**Half-year balance 2019:**

**Record cash flow confirms portfolio strategy and internal structural reform**

**Profound reforms and increased flexibility pay off +++ More than 50 billion RMB sales in the first half of 2019 +++ Record cash flow from operating activities +++ 22.5 % sales growth of all-electric series +++ 44.1 % sales growth of two-plate technology +++ Further management innovations announced**

August 26, 2019, Hong Kong. Haitian International Holdings Limited ("Haitian International", together with its subsidiaries and affiliates referred to as "the Group"; share code: 1882), one of the world's largest manufacturers of plastic injection molding machines, announces its (unaudited) interim results for the period from January 1 to June 30, 2019.

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| ***Financial Highlights (RMB Million)*** | **2019** | 2018 | **Change** |
| Revenue | **5,008.9** | 5,877.4 | -14.8% |
| Gross profit | **1,584.6** | 1,824.3 | -13.1% |
| Profit attributable to shareholders of the Company excluding change in fair value of CB | **912.9** | 1,076.3 | -15.2% |
| Profit attributable to shareholders of the Company | **909.4** | 1,169.4 | -22.2% |
| Basic earnings per share (RMB) | **0.57** | 0.73 | -22.2% |
| Interim dividend per share (HKD) | **0.21** | 0.25 | **-16.0%** |

**Reforms and flexibility**

Mr. Zhang Bin, Executive Director of Haitian International, said: "The market environment continues to be difficult, but we see this as an opportunity. The cash flow record in the operating business shows that profound internal operative reforms and their activities to increase flexibility and productivity are now working. The operating success, resulting from excellent working capital management and increased flexibility in the operating business, has led to a stable gross and net margin as well as an excellent cash flow. The targeted investments of the previous years in flexibility and modernization of the plants are also effective. "Many individual activities have also led to improved efficiency, such as flexible working hours and innovative multiple shift operation, flexible contracts with suppliers, our 16+8 principle and much more. In such a difficult economic situation, the company was able to react extremely flexibly and achieved a continuous further development with high added value despite the difficult market environment. Above all, this is good news for the operative management and their employees. The commitment and all the work that has been invested in recent years to get the company through difficult times are now showing effect. Profitability is still very high."

Global trade conflicts and increased trade protectionism led to a slowdown of global economic growth, so that Group sales in the reporting period amounted to RMB 5,008.9 million. This corresponds to a decrease of 14.8 % compared to the same period of the preceding year. In view of the current market data, e.g. from Europe, the USA or Japan, the industry recorded significantly higher sales losses in international comparison, so that it can be assumed that Haitian International will gain slight market shares overall.

Domestic sales of Haitian International decreased by 20.5 % to RMB 3,320.2 million. Trade protectionism and the devaluation of certain currencies have led to a decline in sales in most of the Group's overseas markets. The export turnover of RMB 1,546.5 m corresponds to a decrease of 2.1%.

**Sales development of the series**

The slowdown in domestic economic growth and the changed economic environment have also had a significant impact on the sales figures of the Haitian Mars Series. In the first half of 2019, sales fell by 18.9 % to RMB 3171.5 million. Nevertheless, the servo-hydraulic bestseller remains the world's most successful injection molding machine.

The differentiated product strategy – electric machines in the small and medium-sized sector, two-platen machines in the medium and large sector – continues to enjoy growing acceptance among plastics processors. Improved technologies and higher-quality machines are increasingly in demand on the market, with the result that electrical solutions are increasingly replacing hydraulic ones. This partly explains the declining sales figures for the Mars Series.

The absolute turnover of the electric Zhafir Series rose by 13.6 % to 773.1 million RMB. Sales of small tonnage electric injection molding machines even rose by 22.5 %.

The absolute sales figure for the two-platen Haitian Jupiter Series solution fell by 20.5% to 663.7 million RMB after an extremely strong first half of 2018. Meanwhile, the share of JU machines sold from medium and large clamping force classes rose to 44.1 %.

**Years of management innovation**

Haitian International will continue to pursue internal reforms to improve efficiency. For example, the introduction of new management software platforms and the increased development of younger and focused management teams, as well as the switch to digitized operative factory management. The years 2019 and 2020 were seen internally as milestones of management innovation.

"We will promote the research & development of new products and further expand our overseas presence," says Mr. Zhang Bin and explains: "New assembly centers for customized solutions, application centers, sales and service centers will enable our company to better meet regional market requirements and individual customer needs.

In addition, the standardization of assemblies is to be further advanced and application-oriented solutions increased. Mr. Zhang Bin: "Haitian International will strive to be a leader in all areas of the industry. The aspects of environmental protection, resource conservation and sustainability will be in particular focus. Haitian International will continue to create added value for its customers, with better quality and convenient services, in order to grow and develop together with customers, employees and business partners".