061)**	171,986
Dividends paid to the Company's shareholders		**(348,222)**	(283,900)
Redemption of convertible bonds		**–**	(517,043)
Net cash used in financing activities		**(931,283)**	(628,957)
Net increase/(decrease) in cash and cash equivalents		**7,488**	(251,308)
Cash and cash equivalents at beginning of period		**3,029,252**	3,263,893
Cash and cash equivalents at end of period		**3,036,740**	3,012,585

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2018

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, 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 20 August 2018.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2018 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 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies accordingly. The impact of adopting following standards are disclosed in note (c) below

- HKFRS 9 *Financial Instruments*, and
- HKFRS 15 *Revenue from Contracts with Customers*.

The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) 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 2018 and have not been early adopted:

		Effective for annual periods beginning on or after
HKFRS 16	Leases	1 January 2019 (i)
HK (IFRIC) 23	Uncertainty over income tax treatments	1 January 2019
Amendment to HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendment to HKFRS 28	Long-term interests in Associates and Joint Ventures	1 January 2019
HKFRS 17	Insurance contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

(i) HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of RMB7,970,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

(c) Changes in accounting policies

HKFRS 9 was generally adopted without restating comparative information. The Group used modified retrospective approach while adopting HKFRS 9. The reclassifications are therefore not reflected in the balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

The following tables show the adjustments recognised for each individual line item. The adjustments are explained in more detail by standard below.

Balance sheet	31 December 2017 As originally presented *(Rmb'000)*	HKFRS 9 *(Rmb'000)*	HKFRS 15 *(Rmb'000)*	1 January 2018 Restated *(Rmb'000)*
Non-current assets	4,027,292	–	–	4,027,292
Land use rights	361,794	–	–	361,794
Property, plant and equipment	3,287,040	–	–	3,287,040
Investment in an associate	16,744	–	–	16,744
Deferred income tax assets	88,070	–	–	88,070
Other receivables	13,045	–	–	13,045
Trade receivable	160,599	–	–	160,599
Term deposits	100,000	–	–	100,000
Current assets	14,226,615	–	–	14,226,615
Inventories	2,771,531	–	–	2,771,531
Trade and bills receivable	3,252,825	–	–	3,252,825
Prepayments, deposits and other receivables	242,393	–	–	242,393
Prepaid income tax	692	–	–	692
Available-for-sale financial assets	4,779,309	(4,779,309)	–	–
Financial assets at FVPL	–	4,779,309	–	4,779,309
Restricted bank deposits	190,613	–	–	190,613
Cash and cash equivalents	3,029,252	–	–	3,029,252
Total assets	18,293,907	–	–	18,293,907
Non-current liabilities	1,193,273	–	–	1,193,273
Deferred income	9,987	–	–	9,987
Deferred income tax liabilities	267,695	–	–	267,695
Convertible bonds	915,591	–	–	915,591
Current liabilities	6,539,281	–	–	6,539,281
Trade and bills payables	3,368,057	–	–	3,368,057
Accrual and other payables	1,840,435	–	(861,909)	978,526
Contract liabilities	–	–	861,909	861,909
Current income tax liabilities	158,767	–	–	158,767
Bank borrowings	1,172,022	–	–	1,172,022
Total liabilities	7,732,554	–	–	7,732,554
Net assets	10,561,353	–	–	10,561,353
Share capital	160,510	–	–	160,510
Share premium	1,331,913	–	–	1,331,913
Other reserves	1,129,513	(124,309)	–	1,005,204
Retained earnings	7,938,917	124,309	–	8,063,226
Non-controlling interests	500	–	–	500
Total equity	10,561,353	–	–	10,561,353

There is no impact on the statement of profit or loss and other comprehensive income by adopting HKFRS 9 and HKFRS 15.

(i) HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group's financial liabilities that are designated at fair value through profit or loss are convertible bonds. There are no significant impact on the Group's accounting for financial liabilities.

The adoption of HKFRS 9 *Financial Instruments* from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated.

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

	Notes	*(Rmb'000)*
Restated retained earnings 31 December 2017		7,938,917
Reclassify investments from available-for-sale to FVPL	*i)*	124,309
Increase in provision for trade receivables, other receivables, and financial guarantee contracts	*ii)*	–
Adjustment to retained earnings from adoption of HKFRS 9 on 1 January 2018		124,309
Opening retained earnings 1 January 2018 – HKFRS 9		8,063,226

i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

	Notes	**FVPL** *(Rmb'000)*
Closing balance 31 December 2017 – HKAS 39		–
Reclassify investments from available-for-sale to FVPL	*(a)*	4,779,309
Opening balance 1 January 2018 – HKFRS 9		4,779,309

The impact of these changes on the Group's equity is as follows:

	Notes	**Effect on other reserves** *(Rmb'000)*	**Effect on retained earnings** *(Rmb'000)*
Opening balance – HKAS 39		124,309	7,938,917
Reclassify investments from available-for-sale to FVPL	*(a)*	(124,309)	124,309
Opening balance – HKFRS 9		–	8,063,226

(a) Reclassification from available-for-sale to FVPL

Certain wealth management products were reclassified from available-for-sale to financial assets at FVPL (RMB4,799,309 thousand as at 1 January 2018). They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

Related fair value gains of RMB124,309 thousand were transferred from other reserves to retained earnings on 1 January 2018. In the six months to 30 June 2018, net fair value gains of RMB129,211 thousand relating to these investments were recognised in profit or loss, along with deferred tax expense of RMB52,307 thousand.

ii) *Impairment of financial assets*

The Group has three types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables for sales of inventory
- financial assets at amortised cost, and
- Financial guarantee contract.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets, and the Group revised its impairment methodology under HKFRS 9 for these financial assets.

Based on the assessments undertaken, the Group does not identify material change to the loss allowance for these classes of assets.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(ii) HKFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

i) Investments and other financial assets

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the Group's asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iii) HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated. Following adjustment were made to the amounts recognised in the balance sheet at the date of initial application (1 January 2018):

	HKAS 18 carrying amount 31 December 2017 *(RMB'000)*	Reclassification	**HKFRS 15 carrying amount 1 January 2018** *(RMB'000)*
Contract liabilities	–	861,909	861,909
Accruals and other payables	1,840,435	(861,909)	978,526

The Group manufactures and sells plastic injection moulding machines and related products in market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has accepted the products.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in accruals and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The accounting treatments are the same before and after adopting the HKFRS 15.

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Accumulated experience is used to estimate such returns at the time of sale. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognized. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. As a result, no accounting impact for refunds while applying HKFRS 15.

The Group didn't introduce any customer loyalty programme which is likely to be affected by the HKFRS 15.

The Group have certain contracts, where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group adjusted the transaction prices for the time value of money.

(iv) HKFRS 15 Revenue from Contracts with Customers – Accounting policies applied from 1 January 2018

Revenue Recognition

The Group manufactures and sells plastic injection moulding machines and related products in market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has accepted the products. Delivery occurs when the products have been shipped to the specified location for domestic sales or have been shipped on board for overseas sales. The risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Sales of plastic injection moulding machines and related products	**5,877,350**	5,036,916

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	
	2018	2017
	RMB'000	*RMB'000*
Mainland China	**4,246,791**	3,600,077
Hong Kong and overseas countries	**1,630,559**	1,436,839
	5,877,350	5,036,916

The total of non-current assets other than term deposits, deferred income tax assets, other receivables and trade receivable located in different countries are as follows:

	As at 30 June 2018	As at 31 December 2017
	RMB'000	*RMB'000*
Mainland China	**3,386,995**	3,134,925
Hong Kong and overseas countries	**527,082**	530,653

5. OPERATING PROFIT

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

	Six months ended 30 June 2018 *RMB'000*	2017 *RMB'000*
Depreciation and amortisation	**122,240**	104,059
Provision for impairment of trade receivables	**6,530**	10,167
(Reversal of)/provision for write down of inventories	**(5,006)**	25,673
Raw materials and consumables used	**3,484,947**	2,862,250
Net foreign exchange (gains)/losses	**(9,483)**	17,827
Gains on disposal of property, plant and equipment	**(658)**	(5,235)
Fair value gains on financial assets at fair value through profit or loss *(Note)*	**129,211**	–

Note: The fair value gains on financial assets at fair value through profit or loss comprised of net gains resulting from the increases in valuations of certain financial assets (Note 12).

6. FINANCE INCOME – NET

	Six months ended 30 June 2018 *RMB'000*	2017 *RMB'000*
Finance cost:		
Changes in fair value of convertible bonds		
– resulted from change in exchange rate	**–**	25,251
– resulted from change in bond value	**–**	(81,974)
Interest expenses on bank loans and convertible bonds	**(20,769)**	(22,946)
Net foreign exchange losses	**–**	(39,184)
	(20,769)	(118,853)
Finance income:		
Changes in fair value of convertible bonds		
– resulted from change in exchange rate	**(10,279)**	–
– resulted from change in bond value	**93,071**	–
Interest income on restricted bank deposits, term deposits, cash and cash equivalents, wealth management products and entrusted loans *(Note)*	**25,690**	123,995
Net foreign exchange gains	**9,865**	–
	118,347	123,995
Finance income – net	**97,578**	5,142

Note: The income from wealth managements products during the reporting period was classified under other gain–net. Please refer to note 5 for the amounts.

7. INCOME TAX EXPENSE

	Six months ended 30 June 2018 *RMB'000*	2017 *RMB'000*
Current income tax		
– Mainland China enterprise income tax ("EIT")	**186,281**	174,921
– Overseas income tax	**1,589**	499
Deferred taxation	**105,224**	49,724
	293,094	225,144

8. DIVIDENDS

At a meeting held on 20 August 2018 the directors declared an interim dividend of HK25.0 cents (equivalent to approximately RMB22.2 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 2018.

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 RMB1,169,365,000 (2017: RMB941,891,000) and on the weighted average number of 1,596,000,000 (2017: 1,596,000,000) ordinary shares in issue during the period.

Diluted earnings per share is equal to 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	
	2018	2017
	RMB'000	*RMB'000*
Property, plant and equipment	**365,205**	327,668

11. TRADE AND BILLS RECEIVABLE

Majority of trade and bills receivable 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 receivable is as follows:

	As at 30 June 2018	As at 31 December 2017
	RMB'000	*RMB'000*
Up to 6 months	**3,455,570**	2,863,170
6 months to 1 year	**239,216**	480,392
1 year to 2 years	**70,407**	69,689
2 years to 3 years	**20,517**	23,025
Over 3 years	**30,064**	18,410
	3,815,774	3,454,686
Less: provision for impairment	**(51,892)**	(41,262)
	3,763,882	3,413,424

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are RMB denominated wealth management products with expected return rate ranging from 1.8% to 7.5% (2017: 2.8% to 6.8%) per annum and with maturity dates between 1 day and 335 days (2017: between 1 days and 371 days).

13. SHARE CAPITAL

	Authorised share capital		
	Number of shares *'000*	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2018	5,000,000	500,000	502,350

	Issued and fully paid		
	Number of shares *'000*	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2018	1,596,000	159,600	160,510

14. TRADE AND BILLS PAYABLE

The ageing analysis of trade and bills payable is as follows:

	As at 30 June 2018 ***RMB'000***	As at 31 December 2017 *RMB'000*
Up to 6 months	**3,925,387**	3,366,648
6 months to 1 year	**3,256**	289
1 year to 2 years	**183**	75
Over 2 years	**1,039**	1,045
	3,929,865	3,368,057

15. CONVERTIBLE BONDS

On 13 February 2014, the Company issued convertible bonds due 2019 in an aggregate principal amount of USD200,000,000 (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 days 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 HKD24.6740 per share.

On 13 February 2017, the Company redeemed convertible bonds with an aggregate principal amount of USD75,250,000 according to the requirement of the Bondholders. Accordingly, the Redeemed Bonds were redeemed at 100% of their principal amount, together with any accrued but unpaid interest thereon. The Redeemed Bonds were cancelled upon redemption and the remaining outstanding aggregate principal amount of the Bonds were reduced to USD124,750,000.

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 2018 *RMB'000*	As at 31 December 2017 *RMB'000*
Convertible bonds issued by the Company		
At 1 January	**915,591**	1,391,965
Redeem of convertible bonds during the period	**–**	(517,043)
Change in fair value of convertible bonds	**(82,791)**	40,669
At 30 June/31 December	**832,800**	915,591

The fair value of the convertible bonds as at 30 June 2018 is approximately USD125,865,000 (equivalent to approximately RMB832,800,000), which is determined by valuation technique using observable inputs (Level 2): quoted prices for identical or similar instruments in active markets.

16. COMMITMENTS

(a) Capital commitments

	As at 30 June 2018 *RMB'000*	As at 31 December 2017 *RMB'000*
Acquisition of property, plant and equipment contracted but not provided for:	**297,840**	284,002

(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 2018 *RMB'000*	As at 31 December 2017 *RMB'000*
Not later than 1 year	**7,786**	6,024
Later than 1 year and no later than 5 years	**184**	499
	7,970	6,523

BUSINESS REVIEW

In the first half of 2018, the strong momentum of growth in the US economy continued its journey further down the road, as reflected by the far better than expected non-farm payroll data and the PMI reaching 60.2 in June. On the other hand, countries in Euro zone, UK and Japan all experienced slow-down in economic growth. The speed-up in interest rate hikes in the US led to more volatility in emerging markets and a slow-down in general economic activities globally. While in China, a small-scale improvement was seen in the manufacturing sector, with the manufacturing PMI staying above the recession/expansion line for the 13th month. But the future growth in domestic economy, which is expected to rely on domestic demand as driving force, is still uncertain as a result of slow-down in domestic investment and inflation rate and shrinkage in liquidity for some companies and local governments under the policies of stronger regulation and de-leveraging.

Despite the slow-down in global economic growth and the liquidity tightening policy under the de-leveraging in China, we still managed to achieve a record first-half-year revenue of RMB5,877.4 million for the six months ended 30 June 2018, representing an increase of 16.7% compared to the same period in 2017. The increase in raw material prices since the end of last year, and the decrease of the export revenue amounted in RMB resulted from the fluctuation of the exchange rate were the main factors leading to a drop of gross profit margin by 4.1% to 31.0%. Despite such drop in gross margin, the growth in revenue produced an operating profit of RMB1,362.8 million, representing an increase of 17.4% compared to same period in 2017. Excluding the non-cash accounting gain of change in fair value of convertible bonds resulted from bond value changes, the adjusted net profit margin recorded a drop of 2% from 2017 to 18.3%.

The net profit attributable to shareholders of the Company for the six months ended 30 June 2018 reached RMB1,169.4 million (1H2017: RMB941.9 million). Excluding the non-cash accounting gain of change in fair value of convertible bonds resulted from bond value changes, the adjusted net profit attributable to shareholders of the Company was RMB1,076.3 million, representing an increase of 5.1% compared to the same period last year (1H2017: RMB1,023.9 million).

The Board of Directors has declared a first interim dividend of HKD0.25 per share for the six months ended 30 June 2018 (1H2017: HKD0.25 per share).

Domestic and export sales

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

(RMB million)	**1st half of 2018**	**%**	1st half of 2017	%	1st half of 2018 Vs 1st half of 2017
Domestic Sales	**4,178.5**	**71.1%**	3,540.9	70.3%	18.0%
Export Sales	**1,580.2**	**26.9%**	1,392.0	27.6%	13.5%
Parts	**118.7**	**2.0%**	104.0	2.1%	14.1%
Total	**5,877.4**	**100%**	5,036.9	100%	16.7%

The domestic sales recorded an increase of 18.0% to RMB4,178.5 million amid a slow-down in economic growth in China. The overseas markets were affected by the "trade-war" with US, with sales in US market dropping slightly. But our continuous investments in overseas countries such as Germany, India and Turkey supported our sales in different markets and our export sales increased 13.5% to RMB1,580.2 million.

Sales mix of PIMMs by product series

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

(RMB million)	**1st half of 2018**	**%**	1st half of 2017	%	1st half of 2018 Vs 1st half of 2017
Mars series (energy-saving features PIMMs)	**3,910.2**	**66.5%**	3,526.8	70.0%	10.9%
Zhafir electrical series	**680.5**	**11.6%**	521.0	10.3%	30.6%
Jupiter Series (two-platen PIMMs)	**835.2**	**14.2%**	629.8	12.5%	32.6%
Other series	**332.8**	**5.7%**	255.3	5.1%	30.4%
Parts	**118.7**	**2.0%**	104.0	2.1%	14.1%
Total	**5,877.4**	**100%**	5,036.9	100%	16.7%

Since its successful launch to the market, the second generation “Plus” series machines have received very positive feedback in view of its advanced capabilities and highly efficient energy saving servo system technology. The sales of our Mars series PIMMs recorded an increase of 10.9% from RMB3,526.8 million in the first half of 2017 to RMB3,910.2 million in the first half of 2018. Meanwhile, pursuant to the strategy in shifting small tonnage PIMMs to electrical PIMMs and large tonnage PIMMs to two-platen PIMMs, the sales mix of our Zhafir electrical series PIMMs in small tonnage PIMMs and two-platen PIMMs in medium-to-large tonnage PIMMs reached 11.6% and 14.2% respectively, with their sales reaching RMB680.5 million and RMB835.2 million in the first half of 2018. The growth momentum for such machines remained strong and their sales recorded increase of 30.6% and 32.6% compared to the same period in last year respectively.

PROSPECT

For the second half of this year, the continuing improvement in US economy supports additional rate hikes by the Federal Reserve of the United States and with the US Dollar Index having its upward momentum, the emerging market currencies are set to experience depreciation, which is expected to lead to volatility in their economies. At the same time, the beginning trade-war between China and US does not foresee any solution in the near term and there is some risk for a large scale confrontation. With similar trade issues looming, the economic growth of Euro zone risks further slow-down. The agreement to work towards zero tariff between the EU and US in industrial goods and the set up of a working group to address WTO reform issues does bring some hope to address the trade disputes but the long-term problem of political risks for different member states of EU continues to loom its future. The protectionism generated in global trade conflicts will be a key uncertainty for the global economies and the Chinese economy in the second half of this year.

The China-US trade dispute brings uncertainty to the macro-economy and the prospect of our industry. In July 2018, PIMMs from China were enlisted in the products subject to additional tariff by the US. Although we will adopt different measures to mitigate the effect of such additional tariff, the sales for our US market will inevitably subject to negative impact.

In the mid of this year, at the Working Conference of the CPC Committee and meeting of the Standing Committee of the State Council, a series of measures including advanced proactive fiscal policy and flexible monetary policy were released, providing guidance to financial institutions to solve the difficulty in financing for micro and small businesses and corporations. The intense release of measures in a short period of time reflects that uncertainty in the economy growth in the second half of this year has already drawn close attention of the Central Government and more positive measures are expected later in 2018.

The global economy is still under the influence of volatilities in emerging markets, the trade protectionism and the risk of geopolitical conflicts. Therefore we remain cautious in the future of Chinese and Global economies for the second half of 2018.

Against the back-drop of a complicated global economy, we will continue with our proven diversified strategic measures based on our three pillar strategy “Communication – Innovation – Efficiency” towards different markets around the world. In the first half of 2018, the first phase of our new facilities in India and our new facility in Turkey were completed and we will continue to increase our investments in India, Mexico and Russia with additional manufacturing facilities. We will expand our global foot-print through expansion of overseas manufacturing facilities, setting up overseas servicing centres and enhancing our pre-sale and after-sale servicing. At the same time, we will persist in our research and development innovation. Our 3rd generation PIMMs, with fully upgraded technologies, and our new high speed, fast cycling PIMMs targeting different applications for mid to high end markets, will launch to the market before the end of 2018.

We have been making progress in digital-transformation in our operation and will complete the upgrade of our SAP system in October this year. The digital-transformation has generated abundant data from different aspects of our operation and will support and guide our future decision making and provide the foundation for our fully-automated production management target of “8+16”. In additional to internal reform, we have acquired Hangzhou Keqiang Intelligence Control System Co., Ltd., which specializes in control unit for PIMMs and was an associate of our Group. This will strengthen our abilities in the core technology of control unit for PIMMs. Based on this technology, we will develop factory management system which will enhance the utilization of manufacturing equipment and related management system of our customers, thereby reducing the impact from increase in labor costs and difficulty in recruitment they face. We believe this will build a stronger cooperation relationship with our customers.

Our efforts on product quality, technology innovation and servicing build the competitiveness of Haitian and the Group’s subsidiary, Haitian Plastics Machinery Group Co., Ltd., had ranked 4th in the Machine Manufacturer List of the 2018 Brand Value List organized by China Council for Brand Development, with a brand value of RMB10.476 billion and ranked 1st among all plastic machinery manufacturers participating in this event. This also marked the 5th year for Haitian to rank among the top 10 machine manufacturers in this list. Haitian will continue to create value for its customers with better quality products and services and grow and develop together with its customers, employees and business partners.

FINANCIAL REVIEW

Revenue

Despite the slow-down in global economic growth and the liquidity tightening policy under the de-leveraging in China, we still managed to achieve a record first-half-year revenue of RMB5,877.4 million for the six months ended 30 June 2018, representing an increase of 16.7% compared to the same period in 2017. During the reporting period, our domestic sales increased by 18.0% to RMB4,178.5 million and our export sales increased by 13.5% to RMB1,580.2 million.

Gross Profit

In the first half of 2018, we recorded gross profit of approximately RMB1,824.3 million, representing an increase of 3.1% compared to the first half of 2017. Overall gross margin dropped to 31.0% in the first half of 2018 (1H 2017: 35.1%) as a result of i) increase in raw material prices, ii) decrease of the export sales in RMB terms resulted from the fluctuation of the exchange rate.

Selling and administrative expenses

The selling and administrative expenses increased by 16.8% from RMB635.6 million in the first half of 2017 to RMB742.2 million in the first half of 2018. The increase was mainly due to the increase of labor cost and depreciation resulting from the capacity expansion, workshop maintenance and the increase in selling expenses resulting from the increase in sales.

Other income

Other income mainly consists of government subsidy and increased by 744.4% from RMB14.1 million in the first half of 2017 to RMB119.2 million in the first half of 2018.

Finance income – net

We recorded a net finance income of RMB97.6 million in the first half of 2018 compared to a net finance income of RMB5.1 million for the first half of 2017. The changes were mainly attributable to i) we recorded non-cash accounting gains of change in fair value of CB of RMB82.8 million in the first half of 2018 compared to losses of RMB56.7 million in the first half of 2017, ii) we recorded RMB129.2 million interest income from wealth management products in the first half of 2018 and presented it under other gain–net while we recorded interest income of RMB124.0 million from restricted bank deposits, term deposits, wealth management products etc. in the first half of 2017, and iii) we recorded net foreign exchange gains of RMB9.9 million in the first half of 2018 compared to net foreign exchange losses of RMB39.2 million in the same period in 2017.

Income tax expenses

Income tax expenses increased by 30.2% from RMB225.1 million in the first half of 2017 to RMB293.1 million in the first half of 2018. Our effective tax rate maintained at a similar level of 20.0% in the first half of 2018 (1H 2017: 19.3%).

Net profit attributable to shareholders

As a result, our net profit attributable to shareholders for the six months ended 30 June 2018 increased to RMB1,169.4 million, representing an increase of 24.2% compared to the first half of 2017. Excluding the change in fair value of CB resulted from bond value changes, the adjusted net profit attributable to shareholders of the Company for the six months ended 30 June 2018 would amount to RMB1,076.3 million, representing an increase of 5.1% compared to the first half of 2017.

Liquidity, Financial Resources, Borrowing and Gearing

The Group finances its operations and investment activities mainly with internally generated cash flow. As at 30 June 2018, the Group's total cash and cash equivalents, term deposits and restricted cash amounted to RMB3,036.7 million, RMB100.0 million and RMB271.7 million respectively (31 December 2017: RMB3,029.3 million, RMB100.0 million and RMB190.6 million). The Group's short-term bank borrowing amounted to RMB589.0 million as at 30 June 2018 (31 December 2017: RMB1,172.0 million).

In February 2014, we issued US dollar denominated 2.00 coupon CB due 2019 of USD200 million for general corporate purposes. In February 2017, we redeemed CB of USD75.25 million and the remaining outstanding aggregate principal amount of CB was reduced to USD124.75 million. As at 30 June 2018, the convertible bonds balance amounted to RMB832.8 million which represented its market fair value of CB (31 December 2017: RMB915.6 million).

The Group also placed certain surplus fund into wealth management products which were recorded as financial assets at fair value through profit or loss. The wealth management products with floating interests ranging from 1.8% to 7.5% (2017: 2.8% to 6.8%) per annum. As at 30 June 2018, the Group's financial assets at fair value through profit or loss amounted to RMB3,977.5 million (31 December 2017: RMB4,779.3 million).

The gearing ratio is defined by management as total borrowings net of cash divided by shareholders' equity. As at 30 June 2018, our Group was in a strong financial position with a net cash position amounting to RMB1,986.6 million (31 December 2017: RMB1,232.3 million). Accordingly, no gearing ratio is presented.

Capital Expenditure

During the first half of 2018, our capital expenditure consisted of additions of property, plant and equipment and land use rights which amounted to RMB365.2 million (1H2017: RMB327.7 million).

Charges on Group Assets

As at 30 June 2018, no assets were pledged for our Group (31 December 2017: no assets were pledged for our Group).

Foreign Exchange Risk Management

During the Reported Period, our Group exported approximately 30.0% of its products to international markets. Such sales were denominated in U.S. dollars or other foreign currencies, while our Group's purchases denominated in U.S. dollars or other foreign currencies accounted for less than 10% of our total purchases.

Financial guarantee

As at 30 June 2018, our Group provided guarantee to banks in connection with facilities granted to the customers with an amount of RMB1,035.1 million (31 December 2017: RMB1,158.5 million).

EMPLOYEES

As at 30 June 2018, our Group had a total workforce of approximately 6,300 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 HKD0.25 per share for the six months ended 30 June 2018 which is expected to be paid on or before 24 September 2018 to our shareholders whose names appear on the register of members of the Company on 6 September 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 September 2018 to 6 September 2018 (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 3 September 2018.

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 six months ended 30 June 2018.

Three non-executive directors and one independent non-executive director were unable to attend the annual general meeting of the Company held on 25 May 2018 due to other business engagements. This was not in compliance with Code Provision A.6.7 which provides that non-executive directors and independent non-executive directors shall attend general meetings of the Company.

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 condensed consolidated interim financial information for the period ended 30 June 2018, 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 have 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

Hong Kong, 20 August 2018

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