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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 2025

HIGHLIGHTS

	Six months ended 30 June		Change %
	2025 <i>RMB'million</i>	2024 <i>RMB'million</i>	
Revenue	9,018.3	8,017.8	12.5
Gross profit	2,960.2	2,591.6	14.2
Operating profit	1,983.5	1,750.8	13.3
Profit attributable to shareholders of the Company	1,711.5	1,520.6	12.6
Basic earnings per share (expressed in RMB per share)	1.07	0.95	12.6

- Benefitting from the restructuring of the global industrial chain and the acceleration of development of certain downstream industries represented by new energy vehicles, the sales of the Company amounted to RMB9,018.3 million for the six months ended 30 June 2025, representing an increase of 12.5% compared to the same period in 2024.
- As the raw material prices were relatively low during the Reporting Period, the gross profit margin increased to 32.8% (1H2024: 32.3%).
- The net profit attributable to shareholders of the Company for the six months ended 30 June 2025 increased to RMB1,711.5 million, representing an increase of 12.6% compared to the same period in 2024.
- The Company has always been focusing on the flexibility and efficiency in operation and has solid capacity in working capital management. The net cash generated from operating activities of the Company for the six months ended 30 June 2025 reached RMB1,402.4 million (1H2024: RMB1,205.4 million) with a net cash position (including wealth management products) amounting to RMB10,923 million (31 December 2024: RMB11,090 million).
- Basic earnings per share amounted to RMB1.07 during the Reporting Period, representing an increase of 12.6% compared to the same period last year.
- The Board has resolved not to declare an interim dividend for the Reporting Period, but may consider a distribution after review of the annual results by the Board.

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 (collectively, the “Group”) for the six months ended 30 June 2025 (the “Reporting Period”), together with the comparative figures for the corresponding period in 2024 (“1H2024”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Amounts expressed in RMB'000 unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
Revenue	4	9,018,279	8,017,811
Cost of sales		(6,058,099)	(5,426,194)
Gross profit		2,960,180	2,591,617
Selling and marketing expenses		(743,977)	(645,948)
General and administrative expenses		(592,090)	(496,314)
Other income		227,331	228,680
Other gain – net		132,015	72,814
Operating profit	5	1,983,459	1,750,849
Finance income	6	107,844	136,207
Finance costs	6	(27,755)	(37,348)
Finance income – net	6	80,089	98,859
Share of profit of associates		18,318	5,292
Profit before income tax		2,081,866	1,855,000
Income tax expense	7	(369,521)	(333,343)
Profit for the period		1,712,345	1,521,657
Profit attributable to:			
Shareholders of the Company		1,711,509	1,520,630
Non-controlling interests		836	1,027
		1,712,345	1,521,657
Dividends	8	–	–
Earnings per share for profit attributable to shareholders of the Company during the period (expressed in RMB per share)			
– Basic and Diluted	9	1.07	0.95

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*(Amounts expressed in RMB'000 unless otherwise stated)*

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit for the period	1,712,345	1,521,657
Other comprehensive income for the period:		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>144,231</u>	<u>(89,041)</u>
Total comprehensive income for the period	<u>1,856,576</u>	<u>1,432,616</u>
Total comprehensive income attributable to:		
Shareholders of the Company	1,855,740	1,431,589
Non-controlling interests	<u>836</u>	<u>1,027</u>

CONDENSED CONSOLIDATED BALANCE SHEET

(Amounts expressed in RMB'000 unless otherwise stated)

		30 June 2025	31 December 2024
	Note	Unaudited	Audited
ASSETS			
Non-current assets			
Property, plant and equipment		7,180,924	6,611,640
Right-of-use assets		780,667	766,994
Intangible assets		49,121	48,538
Deferred income tax assets		236,994	213,184
Other financial assets at amortised cost		193,463	179,501
Prepayments and other assets		302,130	223,073
Trade and bills receivables	11	327,441	399,829
Financial assets at fair value through profit or loss	12	3,773,268	2,365,634
Investment in an associate		580,773	562,456
Term deposits		820,859	2,051,307
		<u>14,245,640</u>	<u>13,422,156</u>
Current assets			
Inventories		4,717,297	4,576,322
Trade and bills receivables	11	5,121,931	3,705,594
Other financial assets at amortised cost		448,255	292,356
Prepayments and other assets		412,775	428,576
Prepaid income tax		52,610	35,872
Financial assets at fair value through profit or loss	12	3,206,026	4,605,836
Restricted bank deposits		46,845	52,807
Term deposits		2,888,254	1,280,605
Cash and cash equivalents		2,528,583	2,745,387
		<u>19,422,576</u>	<u>17,723,355</u>
Total assets		<u>33,668,216</u>	<u>31,145,511</u>
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		2,479,684	2,335,453
Retained earnings		17,653,970	17,017,154
		<u>21,626,077</u>	<u>20,845,030</u>
Non-controlling interests		<u>23,454</u>	<u>24,445</u>
Total equity		<u>21,649,531</u>	<u>20,869,475</u>

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

		30 June 2025	31 December 2024
	<i>Note</i>	Unaudited	Audited
LIABILITIES			
Non-current liabilities			
Deferred income		24,326	21,950
Deferred income tax liabilities		294,064	275,341
Bank borrowings		224,927	2,011,287
Lease liabilities		77,736	56,932
		621,053	2,365,510
Current liabilities			
Trade and bills payables	14	5,714,732	4,576,533
Accruals and other payables		2,007,816	1,948,817
Contract liabilities		1,259,502	1,053,889
Current income tax liabilities		270,994	291,984
Bank borrowings		2,115,609	–
Lease liabilities		24,623	17,915
Derivative financial instruments		4,356	21,388
		11,397,632	7,910,526
Total liabilities		12,018,685	10,276,036
Total equity and liabilities		33,668,216	31,145,511
Net current assets		8,024,944	9,812,829
Total assets less current liabilities		22,270,584	23,234,985

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts expressed in RMB'000 unless otherwise stated)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings	Total		
Balance at 1 January 2024	160,510	1,331,913	2,374,263	14,949,403	18,816,089	26,191	18,842,280
Comprehensive income							
Profit for the period	–	–	–	1,520,630	1,520,630	1,027	1,521,657
Other comprehensive income							
Currency translation differences	–	–	(89,041)	–	(89,041)	–	(89,041)
Total comprehensive income for the period ended 30 June 2024	–	–	(89,041)	1,520,630	1,431,589	1,027	1,432,616
Transactions with owners							
Dividend paid – 2023 second interim	–	–	–	(957,735)	(957,735)	–	(957,735)
Total transactions with owners	–	–	–	(957,735)	(957,735)	–	(957,735)
Balance at 30 June 2024	<u>160,510</u>	<u>1,331,913</u>	<u>2,285,222</u>	<u>15,512,298</u>	<u>19,289,943</u>	<u>27,218</u>	<u>19,317,161</u>
Balance at 1 January 2025	160,510	1,331,913	2,335,453	17,017,154	20,845,030	24,445	20,869,475
Comprehensive income							
Profit for the period	–	–	–	1,711,509	1,711,509	836	1,712,345
Other comprehensive income							
Currency translation differences	–	–	144,231	–	144,231	–	144,231
Total comprehensive income for the period ended 30 June 2025	–	–	144,231	1,711,509	1,855,740	836	1,856,576
Transactions with owners							
Dividend paid – 2024 second interim	–	–	–	(1,074,693)	(1,074,693)	–	(1,074,693)
Dividend paid to non-controlling interests	–	–	–	–	–	(1,827)	(1,827)
Total transactions with owners	–	–	–	(1,074,693)	(1,074,693)	(1,827)	(1,076,520)
Balance at 30 June 2025	<u>160,510</u>	<u>1,331,913</u>	<u>2,479,684</u>	<u>17,653,970</u>	<u>21,626,077</u>	<u>23,454</u>	<u>21,649,531</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts expressed in RMB'000 unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2025	2024
Cash flows from operating activities:			
Net cash generated from operating activities		<u>1,402,439</u>	<u>1,205,412</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment	10	(632,560)	(583,814)
Dividends from associated companies		25,000	–
Net purchase of financial instruments		(376,123)	(2,277,073)
Interests received		<u>122,324</u>	<u>178,101</u>
Net cash used in investing activities		<u>(861,359)</u>	<u>(2,682,786)</u>
Cash flows from financing activities:			
Net changes in bank borrowings		329,249	(630,745)
Dividends paid to the Company's shareholders		(1,074,693)	(957,735)
Dividends paid to non-controlling shareholders		(1,827)	–
Lease payment for right-of-use assets excluding land use rights		<u>(10,613)</u>	<u>–</u>
Net cash used in financing activities		<u>(757,884)</u>	<u>(1,588,480)</u>
Net decrease in cash and cash equivalents		(216,804)	(3,065,854)
Cash and cash equivalents at beginning of period		<u>2,745,387</u>	<u>5,445,649</u>
Cash and cash equivalents at end of period		<u>2,528,583</u>	<u>2,379,795</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Haitian International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the manufacturing and distribution of plastic injection moulding machines.

The Company was incorporated in Cayman Islands on 13 July 2006, as an exempted company with limited liability under the Companies Act of Cayman Islands. The Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Directors consider there is no ultimate holding company as at 30 June 2025. Mr. Zhang Jingzhang, a former director of the Company, and Mr. Zhang Jianming are the ultimate controlling parties of the Company.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 December 2006.

This unaudited condensed consolidated interim financial statements are presented in Chinese Renminbi (“RMB”), unless otherwise stated. They were approved for issue by the Company’s Board of Directors on 18 August 2025.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2025 was 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 2024, which had been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) except for the adoption of new and amended standards as disclosed in Note 3.

3. ACCOUNTING POLICIES

Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Sales of plastic injection moulding machines and related products	9,018,279	8,017,811

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 has one reportable segment only and no further segment information is provided.

The Group is domiciled in Mainland China. The results of its sales from external customers in different countries or regions are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Mainland China	5,200,565	5,182,546
Hong Kong and overseas countries	3,817,714	2,835,265
	9,018,279	8,017,811

The total of non-current assets other than term deposits, deferred income tax assets, other financial assets at amortised cost, financial assets at fair value through profit or loss, and trade and bills receivable located in different countries or regions is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Mainland China	5,843,768	5,628,370
Hong Kong and overseas countries	3,049,848	2,109,295

5. OPERATING PROFIT

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Depreciation and amortisation	238,516	215,522
Provision for impairment of trade receivables	56,161	24,496
Provision for write-down/(Reversal of) of inventories	26,254	(2,132)
Raw materials and consumables used	5,163,219	4,705,886
Net foreign exchange (gains)/losses	(4,921)	23,770
Gains on disposal of property, plant and equipment	(3,338)	(91)
Fair value gains on financial assets at fair value through profit or loss	(103,105)	(81,250)

6. FINANCE INCOME – NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance cost:		
Interest expenses on bank loans	(25,264)	(35,428)
Interest and finance charges paid/payable for lease liabilities	(2,491)	(135)
Net foreign exchange losses	–	(1,785)
	<u>(27,755)</u>	<u>(37,348)</u>
Finance income:		
Interest income on restricted bank deposits, term deposits, cash and cash equivalents and entrusted loans	91,270	136,207
Net foreign exchange gains	16,574	–
	<u>107,844</u>	<u>136,207</u>
Finance income – net	<u>80,089</u>	<u>98,859</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– Mainland China enterprise income tax and Hong Kong profits tax	294,498	245,553
– Overseas income tax	80,109	60,429
Deferred taxation	(5,086)	27,361
	<u>369,521</u>	<u>333,343</u>

8. DIVIDENDS

At the Board meeting held on 18 August 2025, the Board has resolved not to declare an interim dividend for the Reporting Period, but may consider a distribution after review of the annual results by the Board.

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 RMB1,711,509,000 (2024: RMB1,520,630,000) and on the weighted average number of 1,596,000,000 (2024: 1,596,000,000) ordinary shares in issue during the period. Diluted earnings per share is not presented as there were no dilutive ordinary shares.

10. CAPITAL EXPENDITURE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Land use rights	292	—
Property, plant and equipment	632,268	583,814

11. TRADE AND BILLS RECEIVABLE

A majority of trade and bills receivable are associated 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 based on invoice date is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Up to 1 year	5,040,200	3,804,605
1 year to 2 years	445,848	333,972
2 years to 3 years	102,320	68,426
Over 3 years	45,850	33,825
	5,634,218	4,240,828
Less: provision for impairment	(184,846)	(135,405)
	5,449,372	4,105,423

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2025, the Group held financial assets at fair value through profit or loss amounting to approximately RMB6,979.3 million (31 December 2024: RMB6,971.5 million). These financial assets represented various wealth management products held by the Group such as structured deposits and wealth management products from banks, trusts and funds products, etc., which were conducive to improving the capital usage efficiency and generating investment returns from the Group's idle funds. The expected return rates ranged from 1.5% to 6.8% (2024: 2.0% to 7.8%) per annum with maturity dates between 0 day and 1,240 days (2024: between 0 day and 1,091 days).

13. SHARE CAPITAL

Authorised share capital			
	Number of ordinary shares		
	<i>'000</i>	<i>HKD'000</i>	<i>RMB'000</i>
As at 1 January and 30 June 2025	5,000,000	500,000	502,350
Issued and fully paid			
	Number of ordinary shares		
	<i>'000</i>	<i>HKD'000</i>	<i>RMB'000</i>
As at 1 January and 30 June 2025	1,596,000	159,600	160,510

14. TRADE AND BILLS PAYABLE

The ageing analysis of trade and bills payable based on invoice date is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Up to 1 year	5,708,158	4,571,721
1 year to 2 years	3,450	3,505
Over 2 years	3,124	1,307
	5,714,732	4,576,533

15. CAPITAL COMMITMENTS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Acquisition of property, plant and equipment contracted but not provided for:	461,102	766,473

BUSINESS REVIEW

In the first half of 2025, the developed economies experienced weak growth due to multiple factors, such as the escalation of trade protectionism, the intensified geopolitical conflicts and divergent monetary policies. However, some emerging markets and developing economies continued to serve as engines of global economic growth, driven by factors such as domestic demand, the rise of manufacturing industry, the transfer of industrial chains into such economies, and strong exports. As for the domestic economy, consumption has increasingly contributed to economic growth, benefiting from policy subsidies such as trade-in policy. Meanwhile, exports have withstood tariff pressures and demonstrated strong resilience. Overall, the global economy in the first half of the year presented a complex picture of slowing growth and intensifying divergence.

Benefitting from the restructuring of the global industrial chain and the acceleration of development of certain downstream industries represented by new energy vehicles, the sales revenue of the Company for the six months ended 30 June 2025 amounted to approximately RMB9,018.3 million (1H2024: RMB8,017.8 million), representing an increase of 12.5% as compared to the corresponding period in 2024. The gross profit margin increased by 0.5 percentage points to 32.8%, due to the relatively low prices of raw materials during the Reporting Period as compared to the same period last year.

The net profit attributable to shareholders of the Company for the six months ended 30 June 2025 amounted to RMB1,711.5 million (1H2024: RMB1,520.6 million), representing an increase of 12.6% compared to the same period last year. Meanwhile, the net profit margin for the Reporting Period amounted to 19.0% (1H2024: 19.0%).

The Board has decided not to distribute the current interim dividend for the time being, and will consider the distribution of dividends after the annual results have been discussed and agreed upon by the Board.

Domestic and overseas sales

The following table summarises the Group's domestic and overseas sales by geographic areas:

<i>(RMB'million)</i>	1H2025	%	1H2024	%	Percentage change of 1H2025 compared to 1H2024
Domestic sales	5,200.6	57.7%	5,182.5	64.6%	0.3%
Overseas sales	3,817.7	42.3%	2,835.3	35.4%	34.7%
Total	9,018.3	100%	8,017.8	100%	12.5%

In the first half of 2025, despite the high-base effect and a structural slowdown in domestic demand, the Company's domestic sales remained stable at RMB5,200.6 million in the first half of the year by continuing to expand its key customer base and deepening its presence in various industry segments. In terms of overseas markets, benefitting from the structural change in the global industrial chain, as well as the ongoing overseas deployment and investment of the Company for years, sales in certain countries and regions such as Southeast Asia increased year-on-year significantly. As a result, the Company recorded overseas sales of RMB3,817.7 million, representing an increase of 34.7% year-on-year.

Sales mix of PIMMs by product series

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

<i>(RMB'million)</i>	1H2025	%	1H2024	%	Percentage change of 1H2025 compared to 1H2024
PIMMs	8,636.9	95.8%	7,702.5	96.1%	12.1%
Parts & service	381.4	4.2%	315.3	3.9%	21.0%
Total	9,018.3	100%	8,017.8	100%	12.5%

In the first half of 2025, with overall strong performance across all industries, all machine models of the Company maintained rapid growth. Among them, benefitting from the growth in overseas demand for daily consumer products and domestic demand for new energy vehicles and home appliances, the Mars and Jupiter series achieved rapid growth. In the first half of 2025, the Company's sale of PIMMs increased by 12.1% year-on-year to RMB8,636.9 million, and the sales of parts and service increased by 21.0% year-on-year to RMB381.4 million.

Prospect

In the second half of 2025, the global economy will continue to face multiple challenges, and is expected to continue to diverge and recover weakly. Some developed countries may continue to expand their tariff barriers, and global trade protectionism has reached a historical high, aggravating the uncertainty in the supply chains of various countries and the restructuring of the manufacturing industry chain. Domestically, China's economy is showing new characteristics of co-existing domestic and external demand pressure as well as structural transformation, and the domestic economy will continue to be driven by technological manufacturing represented by artificial intelligence and new energy sources as well as by green transformation. The Company will closely monitor and respond to the changes in global situation and domestic policies, and take active steps to achieve steady development.

The Company has always been guided by customer needs and driven by the need to enhance the comprehensive value of its products. With continuous technological innovation, the Company has developed new models that are more energy-efficient, intelligent and integrated. The Company continues to provide customised solutions and value-added services to provide customers with high value-added products, while bringing mutual benefits to the Company and its customers. In particular, the Company and KA customers in various industries actively build a co-creation and win-win co-operation ecosystem to achieve common technological breakthroughs and forge a wide moat for our brand.

The Company has always emphasised product and service quality. Through more automated factories and more scientific production scheduling, it strictly controls product quality and improves its delivery lead time. The Company will also reduce its costs and increase its efficiency through large-scale procurement and production, while ensuring that quality and quantity are met. At the same time, it proactively provides pre-sales services and responds promptly to after-sales services to enhance customer satisfaction and increase customer loyalty.

The Company will continue to advance its “Five Five” strategy and expand its presence in global investments. By increasing investments in overseas local factories, building up more robust local supply chains, and implementing localised product solutions and comprehensive data processes, the Company aims to expand into local markets and enhances its global delivery capabilities. Additionally, the construction of factories in Japan, Serbia, and Chennai, India, has been accelerated and will be operational in the second half of the year to address the complex and ever-changing geopolitical landscape.

Upholding the belief of “technology to the point”, we aim to satisfy customers’ tailored-made needs and demand from each niche market while standardising the production of our components. We strive to maintain our leading position in every aspect. As always, the Company will continue to create value for its customers with better quality and more convenient services, and will grow and develop together with its customers, employees, partners and investors.

FINANCIAL REVIEW

Revenue

Benefitting from the restructuring of the global industrial chain and the acceleration of development of certain downstream industries represented by new energy vehicles, the revenue of the Company amounted to RMB9,018.3 million for the six months ended 30 June 2025, representing an increase of 12.5% compared to the same period in 2024. During the Reporting Period, our domestic and overseas sales reached RMB5,200.6 million and RMB3,817.7 million respectively.

Gross profit

In the first half of 2025, we recorded gross profit of approximately RMB2,960.2 million, representing an increase of 14.2% compared to the first half of 2024. Overall gross profit margin increased to 32.8% in the first half of 2025 (1H2024: 32.3%) as the raw material prices were relatively low during the Reporting Period.

Selling and administrative expenses

The selling and administrative expenses increased by 17.0% from RMB1,142.3 million in the first half of 2024 to RMB1,336.1 million in the first half of 2025. The increase was mainly due to the increase of sales commissions, R&D expenses and labour costs. The labour costs related to research and development activities were approximately RMB156.3 million (1H2024: RMB134.5 million) in the first half of 2025.

Other income

Other income mainly consisting of government subsidy, which decreased by 1% from RMB228.7 million in the first half of 2024 to RMB227.3 million in the first half of 2025.

Finance income – net

We recorded a net finance income of RMB80.1 million in the first half of 2025 compared to a net finance income of RMB98.9 million for the first half of 2024. The changes were mainly attributable to the following factors: (i) interest income of RMB91.3 million from restricted bank deposits, term deposits, cash and cash equivalents etc. in the first half of 2025 compared to RMB136.2 million in the same period in 2024; (ii) a total of RMB27.8 million in interest on bank loans and expenses on lease liabilities in the first half of 2025 compared to RMB35.6 million in the same period in 2024; and (iii) net foreign exchange gains of RMB16.6 million in the first half of 2025 compared to the losses of RMB1.8 million in the same period in 2024.

Income tax expense

Income tax expense increased by 10.9% from RMB333.3 million in the first half of 2024 to RMB369.5 million in the first half of 2025. Our effective tax rate maintained at a similar level of 17.7% in the first half of 2025 (1H2024: 18.0%).

Net profit attributable to shareholders

As a result, our net profit attributable to shareholders for the six months ended 30 June 2025 increased to RMB1,711.5 million, representing an increase of 12.6% compared to the first half of 2024.

Liquidity, financial resources, borrowing and gearing

The Group finances its operations and investment activities mainly with internally generated cash flow. As at 30 June 2025, the Group's total cash and cash equivalents, term deposits and restricted cash amounted to RMB2,528.6 million, RMB3,709.1 million and RMB46.8 million respectively (31 December 2024: RMB2,745.4 million, RMB3,331.9 million and RMB52.8 million). The Group's bank borrowings amounted to RMB2,340.5 million as at 30 June 2025 (31 December 2024: RMB2,011.3 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 1.5% to 6.8% (2024: 2.0% to 7.8%) per annum. As at 30 June 2025, the Group's financial assets at fair value through profit or loss amounted to RMB6,979.3 million (31 December 2024: RMB6,971.5 million).

The gearing ratio is defined by the management as total borrowings net of cash divided by shareholders' equity. As at 30 June 2025, the Group was in a strong financial position with a net cash position amounting to RMB3,944.0 million (31 December 2024: RMB4,118.8 million). Accordingly, no gearing ratio is presented.

Capital expenditure

During the first half of 2025, the Group's capital expenditure consisted of land use rights, additions of property, plant and equipment, which amounted to RMB632.6 million (1H2024: RMB583.8 million).

Charges on group assets

As at 30 June 2025, term deposits amounting to RMB740.0 million and bills receivables amounting to RMB233.0 million are pledged as security for bills payables and borrowing of the Group (31 December 2024: term deposits amounting to RMB618.1 million and bills receivables amounting to RMB156.1 million are pledged as security for bills payables and borrowing of the Group).

As of 30 June 2025, property, plant and equipment of one of the group's subsidiaries, Huayuan (Vietnam) Machinery Co., Ltd., with a net carrying amount of RMB60.9 million, were pledged to secure general banking facilities of RMB143.2 million, of which RMB85.6 million remained unutilized.

Foreign exchange risk management

During the Reporting Period, the Group sold approximately 42.3% of its products to overseas markets. Such sales were denominated in U.S. dollars or other foreign currencies, while the 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 2025, the Group provided guarantees to banks in connection with facilities granted to the customers with an aggregate amount of RMB418.0 million (31 December 2024: RMB241.1 million).

EMPLOYEES

As at 30 June 2025, the Group had a total workforce of approximately 8,320 employees. Most of our employees were located in Mainland China. The Group offered its staff with competitive remuneration schemes. In addition, discretionary bonuses will be paid to staff based on the performance of individual and the Group. The Group is committed to nurturing a learning culture in its organisation.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining and ensuring high standards of corporate governance practices. The Board emphasises on maintaining a board of directors with a balance of skill sets of directors, better transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the Directors, the Company has complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended 30 June 2025.

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 (including the sale of treasury Shares) during the Reporting Period under review.

As at 30 June 2025, the Company did not hold any treasury Shares.

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 control. The audit committee comprises three independent non-executive directors of the Company namely, Mr. Lou Baijun, Mr. Guo Yonghui and Ms. Yu Junxian.

The audit committee has reviewed the Group's condensed consolidated interim financial information for the six months ended 30 June 2025, including the accounting principles adopted by the Group, with the Company's management, and confirms that the applicable accounting principles, standards and requirements have been complied with.

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 C3 to the Listing Rules (the “Model Code”) as the code of conduct regarding directors’ securities transactions. Specific enquiry has been made to all Directors of the Company, who have confirmed that they had complied with the required standard set out in the Model Code for the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is 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 Jianming
Executive Director

Hong Kong, 18 August 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jianming, Mr. Zhang Bin, Mr. Zhang Jianfeng, Mr. Chen Weiqun and Ms. Chen Lu; the Non-executive Directors are Mr. Guo Mingguang and Mr. Liu Jianbo; and the Independent Non-executive Directors are Mr. Lou Baijun, Mr. Guo Yonghui, Ms. Yu Junxian and Mr. Lo Chi Chiu.