



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'S 2022 REVENUE INCREASED TO RMB10.812 BILLION

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REVENUE RECORDS GROWTH DESPITE ADVERSITY, BENEFITS FROM STEADY GROWTH OF OVERSEAS DEMAND AND REBOUND OF ECONOMY AFTER PANDEMIC

(Hong Kong, 31 March 2023) – **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 2022.

Despite the epidemic situation volatile in China, the continuing conflict between Russia and Ukraine, and increasing inflationary pressure weighing on global economic growth, the Group’s revenue recorded growth of 1.6% year-on-year to RMB10.812 billion in 2022. Gross profit grew by 10.1% year-on-year to RMB 2.274 billion and gross profit margin also increased, by 1.6 percentage points, year-on-year to 21.0%, which was mainly attributable to the greater portion in overseas markets sales with higher gross profit margin and major raw materials average costs trending down. Profit attributable to owners of the Company rose by 59.2% year-on-year to RMB348 million. Basic earnings per share were RMB20.99 cents. The Board of Directors recommended payment of a final dividend of 15.0 HK cents per share for the year ended 31 December 2022.

Mr. Liu Jinlan, Chairman of Xingda, said, “In the first half of 2022, economic activities and the logistics industry experienced hard hit due to COVID-19. However, when the government implemented a series of policies to stabilize the economy in the middle of the year, industries started to resume production and the automobile consumption market also gradually warmed up. On the other hand, China exported more than 50% of the total tire output in the first half of 2022 for the first time for overseas market, and annual revenue from export of radial tire cords saw growth in the year. Despite adversity, Xingda was still able to achieve a growth in revenue thanks to its leading position in China’s radial tire cord industry, diversified product lines and flexible marketing strategy.”

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During the year, the Group recorded total sales volume of 1,054,700 tonnes, a decrease of 2.1% year-on-year, of which 834,800 tonnes were radial tire cords, 1.9% less year-on-year, accounting for 79.2% of the Group's total sales volume. As for bead wires, 127,700 tonnes were sold, down 2.1%, making up 12.1% of the Group's total sales volume. Sales volume of hose wires and other wires declined by 3.8% to 92,200 tonnes, accounting for 8.7% of the Group's total sales volume.

By segment, due to the decrease in production and demand of radial tires for trucks as a result of slowing down domestic economic activities, the Group's sales volume of radial tire cords for trucks decreased by 6.8% year-on-year to 470,300 tonnes. As for overseas market demand especially on the radial tire cords for passenger cars, still kept the momentum, which led to the sales volume of radial tire cords for passenger cars climbed 5.1% year-on-year to 364,500 tonnes.

In 2022, the Group sold 575,300 tonnes of radial tire cords in China, 5.2% less during the year relative to the last corresponding period, the main reason being the ongoing COVID-19 pandemic in China affecting the economic activities and the investment in infrastructure projects, and in turn production and sales of radial tire cords and auxiliary demand. Demand in overseas markets, however, was relatively strong. The Group sold 259,500 tonnes of radial tire cords, approximately 6.2% more, in 2022, mainly because stable demand from overseas tire manufacturers. For the year, sales volume in the domestic and overseas markets constituted 68.9% and 31.1%, respectively, of the Group's total radial tire cords sales volume.

As at 31 December 2022, the Group's annual production capacity of radial tire cords rose by 3.2% year-on-year to 972,100 tonnes. The Jiangsu factory and Shandong factory in particular saw their annual output capacity increased by 0.5% and 7.7% to 742,000 tonnes and 155,100 tonnes, respectively. As for the factory in Thailand, annual output capacity increased by 25.0% to 75,000 tonnes. The annual production capacity of bead wires, hose wires and other wires rose to 169,700 tonnes and 103,800 tonnes, respectively. Overall capacity utilization rate of the Group's plants in 2022 was 84.7%.

On 7 December 2022, the Group announced that CLSA Limited, on behalf of the joint offerors, would make a pre-conditional voluntary cash partial offer to qualifying shareholders to acquire up to 80,000,000 offer shares at the offer price of HK\$1.88 per offer share. After the partial offer is completed, the joint offerors and parties acting in concert with them will collectively own not less than 50.01% of voting rights in the Company, which will allow them to exercise statutory control of the Company. For the Company, it will have greater flexibility in managing its capital structure, and the offer also evidenced the confidence the management has in the Group's prospects.

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Mr. Liu concluded, “With people and logistics flows are expected to be smoother when situations return to normal in 2023, also as domestic and overseas economic activities pick up, the tire replacement cycle will also gain speed and push up price and volume in the global tire market, and in turn drive development of the radial tire cord industry. Moreover, raw materials and freight rates staying stable after coming down, are in favor of boosting overseas radial tire cord demands. It is expected that tire companies in China will remain competitive, allowing them to gain larger shares in overseas markets and in the long run drive the sustainable development of the radial tire cord industry. Looking forward, the Group will continue to monitor situation of the epidemic, seize opportunities, boost production capacity and keep pace with economic recovery, so as to meet domestic radial tire cord demands. It will also watch closely the global economic development trend, flexibly deploy its business worldwide, actively expand overseas markets and explore new horizons.”

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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.

Media enquiries:

Strategic Financial Relations (China) Limited

Ms. Anita Cheung Tel: 2864 4827

Mr. Ben Siok Tel: 2864 4830

Email: sprg-xingda@sprg.com.hk