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 Result
For the Six Months Ended 30 June 2008

HIGHLIGHTS

	Six months ended 30 June		
	2008	2007	Change
	RMB'million	*RMB'million*	*%*
Sales	**2,060.0**	1,889.1	9.0
Profit before taxation	**304.6**	310.3	(1.8)
Profit attributable to shareholders	**262.7**	286.8	(8.4)
Basic Earnings per share (expressed in RMB per Share)	**0.16**	0.18	(8.4)
Basic Earnings per share (expressed in HK$ per Share)	**0.18**	0.18	(0.1)
Dividend per share (expressed in HK$ per Share)	**0.065**	0.09	(27.8)

- Under the tough business environment, sales increased to RMB2,060.0 million, representing an increase of 9.0%
- Profit attributable to shareholders decreased to RMB262.7 million, representing a decrease of 8.4%
- Basic Earnings per share amounted to RMB0.16 during the period
- The Board proposed an interim dividend of HK6.5 cents per share
- Solid balance sheet with net cash of RMB939.2 million to fund future growth

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Haitian International Holdings Limited (the "Company") is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June, 2008, together with the comparative figures for the corresponding period in 2007 as follows:

Condensed Consolidated Income Statement

(Amounts expressed in RMB'000 unless otherwise stated)

	Note	**Unaudited Six months ended 30 June 2008**	2007
Sales	4	**2,060,001**	1,889,132
Cost of sales		**(1,492,142)**	(1,339,970)
Gross profit		**567,859**	549,162
Selling and marketing expenses		**(182,932)**	(156,629)
General and administrative expenses		**(93,027)**	(90,390)
Other income		**9,764**	17,390
Other losses — net		**(9,232)**	(23,733)
Operating profit	5	**292,432**	295,800
Finance income	6	**14,045**	17,910
Finance costs	6	**(2,006)**	(3,331)
Finance income/(costs) — net	6	**12,039**	14,579
Share of results of an associate		**161**	(115)
Profit before income tax		**304,632**	310,264
Income tax expense	7	**(41,972)**	(23,274)
Profit for the period		**262,660**	286,990
Attributable to:			
Equity holders of the Company		**262,660**	286,837
Minority interest		**—**	153
		262,660	286,990
Dividends	8	**90,878**	139,330
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in RMB per share)			
— Basic	9	**0.16**	0.18
— Diluted		**N/A**	N/A

Condensed Consolidated Balance Sheet

(Amounts expressed in RMB'000 unless otherwise stated)

	Note	**30 June 2008** *Unaudited*	31 December 2007 *Audited*
ASSETS			
Non-current assets			
Land use rights		**266,120**	141,564
Property, plant and equipment		**1,051,854**	960,554
Intangible assets		**8,751**	9,801
Investments in associates		**642**	481
Deferred tax assets		**18,022**	18,146
Deposits and other receivables		**14,000**	24,500
		1,359,389	1,155,046
Current assets			
Inventories		**1,098,507**	992,109
Trade and bills receivables	11	**1,122,967**	1,032,955
Prepayments and other receivables		**174,248**	117,642
Current income tax recoverable		**—**	8,906
Pledged bank deposits		**6,270**	6,221
Cash and cash equivalents		**1,210,279**	1,491,585
		3,612,271	3,649,418
Total assets		**4,971,660**	4,804,464
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	13	**160,510**	160,510
Reserves		**2,751,349**	2,634,992
		2,911,859	2,795,502
Minority interest		**1,060**	1,060
Total equity		**2,912,919**	2,796,562

	Note	30 June 2008 *Unaudited*	31 December 2007 *Audited*
LIABILITIES			
Current liabilities			
Trade and bills payables	12	**1,305,066**	1,294,215
Accruals and other payables		**468,861**	554,921
Current income tax liabilities		**7,418**	—
Bank borrowings		**277,396**	158,766
		2,058,741	2,007,902
Total liabilities		**2,058,741**	2,007,902
Total equity and liabilities		**4,971,660**	4,804,464
Net current assets		**1,553,530**	1,641,516
Total assets less current liabilities		**2,912,919**	2,796,562

Condensed Consolidated Statement of Changes in Equity

(Amounts expressed in RMB'000 unless otherwise stated)

	Attributable to equity holders of the Company		Minority	
	Share capital	**Reserves**	**Interest**	**Total**
Balance at 1 January 2007	160,510	2,208,547	1,308	2,370,365
Profit for the period	—	286,837	153	286,990
Currency translation differences	—	470	—	470
Balance at 30 June 2007	160,510	2,495,854	1,461	2,657,825
Profit for the period	—	281,586	(408)	281,178
Minority interest recognized upon the acquisition of a subsidiary	—	—	7	7
2007 interim dividend	—	(139,403)	—	(139,403)
Currency translation differences	—	(3,045)	—	(3,045)
Balance at 31 December 2007	160,510	2,634,992	1,060	2,796,562
Profit for the period	—	262,660	—	262,660
2007 final dividend	—	(144,885)	—	(144,885)
Currency translation differences	—	(1,418)	—	(1,418)
Balance at 30 June 2008	160,510	2,751,349	1,060	2,912,919

Notes:

1. GENERAL BACKGROUND

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") is principally engaged in manufacture 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 financial information was approved for issue on 25 August 2008.

2. BASIS OF PRESENTATION

Basis of presentation

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34: "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This unaudited condensed consolidated financial information should be read in conjunction with the 2007 annual financial statements.

Minority interests represents the interest of outside shareholders in the operating results and net assets of the subsidiaries.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December 2007.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008 but are not currently relevant for the Group

- HK(IFRIC)-Int 11, "HKFRS 2 — Group and treasury share transactions"
- HK(IFRIC)-Int 12, "Service concession arrangements"
- HK(IFRIC)-Int 14, "HKAS 19 — the limit on a defined benefit asset, minimum funding requirements and their interaction"

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008 and have not been early adopted:

- HKFRS 8, "Operating segments", effective for annual periods beginning on or after 1 January 2009. HKFRS 8 replaces HKAS 14.
- HKAS 23 (amendment), "Borrowing costs", effective for annual periods beginning on or after 1 January 2009.
- HKFRS 2 (amendment) "Share-based payment", effective for annual periods beginning on or after 1 January 2009.
- HKFRS 3 (amendment), "Business combinations" and consequential amendments to HKAS 27, "Consolidated and separate financial statements", HKAS 28, "Investments in associates" and HKAS 31, "Interests in joint ventures", effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.
- HKAS 1 (amendment), "Presentation of financial statements", effective for annual periods beginning on or after 1 January 2009.
- HKAS 32 (amendment), "Financial instruments: presentation", and consequential amendments to HKAS 1, "Presentation of financial statements", effective for annual periods beginning on or after 1 January 2009.

4. SALES AND SEGMENT INFORMATION

	Six months ended 30 June	
	2008	2007
Sales of plastic moulding injection machine and related products	**2,060,001**	1,889,132

The Group is only engaged in the Plastic Injection Moulding Machines Business in Mainland China and more than 90% of its operation and assets are located in Mainland China. Less than 10% of the Group's turnover and contribution is attributable to any single overseas market. Therefore no business segment or geographical segment is presented.

5. OPERATING PROFIT

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

	Six months ended 30 June	
	2008	2007
Depreciation and Amortisation	**47,827**	39,010
Provision for warranty	**5,415**	5,883
Provision for bad and doubtful debts	**1,084**	3,678
(Reversal of)/provision for obsolete inventories	**(1,367)**	3,901
Raw materials and consumables used	**1,330,905**	1,207,561
Exchange loss	**9,047**	24,543
Gain on disposal of property, plant and equipment	**1**	(178)

6. FINANCE INCOME/(COSTS), NET

	Six months ended 30 June	
	2008	2007
Interest expense:		
Bank borrowings wholly repayable within one year	**(2,006)**	(3,331)
Finance income:		
Interest income on short-term bank deposits	**14,045**	17,910
Finance income/(costs), net	**12,039**	14,579

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2008	2007
Current income tax		
— Mainland China current income tax ("EIT")	**41,716**	25,567
Deferred taxation	**256**	(2,293)
	41,972	23,274

8. DIVIDENDS

At a meeting held on 25 August 2008, the directors declared an interim dividend of HK6.5 cents (equivalent to RMB5.7 cents) per share. This proposed dividend is not reflected as a dividend payable in this condensed financial information, but will be reflected as an appropriation of reserve for the year ending 31 December 2008.

9. EARNINGS PER SHARE

The calculation of basic earnings per share for the period is based on the profit attributable to the equity holders of the Company of approximately RMB262,660,000 (2007: RMB286,837,000) and on the weighted average number of approximately 1,596,000,000 (2007: 1,596,000,000 shares) ordinary shares in issue during the period.

Diluted earnings per share is not presented as there were no diluted ordinary shares.

10. CAPITAL EXPENDITURE

	Six months ended 30 June	
	2008	2007
Land use rights	**138,200**	11,600
Property, plant and equipment	**198,893**	84,099
	337,093	95,699

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2008	As at 31 December 2007
Trade and bills receivables		
— third parties	**1,143,432**	1,055,621
— related parties	**—**	198
	1,143,432	1,055,819
Less: provision for impairment	**(20,465)**	(22,864)
Trade and bills receivables — net	**1,122,967**	1,032,955

The carrying amounts of trade and bills receivable approximated their fair value.

Customers are generally granted with credit terms ranging from 0 to 18 months. Ageing analysis of trade and bills receivables is as follows:

	As at 30 June 2008	As at 31 December 2007
0 to 6 months	**943,241**	884,228
6 months to 1 year	**153,757**	97,510
1 year to 2 years	**29,769**	52,424
Over 2 years	**16,665**	21,657
	1,143,432	1,055,819

12. TRADE AND BILLS PAYABLES

	As at 30 June 2008	As at 31 December 2007
Trade payables	**843,454**	744,155
Bills payable	**461,612**	550,060
	1,305,066	1,294,215

Ageing analysis of trade and bills payables is as follows:

	As at 30 June 2008	As at 31 December 2007
0 to 6 months	**1,301,569**	1,291,274
6 months to 1 year	**1,196**	2,796
1 year to 2 year	**2,301**	145
	1,305,066	1,294,215

13. SHARE CAPITAL

	Authorised share capital		
	Number of shares '000	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2008	5,000,000	500,000	502,350

	Issued and fully paid up		
	Number of shares '000	*HKD'000*	*RMB'000*
As at 1 January and 30 June 2008	1,596,000	159,600	160,510

14. COMMITMENTS

(a) Capital commitments

	As at 30 June 2008	As at 31 December 2007
Contracted but not provided for:		
Acquisition of property, plant and equipment	**119,539**	121,222

(b) Operating lease commitments

The Group leases certain of its office premises, 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 2008	As at 31 December 2007
Not later than 1 year	**2,788**	2,788
Later than 1 year and not later than 5 years	**1,237**	1,564
	4,025	4,352

15. CONTINGENT LIABILITIES

As at 30 June 2008, contingent liabilities not provided for in the condensed consolidated financial information was as follows:

	As at 30 June 2008	As at 31 December 2007
Guarantee given to the banks in connection with facilities granted to the customers	**206,679**	221,088

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30th June, 2008, the Group achieved turnover amounting to RMB2,060.0 million, representing an increase of 9.0% as compared with RMB1,889.1million for the same period of the previous year. The Group's profit attributable to equity holders for the six months is RMB262.7 million, which is 8.4% less than the corresponding period in 2007. Basic earnings per share for the six-month period amounted to RMB0.16 (2007: RMB0.18).

Since the second half of 2007, several unfavorable factors emerged including downturn of US economy resulting from credit crunch in the global financial market and sharp increase in world crude oil and plastic material prices, the implementation of Chinese new labour law, continued tightening of Chinese austerity measure and this resulted in a decline in availability of financing and cost pressure especially to smaller enterprise and reduction in capital expenditure of our customers. This change in market condition reflected in a rapid and steep decline in demand for plastic injection moulding machines "PIMMs", especially for small PIMMs. Sales of our small PIMMs with clamping force less than 500 tonnages decreased by 2.1% to RMB1,280.1 million. Whereas demand of our large tonnage PIMMs and energy-saving models are less affected. Under this adverse market condition, the Group's still achieved a mild turnover growth of 9.0%, which mainly attributed to the growth in PIMMs used for less-impacted sectors like electrical appliances and automobiles and the continued acceptance of our energy-saving models namely Mars (J5) series has offset the decline in demand in small PIMMs.

For the period under review, our medium to large PIMMs, which are more often used in logistics, automobile and electrical home appliances application, increased by 33.8% to RMB736.2 million. Whereas our Mars (J5) series, the high precision and energy saving PIMMs, has recorded a significant increase in sales by RMB491.0 million for the period represented a growth of 87.4% compared to second half of 2007. Currently, the Mars (J5) series accounted for 23.8% of our total sales for the period under review. The management believes the Group's strategy of product diversification and improvement will continue to improve brand recognition and provide competitive advantage to the Group. For the period under review, the turnover increased by 9.0% to RMB2,060.0 million and once again our turnover growth rate outpaced other industry peers and gained the market share from other industry players.

As a market leader, we are much more resilient to the market softening than other industry players and achieved a mild growth in turnover. The recent unprecedent fluctuation of iron and steel price has adversely affected our profitability. Although we have raised our selling price of products by approximately 6%, improved our product mix in higher margin products (medium to large PIMMs and Mars (J5) series) and taken certain cost saving measures to minimize the adverse impact on our financial performance during the period, the gross profit margin has decreased to 27.6% as compared to approximately 29.1% in 2007. Coupled with increase in the Company's effective tax rate resulted from expiry of certain tax holiday of subsidiaries, the Group's profit attributable to equity holders for the six months is RMB262.7 million, which is 8.4% less than the corresponding period in 2007.

PROSPECT

The business environment is still clouded with uncertainties such as fluctuation of oil price, the concerns of United States recession and tightening of Chinese austerity measures. Facing with these adverse market condition, our potential customers have temporarily scaled down their capital investment plan and slowed down the purchase of PIMMs. Notwithstanding this, the Group is still confident in the business development in China. With the persistent growth in GDP in China, the surge in domestic demand is expected to continue with the economic growth in China. In the long term, the Group holds a cautious but optimistic view towards its future business development.

Facing the challenge of surge of price in iron and steel, the Group will continue to optimize our product portfolio, formulate appropriate raw material procurement strategies and control its production cost by improving production workflow. Moreover, the Group will consider adjusting its product price as appropriate with suitable timing to cope with the changes in material costs.

We believe the uncertainties of the market condition and high iron and steel price will continue for some time. Although it would be extremely difficult for us to be fully immune from their adverse impact, the Company can still be the few winners by delivering value to our customer needs, improving product mix, and increasing market share. Having our prestigious brand, unmatched quality and specification of products, self-developed core technology and efficient production scale, we are able to create much higher value in the production process than industry peer and maintain satisfactory profitability in this environment. Our strong financial resources and operational efficiencies provide us the capability to seize any opportunity in gaining further market share should further industry consolidation becomes inevitable. The Group will uphold its positive and proactive attitude in meeting current challenges and is ready to react to future market recovery .

FINANCIAL REVIEW

Sales

In spite of the ongoing adverse business environment in the general PIMMs market resulted from the above unfavorable factors, the Group's sales still increased from RMB1,889.1 million to RMB2,060.0 million, representing an increase of 9.0%.

The increase of sales is mainly attributed to (i) the growth in medium to large tonnage PIMMs of 33.8% compared to corresponding period in 2007, (ii) improvement in sales mix, and (iii) increase in selling price of products by approximately 6% during the period.

During the period, the sales to domestic and international market increased by 6.7% and 12.2%. The number of unit sold decreased from 10,000 to 9,000 and average selling price increased from RMB185,000 to RMB224,000. The increase in average selling price is mainly due to increase in sales mix of higher margin products (large tonnage PIMMs and energy saving PIMMs) and increase of selling price during the period.

GROSS PROFIT

During the period, gross profit reached approximately RMB567.9 million representing an increase of approximately 3.4% compared with the corresponding period in 2007. Overall gross margin has decreased from 29.1% for the corresponding period in 2007 to 27.6% during the period. The decrease in gross margin for the year was mainly due to significant increase in raw material cost but partially offset by (i) raising of selling price by 6% during 2008 and (ii) improved product mix to higher margin products including new generation of energy saving PIMMs and large tonnage PIMMs.

SELLING AND ADMINISTRATIVE EXPENSES

The selling and administrative expenses increased by 11.7% from RMB247.0 million for the corresponding period in 2007 to RMB276.0 million during the period. The increase is in line with the sales growth and expansion of the Group's business.

OTHER INCOME

Other income mainly represented by government subsidy and it decreased by 43.9% from RMB17.4 million for the corresponding period in 2007 to RMB9.8 million during the period. The decrease is because approximately RMB8 million government grants had not been received in the first half of 2008 and it is expected to be recognized as income in the second half of 2008. Besides, the Group also received approximately RMB9.0 million research subsidies from a research project recognized as a National Science and Technology Support Program during the period. However, this subsidy has not been yet recognized as income during the period according to prevailing accounting requirements.

OTHER LOSSES, NET

Other losses, net decreased by 61.1% from RMB23.7 million for the corresponding period in 2007 to RMB9.2 million during the period and mainly represented the exchange losses. In the first half of 2007, there was a significant accounting translation loss incurred from the global offering's proceeds deposited in Hong Kong dollars. In 2008, the Group has deposited most of such proceeds in Renminbi and therefore the exchange losses decreased significantly. In order to hedge the exchange risk of US dollar denominated receivable arised from export sales, the Group has also borrowed a US dollar denominated bank loan amounted to RMB277.4 million during the period.

OPERATING PROFIT

As a result of the foregoing, the operating profit decreased from RMB295.8 million for the corresponding period in 2007 to RMB292.4 million during the period.

FINANCE INCOME — NET

Finance income, net decreased by 17.4% from RMB14.6 million to RMB12.0 million was resulted from decrease in average net cash balances during the period.

INCOME TAX EXPENSES

Income tax expenses increased by 80.3% from RMB23.3 million for the corresponding period in 2007 to RMB42.0 million for the period due to tax holiday of certain operating subsidiaries expired after 2007.

RESEARCH AND DEVELOPMENTS OF PRODUCTS

The Group believes research and development constitutes the core competitiveness of the Group in meeting the dynamic needs of customers and sustaining our leadership in future. We are committed to product innovation and our research and development team is comprised of more than 290 engineers and technicians, representing approximately 7.6% of our total staff. In order to further enhance our R&D capabilities, we started a post-Phd R&D programme in January 2008. Under this programme, we will fund a team of Phd graduates working with Beijing University of Chemical Technology to conduct research in new plastic processing technology and developing new PlMM models for future commercialization.

In July 2008, the Group is recognized as one of the first batch innovative enterprises amongst the other 90 companies in China. The companies awarded such honor must have their own patented technologies, well-known brands, strong international competitive edge and technological sustainable development potential, and also passed expert panel evaluations jointly conducted by MOST, the State Council's Assets Supervision and Administration Commission (SASAC) and the All-China Federation of Trade Unions after two years trial observation period. In the future, the Chinese government will give certain policy incentives and increase public funding to bolster research and development in these awarded companies. Other companies awarded with such honor include China Aerospace Science and Technology Co, China Aluminum Co, ZTE Corporation and Lenovo Group.

Recently, the Group's joint research projects for high precision PIMMs with Chinese academic institutions, one of which is regarded as "2007 National Science and Technology Support Program", has received a subsidy funding from government amounted to RMB9.0 million during the period (This subsidy has not yet recognized as income during the period in according to prevailing accounting requirements.) Further funding for this project is still in the process of application.

During the period, our products continued to deliver excellent technological and market achievements. Some of awards and market achievements are set out below:

Zhafir all-electric machines:	the evaluation panel of the Kielce exhibition (Poland International Fair of Plastics Processing Plastpol) awarded the medal of "excellent rating"
Energy-saving PIMMs, Mars (J5):	sales increased to RMB491.0 million. for the period represented a growth of 87.4% compared to second half of 2007.
Two platen PIMM series:	sales increased to RMB75.0 million. for the period represented a growth of 159.1% compared to second half of 2007.

LIQUIDITY AND FINANCIAL RESOURCES

The gearing ratio is defined as net debt (represented by borrowings net of time deposits and bank balances and cash) divided by shareholders' equity. As at 30 June 2008, the Group is in a strong financial position with a net cash position amounting to RMB939.2 million (31 December 2007 : RMB1,339.0 million). Hence, no gearing ratio is presented. The bank loan increased from RMB158.8 million in 2007 to RMB277.4 million was due to the group has borrowed a US dollar denominated bank loan amounted to RMB277.4 million to hedge the exchange risk of US dollar denominated receivable arised from export sales and offset by settlement of previous year's Renminbi bank loans.

CHARGES ON GROUP ASSETS

As at 30 June 2008, the Group has pledged deposits of RMB6.3 million as collaterals against certain trade finance facilities granted by banks.

FOREIGN EXCHANGE RISK MANAGEMENT

During the period, the Group exported approximately 30% of its products to international markets which were denominated in US dollars or other foreign currencies, while the Group's purchases denominated in US dollars or other foreign currencies accounted for less than 10% of total purchases. The Group did not utilize any forward contracts or other means to hedge its foreign currency exposure. However the management will closely monitor the exchange rate fluctuations to ensure sufficient precautionary measures against any adverse impacts. During this period, the group has borrowed a US dollar denominated bank loan amounted to RMB277.4 million to hedge the exchange risk of US dollar denominated receivable arised from export sales.

CONTINGENT LIABILITIES

As at 30 June 2008, the Group provided guarantee to banks in connection with facilities granted to the customers amounted to RMB206.7 million (31 December 2007: RMB221.1 million).

EMPLOYEES

As at 30 June 2008, the Group had a total workforce of approximately 3,800 employees, the majority of which were located in China.

The Group offers its staff with competitive remuneration schemes. In addition, discretionary bonuses will be paid to staff based on individual and the Group's performance. The Group is committed to nurturing a learning culture in the organization.

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK6.5 cents per share for the six months ended 30 June 2008 to shareholders whose names appear on the Register of Members of the Company at the close of business on 19 September 2008. The interim dividend declared will be paid on or about 30 September 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 September 2008 to 19 September 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, Shop 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 September 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE")

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, the Company complied with all the applicable code provisions of the Code as set out in Appendix 14 to the Listing Rules during the period.

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 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 the three independent non-executive directors of the Company.

The Audit Committee has reviewed the Group's condensed consolidated financial information for the period ended 30 June 2008, 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 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.

On behalf of the Board
Zhang Jianming
Chief Executive Officer

25 August 2008