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兴 达

XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1899)

UPDATE OF THE STATUS OF THE INTERNAL CONTROL REVIEW

Reference is made to the (i) supplemental announcement of the Xingda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 June 2021 (the “**Announcement**”) in relation to the annual results announcement and the annual report of the Company for the year ended 31 December 2020 and (ii) the announcement dated 7 October 2021 on the update of the status of the internal control review (the “**Update Announcement**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcement and the Update Announcement.

As disclosed in the Announcement and the Update Announcement, Prior Year Adjustments were made and the Company has engaged an Internal Control Consultant to conduct an Internal Control Review, and that in view of the Group’s initiative to upgrade its computerized book-keeping and financial management system with enhanced function modules to link with the records in relation to tracking of logistics of goods in transit and sold (the “**Enhanced Computerized Module**”), the review was previously expected to be completed by the end of December 2021.

Given more time is required to conduct further testing and examination on the application and operation of the Enhanced Computerized Module in order to (i) ensure that the Enhanced Computerized Module is working properly and effectively and (ii) that the transition of the data and operation between the previous system and the new system with the Enhanced Computerized Module is proper and smooth, the issuance of the result of the relevant review is expected to be further delayed. However, in order to provide the shareholders and potential investors a prompt update regarding the Group’s internal control over the recognition of sales and transportation cost and the financial reporting procedures, it is expected that the Internal Control Review on the above mentioned procedures without the assessment on the Enhanced Computerized Module will be completed by around mid-January 2022. The Internal Control Consultant will further review the effectiveness of the

Enhanced Computerized Module upon its full application by the Group. The Company will publish further announcement(s) to update the shareholders and potential investors of the Company about the progress of the Internal Control Review as and when appropriate.

By Order of the Board of
Xingda International Holdings Limited
Liu Jinlan
Chairman of the Board

Shanghai, the PRC, 31 December 2021

As at the date of this announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. TAO Jinxiang and Mr. ZHANG Yuxiao and the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Mr. William John SHARP and Ms. XU Chunhua.