



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED
縱橫財經公關顧問(中國)有限公司

[For Immediate Release]



XINGDA INTERNATIONAL HOLDINGS LIMITED
興達國際控股有限公司

**XINGDA 2018 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY AMOUNTS TO
RMB264 MILLION**

PROPOSES FINAL DIVIDEND OF 15.0 HK CENTS PER SHARE

DIVIDEND PAYOUT RATIO REACHES 72.8%

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**ACCELERATES GLOBALIZATION STRATEGY TO DIVERSIFY MARKET RISKS
ARMED WITH ABUNDANT CAPITAL THE COMPANY WILL FURTHER REINFORCE ITS
INDUSTRY LEADERSHIP**

(Hong Kong, 28 March 2019) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturers of radial tire cords, today announced its audited annual results for the year ended 31 December 2018.

During the year under review, the Group’s revenue grew by 9.7% year-on-year to RMB7,558 million. Driven by the increment of sales volume and prices of radial tire cord products, the gross profit rose by 3.5% year-on-year to RMB1,322 million, while the gross profit margin shrank by 1.1 percentage points year-on-year to 17.5%. Profit attributable to owners of the Company was RMB264 million, representing a decrease of 8.2%, compared with 2017. The Board recommended the payment of final dividend of 15.0 HK cents per share for the year ended 31 December 2018.

Mr. Liu Jinlan, Chairman of Xingda, said, “In 2018, as the economic growth of China slowed down, the Chinese government implemented a series of favorable policies to support investment and credit growth. Together with the steady growth in total road logistics volume, the market demand for replacement of radial tires was driven up. Meanwhile, the steady rise of the road passenger and freight traffic volume plus the government’s strengthened efforts to regulate, supervise and implement policies to prohibit illegal modification, overrunning and overloading of trucks have stimulated truck production, thereby bracing the sales volume radial tire cords for trucks. Xingda will continue to monitor the macroeconomic trends, and timely cater to the demand for radial tire cords for tracks and passenger cars in overseas markets. During the year under review, Xingda achieved impressive growth in overseas markets, while striving to implement international business operations strategy.”

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In 2018, the Group's sales volume of radial tire cord for trucks rose 5.7% year-on-year to 440,100 tonnes in 2018, mainly benefitting from the steady rise of road passenger and growth of trucks sales. Due to the slight drop in demand and output of radial tires for passenger cars in China, the Group's sales of radial tire cords in the domestic market were also under pressure and dropped 4.4% to 226,500 tonnes. The sales volume of radial tire cords for trucks and passenger cars accounted for 66.0% and 34.0% respectively of the Group's total sales of radial tire cords.

During the year under review, the overall demand for radial tires in China remained stable. The Group's sales volume of radial tire cords in China slightly dropped by 2.6% to 498,100 tonnes, constituting 74.7% of the Group's total sales volume of radial tire cords. Meanwhile, the Group has continued to push forward its international business strategy and endeavored to optimize its product mix. The Pan-Asia Pacific (excluding China), America and Europe continued to be the Group's principal overseas markets. Overseas sales volume of radial tire cords increased by 18.8% to 168,500 tonnes, accounting for 25.3% of the Group's total sales volume of radial tire cords in 2018.

As of 31 December 2018, the Group's annual production capacity of radial tire cords was 728,000 tonnes. The annual production capacity of radial tire cords of the Jiangsu factory and the Shandong factory were 625,000 tonnes and 103,000 tonnes respectively. Given the strong demand of Southeast Asian and Indian markets for its products, the Group has strategically decided to build a new factory in Thailand. Production capacity of radial tire cords of such new Thailand factory in the first phase is expected to be 50,000 tonnes. During the year under review, the Group's overall capacity utilization rate has been maintained at 90%.

Mr. Liu concluded, "Looking ahead, the Group believes that improving quality and efficiency will continue to be the key fundamental priorities for the Chinese economy. China will make further structural adjustments to its industries, so as to support stable economic development trends. Benefitting from the flourishing e-commerce and logistics industries in China, the road transportation in the country is expected to grow stably, which will be conducive to the development of the radial tire cord industry. Meanwhile, the industry is expected to see further consolidation. Armed with abundant capital, Xingda will further boast its industry leadership. As of overseas market, Xingda will accelerate its globalization strategy of building factories overseas and fuel the expansion in the emerging markets and its customer base, seizing timely opportunities to expand its business. Xingda will also continue to enhance quality of its products and flexibly implement sales strategy, with the aim of reinforcing its leading position in the market and continuously creating sustainable returns to all shareholders."

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of backbone material of radial tire including radial tire cord that support the tire wall and bead wire that connect the tire to the wheel-rim. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established solid foothold in China and is one of the largest manufacturers of radial tire cord in China. The Group's customers include China's top 10 radial tire manufacturers and global renowned tire manufacturers. Xingda's headquarters and main production base are located in Jiangsu Province of China with a total gross floor area of around 567,000 sq. m.

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