

Record half-year results with 16.7% sales growth +++ 19,493 machines delivered worldwide +++ More than 30% increase in sales in fully-electric machines and two-platen technology sectors +++ Best-selling Mars Series solidifies global leadership

August 20, 2018, Hong Kong. Although global growth dynamics have slowed down in the first half of 2018, Haitian International has been able to record a whole range of business successes. From January 1 to June 30, 2018, one of the world market leaders in injection-molding machines achieved sales of 5,877.4 million RMB (approx. USD 893.8 million). In comparison with the first half of 2017, this corresponds to a growth of 16.7%. In the process, a total of 19,493 machines were delivered to customers, which corresponds to a sales volume growth of 7.6%. The gross profit margin of the listed company (1882.HK) was able to be maintained at the high level of 31%. The net profit attributable to shareholders amounts to 1,169.4 million RMB (approx. USD 177.8 million).

Growth amidst global economic uncertainties

While the domestic economic growth in China has fallen slowed down slightly, Haitian International's domestic sales increased by another 18%, reaching 4,178.5 million RMB (approx. USD 635.5 million). The interim result for exports is equally successful. Haitian International's diversified branding strategy, significant customer benefits through "technology to the point", as well as continuous on-site investments in overseas markets, Europe and Asia, helped the remarkable increase in sales figures in a wide range of markets. Despite the global effects of the restrictive trade policy on the part of the USA, the company's export sales for the first six months of the year increased by 13.5% to reach 1,580.2 million RMB (approx. USD 240.3 million).

Response to differentiated portfolio expansion

Haitian International's increasing sales success worldwide can be attributed in part to the decisive implementation of its business development strategy. In applications for small tonnages, the machine portfolio increasingly offers added and differentiated electric solutions. So in the first half of 2018, sales of fully electric Zhafir-brand machines grew by 30.6% to 680.5 million RMB (approx. USD 103.5 million). Concurrently with this, the share for large tonnages is growing as well, with more machines with two-platen technology increasingly being made available. For example, sales levels for the Haitian Jupiter II Series climbed by 32.6% to 835.2 million RMB (approx. USD 127 million) in first half 2018. Moreover, the share taken by innovative technologies and market-specific customer solutions was again able to be increased.

Undisputed top-class technology continues to be what distinguishes the highly efficient, energy-saving

drive system of the Haitian Mars Series. The industry's best-selling machine has again demonstrated its superior position in the market with more than 16,000 units sold in the first half of 2018 – a sales growth of 11% compared with the same period of the previous year.

Regarding forecasts for the second half of 2018, Mr. Zhang Bin, Executive Director of Haitian International says: "As regards the economic situation in China and globally, we remain cautiously optimistic even after the fantastic results in the first half of 2018." Considering the fact that the world's economy still remains under the influence of volatilities in the emerging countries, of growing trade protectionism, and the risk of geopolitical conflicts, he states that Haitian International will continue its proven three-dimensional leadership strategy, "communication – innovation – efficiency", and to develop differentiated solutions to specific challenges in the various world markets.

Further site investments and new machines

Regarding location policy the future is taking concrete shape. The first phase of the new production plants in India and of the new site in Turkey was completed in the first half of 2018. Investments in India, Japan, Mexico, and Russia are set to be expanded with additional production facilities.

Starting before the end of 2018 and over the first half of 2019, the third generation of injection-molding machines with fully modernized technologies will come onto the market. This includes new, high-speed fast-mode machines that target a range of applications for mid-range to highly advanced end markets.

The electric machine range has already been expanded by adding a new series: The new Zhafir Jenius Series combines a space-saving two-platen solution on the clamping side with the speed and dynamics of an electric injection unit. Thus, the Jenius increases the clamping force spectrum for the Zhafir machines from 400 kN to 33,000 kN from now on.

Internal reforms for sustainable improvement of efficiency

Likewise, in October of this year the internal upgrade of the SAP system will be finalized, thereby paving the way for fully automated "8 + 16" production management. Meanwhile,

acquisition of the Hangzhou Keqiang Intelligence Control System Co. Ltd. has enhanced the company's expertise in the core technology for injection-molding machines and has aided the further development of the factory management system.

Mr. Zhang: "More efficient processes and technologies will always be our goal. We will continue to work on bringing our customers advantages and added values through improved services. In this way we will also meet our responsibilities to our employees, partners, and shareholders."