XINGDA

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XINGDA INTERNATIONAL HOLDINGS LIMITED

興 達 國 際 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01899)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	2024 *RMB in million*	2023 *RMB in million*	**Change**
Revenue	**11,940.4**	11,490.5	**+3.9%**
Gross profit margin	**18.4%**	19.2%	**-0.8pp**
EBITDA (note)	**1,562.6**	1,611.7	**-3.0%**
Profit for the year attributable to owners of the Company	**269.0**	449.4	**-40.1%**
Earnings per share –			
basic (RMB cents)	**14.23**	27.07	**-47.4%**
diluted (RMB cents)	**14.14**	26.89	**-47.4%**
Proposed final dividend per share (HK cents)	—	13.0	**N/A**

Note: It is defined as profit before finance costs, income tax expense, depreciation and amortisation.

RESULTS

The board of directors (the "Board") of Xingda International Holdings Limited (the "Company" or "Xingda") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	**Year ended 31/12/2024** *RMB'000*	Year ended 31/12/2023 *RMB'000*
Revenue	4	**11,940,423**	11,490,471
Cost of sales		**(9,746,104)**	(9,289,969)
Gross profit		**2,194,319**	2,200,502
Other income	5	**208,262**	145,049
Government grants		**26,024**	14,125
Other gains and losses, net	6	**44,557**	67,391
Reversal (recognition) of impairment losses under expected credit loss model		**918**	(25,995)
Other expense		**(5,137)**	(7,759)
Distribution and selling expenses		**(1,080,032)**	(796,350)
Administrative expenses		**(413,834)**	(456,966)
Research and development expenditure		**(232,232)**	(170,719)
Finance costs	7	**(220,707)**	(233,527)
Profit before tax		**522,138**	735,751
Income tax expense	8	**(134,304)**	(98,362)
Profit for the year	9	**387,834**	637,389
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**17,928**	9,592
Total comprehensive income for the year		**405,762**	646,981

	NOTE	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Profit for the year attributable to:			
Owners of the Company		**269,045**	449,401
Non-controlling interests		**118,789**	187,988
		387,834	637,389
Total comprehensive income for the year attributable to:			
Owners of the Company		**281,613**	455,672
Non-controlling interests		**124,149**	191,309
		405,762	646,981
Earnings per share	11		
Basic (RMB cents)		**14.23**	27.07
Diluted (RMB cents)		**14.14**	26.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	NOTES	**31/12/2024**	31/12/2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	**8,013,342**	7,159,611
Right-of-use assets		**605,082**	620,193
Freehold land		**181,978**	69,532
Investment properties		**107,300**	117,300
Term deposits		**748,460**	725,337
Deferred tax assets		**156,645**	170,546
Prepayments for acquisition of property, plant and equipment and freehold land		**155,062**	254,551
Prepayments		**12,901**	14,963
		9,980,770	9,132,033
CURRENT ASSETS			
Inventories		**1,423,150**	903,643
Financial assets at fair value through profit or loss ("FVTPL")		**123,148**	69,448
Trade, bills and other receivables	13	**7,999,040**	8,028,097
Tax recoverable		**4,204**	—
Term deposits		**2,015,618**	2,015,840
Bank balances and cash		**835,591**	570,801
		12,400,751	11,587,829
CURRENT LIABILITIES			
Trade and other payables	14	**5,175,964**	5,015,283
Contract liabilities		**93,711**	50,841
Tax liabilities		**79,667**	71,258
Dividend payable		**3**	86,290
Borrowings - due within one year		**6,815,194**	6,120,325
Lease liabilities		**271**	250
Obligations arising from repurchase of shares		**229,111**	223,944
		12,393,921	11,568,191
NET CURRENT ASSETS		**6,830**	19,638
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,987,600**	9,151,671
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**62,259**	59,473
Borrowings - due after one year		**970,420**	509,725
Deferred income		**268,281**	283,053
Lease liabilities		**395**	529
		1,301,355	852,780
NET ASSETS		**8,686,245**	8,298,891

	NOTE	**31/12/2024**	31/12/2023
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital	15	**186,603**	163,218
Share premium and other reserves		**6,281,126**	5,941,705
Equity attributable to owners of the Company		**6,467,729**	6,104,923
Non-controlling interests		**2,218,516**	2,193,968
TOTAL EQUITY		**8,686,245**	8,298,891

NOTES

1. GENERAL

Xingda International Holdings Limited (the "Company", and together with its subsidiaries, collectively referred to as the "Group") is a limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of its business is Xinghua City, Jiangsu Province, the People's Republic of China (the "PRC").

The Company is an investment holding company and its subsidiaries are engaged in the manufacture and trading of radial tire cords, bead wires and other wires.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING POLICIES

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenant
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2025.

[3] Effective for annual periods beginning on or after 1 January 2026.

[4] Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT INFORMATION

Revenue

(a) Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenues from its major products:

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
Sale of products		
Radial tire cords		
- For trucks	**6,705,213**	6,743,779
- For passenger cars	**3,538,542**	3,136,969
Bead wires and other wires	**1,696,668**	1,609,723
Total	**11,940,423**	11,490,471
Timing of revenue recognition		
A point in time	**11,940,423**	11,490,471

The contracts for sales of goods to external customers are short-term and the contract prices are fixed.

The Group's customers were mainly tyre manufacturers in the PRC and other countries.

(b) Performance obligations for contracts with customers and revenue recognition policies

The Group sells radial tire cords and wires to external customers in which the revenue is recognised at a point in time when the control of the goods has transferred to the customers, mainly being when the goods are either picked up at site or free on board or delivered to the designated locations.

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

All performance obligations for sale of radial tire cords, bead wires and other wires are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The directors of the Company, being the chief operating decision maker of the Group, regularly review revenue analysis by types of products which are basically radial tire cords, bead wires and other wires, for the purposes of resource allocation and assessment of performance. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective types of products. The directors of the Company review the operating results of the Group as a whole to make decisions about resource allocation. The operation of the Group constitutes one single operating and reportable segment under IFRS 8 *Operating Segments* and accordingly no separate segment information is prepared. The information about its non-current assets (other than deferred tax assets and term deposits) by geographical locations of the assets is set out as below:

	31/12/2024 ***RMB'000***	31/12/2023 *RMB'000*
The PRC	**7,802,236**	7,103,642
Thailand	**1,273,429**	1,132,508
	9,075,665	8,236,150

Geographical information

Information about the Group's revenue from operations and arising from external customers is presented based on the location of the goods delivered.

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
The PRC (country of domicile)	**8,070,924**	7,806,020
India	**554,658**	442,249
Thailand	**502,238**	432,900
Brazil	**341,514**	305,257
United States of America	**329,002**	345,979
Slovakia	**213,614**	342,753
Romania	**182,288**	148,552
Others	**1,746,185**	1,666,761
	11,940,423	11,490,471

"Others" included revenue from various countries which are individually less than 10% of the Group's total revenue.

No customer contributes over 10% of the total revenue of the Group for the years ended 31 December 2024 and 2023.

5. OTHER INCOME

	Year ended 31/12/2024	Year ended 31/12/2023
	RMB'000	*RMB'000*
Bank interest income	**124,210**	52,193
Sales of scrap materials	**64,406**	62,733
Rental income from investment properties	**2,741**	2,171
Sundry income	**16,905**	27,952
	208,262	145,049

6. OTHER GAINS AND LOSSES, NET

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Net foreign exchange gains	**45,189**	65,123
Change in fair value of financial assets at FVTPL	**4,158**	4,340
Dividend income from financial assets at FVTPL	**7,442**	2,211
Loss on disposal and written-off of property, plant and equipment	**(2,232)**	(583)
Loss on fair value changes of investment properties	**(10,000)**	(3,700)
	44,557	67,391

7. FINANCE COSTS

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Interests on bank borrowings	**200,587**	232,648
Imputed interest on obligations arising from repurchase of shares	**16,000**	15,999
Bills receivable discounted	**4,090**	2,960
Interests on lease liabilities	**30**	40
	220,707	251,647
Less: interests capitalised in the cost of qualifying assets	**—**	(18,120)
	220,707	233,527

There was no borrowing costs capitalised during the year arose on a specific borrowing with interest rate (2023: on a specific borrowing with interest rate of 4.54%) per annum to expenditure on qualifying assets.

8. INCOME TAX EXPENSE

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Current tax	**100,216**	132,238
Overprovision in prior years	**(9,509)**	(15,770)
Withholding tax paid	**26,910**	22,362
Deferred tax	**16,687**	(40,468)
	134,304	98,362

The tax charge represents income tax in the PRC which is calculated at the prevailing tax rate on the taxable income of the group entities in the PRC. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of certain PRC subsidiaries is 25% for both years except for Jiangsu Xingda Steel Tyre Cord Co. Ltd. ("Jiangsu Xingda") as further described below.

Following the renewal of the High-tech Enterprise Certificate (the "Certificate") issued on 6 November 2024, Jiangsu Xingda is entitled for the tax incentive as High-tech Enterprise and accordingly, enjoyed preferential tax rate of 15% till 2026.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong for both years.

No provision for taxation in Thailand has been made as assessable profit of the Group's subsidiary in Thailand was absorbed by its unrecognised tax loss for year ended 31 December 2024 and 2023.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax exposure of group entities incorporated in other jurisdiction subject to Pillar Two income taxes rules is insignificant, as those group entities are with no assessment profits or the assessable profits are absorbed by the unused tax losses for the current year. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

9. PROFIT FOR THE YEAR

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	**1,141,346**	1,012,412
Retirement benefit scheme contributions	**94,459**	70,206
Share-based payments	**1,054**	2,591
Total staff costs	**1,236,859**	1,085,209
Auditor's remuneration	**3,856**	3,746
Cost of inventories recognised as an expense	**9,630,746**	9,198,347
Depreciation and amortisation		
- Property, plant and equipment	**804,080**	626,513
- Right-of-use assets	**15,722**	15,890
Total depreciation and amortisation	**819,802**	642,403
Gross rental income from investment properties	**(3,138)**	(2,171)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**731**	682
Rental income from investment properties, net	**(2,407)**	(1,489)
Impairment loss recognised on property, plant and equipment (included in cost of sales)	—	91,623

10. DIVIDEND

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Dividend for ordinary shareholders of the Company recognised as distribution during the year:		
Final dividend paid in respect of the year ended 31 December 2023 – 13.0 HK cents per share (2023: final dividend paid in respect of the year ended 31 December 2022 – 15.0 HK cents per share) (note i)	**226,207**	222,752
Final dividend proposed, nil HK cents (financial year ended 31 December 2023: 13.0 HK cents) per share	**—**	226,207
Special dividend declared, 15.0 HK cents per share (note ii)	**265,136**	—

Notes:

(i) During the current year, a final dividend of 13.0 HK cents (2023: 15.0 HK cents) per ordinary share in an aggregate amount of RMB226,207,000 (2023: RMB222,752,000) in respect of the year ended 31 December 2023 (2023: 31 December 2022) was approved at the annual general meeting of the Company held on 29 May 2024 (2023: 8 June 2023).

(ii) Subsequent to the end of the reporting period, a one-off special dividend of 15.0 HK cents per ordinary share in an aggregate amount of approximately RMB265,136,000 has been approved at the extraordinary general meeting held on 27 January 2025.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Profit for the year attributable to owners of the Company		
Earnings for the purpose of basic and diluted earnings per share	**269,045**	449,401

	Year ended 31/12/2024 '000	Year ended 31/12/2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,891,232**	1,660,306
Effect of dilutive potential ordinary shares in respect of outstanding share awards	**11,007**	10,815
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,902,239**	1,671,121

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by the trustee under the share award scheme.

12. PROPERTY, PLANT AND EQUIPMENT

Impairment assessment

For the years ended 31 December 2024 and 2023, a non-wholly-owned-subsidiary of the Company incorporating and operating in Thailand, Xingda Steel Cord (Thailand) Company Limited ("Xingda Thailand"), did not achieve the pre-set profitability target for the respective years. The management of the Group concluded there is impairment indication and conducted impairment assessment on carrying amounts of property, plant and equipment of this subsidiary, being a separate cash-generating unit.

The recoverable amount of cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on the financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate of 15.0% as at 31 December 2024 (2023:15.2%).

Key assumptions for the value in use calculation are the budgeted sales and cost of sales, which consist of estimated unit price/cost and sales quantities, and are determined based on the cash-generating unit and a group entity with similar customer base's past performance and management expectations for the market development. The cash flows beyond a 5-year period are extrapolated using 2% growth rate, with reference to Thailand long-term average growth rate.

Based on the result of the assessment, no further impairment loss needed to be recognised during the year (2023: impairment loss of RMB91,623,000 was recognised on the relevant property, plant and equipment).

13. TRADE, BILLS AND OTHER RECEIVABLES

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Trade receivables - goods	**4,198,221**	4,203,571
Less: Allowance for credit losses	**(68,031)**	(68,942)
	4,130,190	4,134,629
Bills receivable	**3,270,094**	3,395,046
Less: Allowance for credit losses	**(1,950)**	(1,950)
	3,268,144	3,393,096
	7,398,334	7,527,725
Advances to suppliers of raw materials	**365,515**	379,121
Prepayments for spool	**15,955**	26,003
Value-added tax recoverable	**180,720**	67,147
Other prepayments	**20,489**	10,469
Other receivables	**23,289**	22,894
Less: Allowance for credit losses on other receivables	**(5,262)**	(5,262)
	600,706	500,372
	7,999,040	8,028,097

As at 1 January 2023, trade receivables from contracts with customers and bills receivable, net of allowance for credit losses, amounted to RMB3,138,189,000 and RMB4,348,697,000 respectively.

The Group has a policy of allowing an average credit period of 30 to 90 days to its trade customers and the Group allows domestic customers to pay bills or letter of credit to settle the trade receivables. Bills receivable and letter of credit received by the Group are with a maturity period of less than one year.

The following is an aged analysis of trade and bills receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period which approximated the revenue recognition date:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Trade receivables		
0 - 90 days	**2,658,476**	2,671,355
91 - 120 days	**379,573**	384,243
121 - 180 days	**406,366**	370,143
181 - 360 days	**571,053**	581,747
Over 360 days	**114,722**	127,141
	4,130,190	4,134,629
Bills receivable		
0 - 90 days	**310,642**	482,928
91 - 180 days	**1,406,600**	1,556,873
181 - 360 days	**1,541,117**	1,334,207
Over 360 days	**9,785**	19,088
	3,268,144	3,393,096

14. TRADE AND OTHER PAYABLES

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Trade payables	**2,966,246**	2,870,066
Bills payables (note i)	**306,900**	615,000
	3,273,146	3,485,066
Value-added tax payables and other tax payables	**26,557**	35,772
Accrued staff costs	**272,762**	253,386
Payables for purchase of property, plant and equipment	**1,375,595**	1,033,570
Amount due to a related party	**11,671**	8,018
Accrued interest expenses	**7,898**	10,326
Accrued expenses	**128,654**	142,158
Other payable to a non-controlling shareholder (note ii)	**20,000**	—
Others	**59,681**	46,987
	1,902,818	1,530,217
	5,175,964	5,015,283

Note:

i. These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

ii. On 27 September 2023, Jiangsu Xingda entered into an investment agreement with Huaqin Rubber Industry Group Co., Ltd.* 華勤橡膠工業集團有限公司 (“Huaqin Rubber”) in respect of, among others, the incorporation of Xingda Jining Steel Cord Co., Ltd.* 興達濟寧鋼簾線有限公司 (“Xingda Jining”). Xingda Jining is engaged in the manufacturing and trading of radial tire cords and is accounted for as a subsidiary of the Company. As at 31 December 2024, other payable to a non-controlling shareholder represented financial support provided by Huaqin Rubber to Xingda Jining, with non-interest bearing and repayment on demand clause.

The following is an aged analysis of trade payables and trade payables under supplier finance arrangements presented based on the transaction date at the end of the reporting period:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Trade payables		
0 - 90 days	**1,512,488**	1,753,699
91 - 180 days	**1,017,814**	522,374
181 - 360 days	**379,137**	373,815
Over 360 days	**56,807**	220,178
	2,966,246	2,870,066
Bills payables		
0 - 90 days	—	187,202
91 - 180 days	**225,548**	427,798
181 - 360 days	**81,352**	—
	306,900	615,000

The average credit period on purchase of goods is 90 days which may be extended to 120 days or 180 days based on negotiation with the suppliers.

The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

15. SHARE CAPITAL

	Number of shares		Share capital	
	2024	2023	**2024**	2023
	'000	*'000*	***RMB'000***	*RMB'000*
Authorised:				
3 billion ordinary shares of HK$0.1 each	**3,000,000**	3,000,000	**301,410**	301,410
Issued and fully paid:				
At beginning of year	**1,662,445**	1,662,445	**163,218**	163,218
Issuance of shares	**257,680**	—	**23,385**	—
At end of year	**1,920,125**	1,662,445	**186,603**	163,218

On 8 February 2024, an aggregate of 257,680,000 subscription shares of the Company (of an aggregate nominal value of HK$25,768,000) (equivalent to RMB23,385,000) have been issued at subscription price of HK$1.31 per subscription share to the subscribers. The gross proceeds from the subscriptions amounted to approximately HK$337.6 million (equivalent to RMB306.3 million) and RMB23.3 million was credited to share capital and RMB283.0 million was credited to share premium as presented in the consolidated statement of changes in equity.

As at 31 December 2024, included the issued and fully paid ordinary shares, 2,139,665 shares are held by trustee under share-award scheme (31 December 2023: 2,139,665 shares).

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation, which in the opinion of the directors of the Company, provides for better presentation to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Xingda International Holdings Limited (the "Company") and its subsidiaries (collectively the "Group" or "Xingda") are pleased to present the audited consolidated annual results of the Group for the twelve months ended 31 December 2024 (the "Year").

For the twelve months ended 31 December 2024, the Group recorded revenue of RMB11,940.4 million, representing a year-on-year increase of 3.9% (2023: RMB11,490.5 million). Gross profit decreased year-on-year by 0.3% to RMB2,194.3 million (2023: RMB2,200.5 million), and gross profit margin decreased by 0.8 percentage point compared to the same period last year to 18.4% (2023: 19.2%). Profit attributable to owners of the Company decreased year-on-year by 40.1% to RMB269.0 million (2023: RMB449.4 million). Basic earnings per share were RMB14.23 cents (2023: RMB27.07 cents). The Board of Directors did not recommend any final dividend for the year ended 31 December 2024 (2023: 13.0 HK cents per share).

INDUSTRY OVERVIEW

In 2024, China's economy continued to recover and achieved stable progress, and the full-year economic growth target was successfully achieved. According to data from the National Bureau of Statistics, China's Gross Domestic Product (GDP) exceeded RMB130 trillion for the first time in 2024, with a year-on-year growth rate of 5.0%. Amidst a complex situation characterized by increased external pressures and growing internal challenges, the total volume of social logistics in China reached RMB360.6 trillion in 2024, representing a year-on-year increase of 5.8%. At the same time, according to the latest data from the Ministry of Transport, from January to November 2024, national road passenger volume increased by 7.4% year-on-year, and national road freight volume increased by 3.3% year-on-year.

In terms of policy, in the second half of 2024, the Chinese government comprehensively promoted large-scale equipment renewal and trade-in programs for consumer goods. In addition, automakers launched multiple new models in the second half of the year, resulting in fierce competition and a more pronounced year-end sales push. In 2024, the trade-in of automobiles exceeded 6.8 million units, driving total automobile sales to reach RMB920 billion. The domestic market penetration rate of new energy passenger vehicles exceeded 50% for seven consecutive months starting from June 2024, with an annual penetration rate as high as 47.6%.

According to the latest data from the China Association of Automobile Manufacturers (CAAM), in 2024, China's automobile production and sales reached 31.282 million units and 31.436 million units, respectively, setting new historical highs with year-on-year increases of 3.7% and 4.5%, respectively. This further drove the demand for radial tires and radial tire cords. Additionally, according to statistics from the Ministry of Public Security, as of the end of December 2024, the number of automobiles in service nationwide reached 353 million. The registration of new energy vehicles also showed a rapid growth trend. It is believed that these factors will continue to provide strong support for the replacement market of radial tires in the long term.

In 2024, the domestic tire market in China maintained stable growth, driven by the rapid popularization of new energy vehicles and the continuous increase in the number of automobiles in service. In terms of exports, the global economic recovery and the gradual normalization of international trade provided a favorable environment for China's tire industry. Although anti-dumping policies and trade barriers in some countries and regions still posed certain pressures on exports, Chinese tire companies remained highly competitive. This strong competitiveness also benefited the overseas business of radial tire cords.

BUSINESS REVIEW

In 2024, domestic demand continued to grow steadily, driven by the stable expansion of the new energy vehicle market, while overseas demand remained optimistic. The radial tire cord industry maintained stable, enabling Xingda to continue leveraging its position as an industry leader to sustain overall stable business development. During the Year, the Group’s total sales volume increased by 9.3% year-on-year to 1,428,000 tonnes; the sales volume of radial tire cords rose by 9.7% to 1,144,100 tonnes, accounting for 80.1% of the Group’s total sales volume (2023: 79.9%); the sales volume of bead wires increased by 4.2% to 161,900 tonnes, representing 11.3% of the Group’s total sales volume (2023: 11.9%). The sales volume of hose wires and other wires grew by 13.2% to 122,000 tonnes, making up 8.6% of the Group’s total sales volume (2023: 8.2%).

During the Year, the sales volume of radial tire cords for trucks increased by 5.9% year-on-year to 758,900 tonnes, primarily due to the gradual increase of China’s economic and logistics activities, as well as the year-on-year growth in domestic tire production and demand. The sales volume of radial tire cords for passenger cars also increased by 17.9% to 385,200 tonnes, driven by the rising domestic demand for passenger car radial tires. The sales volumes of radial tire cords for trucks and passenger cars accounted for 66.3% and 33.7% respectively of the total sales volume of radial tire cords during the Year.

Sales Volume

	2024 *Tonnes*	2023 *Tonnes*	Change
Radial tire cords	**1,144,100**	1,043,000	+9.7%
- For trucks	***758,900***	*716,400*	*+5.9%*
- For passenger cars	***385,200***	*326,600*	*+17.9%*
Bead wires	**161,900**	155,300	+4.2%
Hose wires and other wires	**122,000**	107,800	+13.2%
Total	**1,428,000**	1,306,100	+9.3%

In the China market, the sales volume of the Group's radial tire cords increased by 7.6% to 817,400 tonnes in 2024 (2023: 759,700 tonnes), primarily driven by the growth in the new energy vehicle market and Gross Domestic Product, which spurred the demand for radial tires. During the Year, overseas market demand continued to grow steadily. The sales volume of radial tire cords increased by 15.3% to 326,700 tonnes (2023: 283,300 tonnes), mainly due to the sustained demand from overseas tire manufacturers. The domestic and overseas markets accounted for 71.4% and 28.6% of the Group's total sales volume, respectively (2023: 72.8% and 27.2%).

As at 31 December 2024, the Group's annual production capacity of radial tire cords increased by 20.5% to 1,294,000 tonnes, with the annual production capacity of the Jiangsu plant reaching 890,000 tonnes, maintaining stable growth; benefiting from the transformation of early fixed asset investment, the annual production capacity of the Shandong plants were significantly released, reaching 325,000 tonnes, providing strong support for domestic sales; the annual production capacity of the Thailand plant reaching 79,000 tonnes. At a time when international trade risks and uncertainties continue to increase, the Company's strategic layout in Thailand will lay a solid foundation for the stable development of the Company's overseas business. The annual production capacity of bead wires increased to 173,000 tonnes. The annual production capacity of hose wires and other wires increased to 131,000 tonnes. During the Year, the overall capacity utilization rate of the Group's plants dropped to 91.7% (2023: 96.3%).

	2024 Production Capacity (Tonnes)	**2024 Utilization Rate**	2023 Production Capacity (Tonnes)	2023 Utilization Rate
Radial tire cords	**1,294,000**	**91.0%**	1,074,000	96.3%
Bead wires	**173,000**	**94.7%**	161,000	96.8%
Hose wires and other wires	**131,000**	**94.5%**	114,000	95.1%
Overall	**1,598,000**	**91.7%**	1,349,000	96.3%

To bolster production capacity and enlarge its business footprint, the Group has continued to invest resources in strengthening product research and development, upgrading product technology, and creating customized radial tire cords to meet the diverse needs of customers. During the Year, the Group developed 16 new types of radial tire cords and 7 new types of bead wires and other wires.

FINANCIAL REVIEW

Revenue

The following is an analysis of the Group’s revenues from its major products:

RMB in million

	2024	**Proportion**	2023	Proportion	Change
Radial tire cords	**10,243.7**	**85.8%**	9,880.8	86.0%	+3.7%
- For trucks	***6,705.2***	***56.2%***	*6,743.8*	*58.7%*	*-0.6%*
- For passenger cars	***3,538.5***	***29.6%***	*3,137.0*	*27.3%*	*+12.8%*
Bead wires	**868.5**	**7.3%**	861.1	7.5%	+0.9%
Hose wires and other wires	**828.2**	**6.9%**	748.6	6.5%	+10.6%
Total	**11,940.4**	**100.0%**	11,490.5	100.0%	+3.9%

During the Year, the Group’s revenue increased by RMB449.9 million or 3.9% year-on-year to RMB11,940.4 million (2023: RMB11,490.5 million), mainly due to the increase in demand and sales volume in both the domestic and overseas markets.

Gross profit and gross profit margin

The Group's gross profit decreased by RMB6.2 million or 0.3% year-on-year to RMB2,194.3 million (2023: RMB2,200.5 million), with a gross profit margin of 18.4% (2023: 19.2%), representing a year-on-year decrease of 0.8 percentage point. The decline in both gross profit and gross profit margin was primarily due to intensified competition within the industry in the third quarter of 2024 and the drop of 2024 overall production capacity utilization rate which led to an increase in unit cost of the products.

Other income

Other income increased by RMB63.3 million or 43.7% to RMB208.3 million (2023: RMB145.0 million), mainly due to the increase in bank interest income from fixed bank deposits and bank balances during the Year.

Government grants

During the Year, government grants increased by RMB11.9 million or 84.4% to RMB26.0 million (2023: RMB14.1 million), mainly due to an increase in subsidies released from deferred income.

Other gains and losses, net

Other gains and losses, net decreased by RMB22.8 million or 33.8% from a net gain of RMB67.4 million in 2023 to a net gain of RMB44.6 million in 2024. This was primarily due to a decrease in net foreign exchange gain recorded during the Year.

Reversal (recognition) of impairment losses under expected credit loss model

Reversal (recognition) of impairment losses under expected credit loss model decreased by RMB26.9 million or 103.5% to a reversal of impairment loss of RMB0.9 million in the Year (2023: recognition of impairment loss of RMB26.0 million). This was primarily due to a decrease in trade receivables as at 31 December 2024 when compared to the amount of trade receivables as at 31 December 2023.

Other expense

Other expense decreased by RMB2.7 million or 34.6% to RMB5.1 million (2023: RMB7.8 million), primarily due to the reduction in sundry income in the Year and the corresponding decrease in costs of sundry income.

Distribution and selling expenses

Distribution and selling expenses increased by RMB283.6 million, or 35.6%, to RMB1,080.0 million (2023: RMB796.4 million), mainly due to higher transportation costs under increasing shipment fees on a year-on-year basis.

Administrative expenses

Administrative expenses decreased by RMB43.2 million, or 9.5%, to RMB413.8 million (2023: RMB457.0 million), mainly due to a decrease in staff costs classified as administrative expenses in the Year.

Research and development expenditure

Research and development expenses increased by RMB61.5 million, or 36.0%, to RMB232.2 million (2023: RMB170.7 million), mainly because the Group invested more resources in new product research and development to meet the diverse needs of customers.

Finance costs

If the finance costs, including the interest capitalised in the cost of qualifying assets, they would have decreased by RMB30.9 million or 12.3% to RMB220.7 million (2023: RMB251.6 million). The decrease was mainly due to the drop of the weighted average interest rate of bank borrowings.

Income tax expense

The Group's income tax expense increased by RMB35.9 million or 36.5% to RMB134.3 million (2023: RMB98.4 million) with an effective tax rate of 25.7% (2023: 13.4%). During the Year, current tax was decreased by RMB32.0 million or 24.2% to RMB100.2 million (2023: RMB132.2 million) due to the decrease in profit before tax. By using the current tax on calculating the effective tax rate, it would become 19.2% (2023: 18.0%).

Net profit

Taking the factors mentioned above into account, the Group’s net profit for the year ended 31 December 2024 decreased by RMB249.6 million or 39.2% year-on-year to RMB387.8 million (2023: RMB637.4 million).

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

During the Year, there were no significant changes in the Group’s funding and treasury policies. The principal source of liquidity and capital resources were the cash flow generated from operating activities and financing activities, whereas the principal usage of cash was for the acquisition of properties, plant and equipment, payments of dividends, interest and income tax.

As at 31 December 2024, the Group’s bank balances and cash increased by RMB264.8 million or 46.4% from RMB570.8 million as at 31 December 2023 to RMB835.6 million. The increase was primarily due to the cash generated from operating activities of RMB817.6 million, financing activities of RMB678.2 million and the increase in cash due to foreign exchange rate changes of RMB5.6 million, which exceeded the cash used in investing activities of RMB1,236.6 million.

As at 31 December 2024, the Group’s borrowings amounted to RMB7,785.6 million, representing an increase of RMB1,155.5 million or 17.4% from RMB6,630.1 million as at 31 December 2023. The fixed interest rates on the borrowings ranged from 0.57% to 3.50% (31 December 2023: 1.35% to 3.90%), while the floating interest rates ranged from 2.28% to 3.80% (31 December 2023: 2.90% to 7.73%). Borrowings of RMB6,815.2 million are due for repayment within one year from 31 December 2024, and the remaining RMB970.4 million are due for repayment after one year from 31 December 2024.

As at 31 December 2024, the Group's current assets increased by RMB813.0 million or 7.0% to RMB12,400.8 million (31 December 2023: RMB11,587.8 million), while current liabilities increased by RMB825.7 million or 7.1% to RMB12,393.9 million (31 December 2023: RMB11,568.2 million). The Group's current ratio (being defined as current assets divided by current liabilities) remained at 1.0 time (31 December 2023: 1.0 time). As at 31 December 2024, the Group's gearing ratio (being defined as total borrowings to total assets) was 34.8% (31 December 2023: 32.0%).

FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in RMB, US dollars, Euros and Thai Baht.

Apart from certain bank and debtors' balances in US dollars, Euros, Hong Kong dollars and Thai baht, most of the current assets and current liabilities of the Group were denominated in Renminbi. Therefore, the Group was not exposed to significant foreign exchange risk. The Group did not enter into any financial derivative instruments to hedge against foreign exchange currency risk during the Year. However, the Group is closely monitoring the impact of change in value of the Renminbi on its operations and may consider appropriate hedging solutions, if required.

CAPITAL EXPENDITURE

For the twelve months ended 31 December 2024, the Group's capital expenditure on property, plant and equipment amounted to RMB1,639.0 million (2023: RMB1,098.4 million).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had made a capital commitment of approximately RMB134.5 million (31 December 2023: RMB228.7 million) for acquisition of property, plant and equipment and freehold land contracted for but not provided in the consolidated financial statements. The Group did not make any capital commitment for acquisition of property, plant and equipment and freehold land authorised but not contracted as at 31 December 2024 and 31 December 2023. The capital commitment is expected to be met by the internal resources of the Group and borrowings.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2024 and 31 December 2023.

PLEDGE OF ASSETS

As at 31 December 2024, bank borrowings were secured by pledged term deposits, bills receivable and trade receivables of the Group amounting to RMB1,757.5 million and RMB301.5 million and RMB49.6 million, respectively (31 December 2023: secured by term deposits, leasehold lands and bills receivable amounting to RMB885.2 million, RMB195.7 million and RMB174.0 million, respectively).

SIGNIFICANT INVESTMENTS

During the Year, affected by multiple internal and external factors such as the increasing uncertainty of international trade risks, the continued compression of profits due to intensified industry competition, the Group continued to optimize its capital investment and production expansion strategies to better achieve long-term, stable and healthy development.

Pursuant to the placing letter signed by the Company on 2 October 2018, the Company has agreed to subscribe for 11,993,000 shares of Prinx Chengshan Holdings Limited (formerly known as Prinx Chengshan (Cayman) Holdings Limited) ("Prinx Chengshan", stock code: 01809), whose shares are listed on the Main Board of the Stock Exchange, at HK$5.89 per share in cash under the initial public offering. The total subscription money, after deducting expenses, amounted to approximately HK$71.4 million. In 2024, Xingda has subscribed another 6,100,000 shares of Prinx Chengshan at HK$8.90 per share, for a total payment of approximately HK$54.5 million after deducting expenses. The shares held by Xingda accounted for 2.8% and 1.9% of the entire issued shares of Prinx Chengshan as at 31 December 2024 and 31 December 2023 respectively. Prinx Chengshan is a modern enterprise focusing on the research and development, manufacturing, sales of tires and the provision of tire full-life-cycle services, and a leading domestic manufacturer in the PRC’s commercial all steel radial tire replacement market. The above mentioned investment still exists and a gain on change in fair value of financial assets at fair value through profit or loss of RMB4.2 million was recorded during the twelve months ended 31 December 2024 (2023: gain of RMB4.3 million). For the year ended 31 December 2024, the dividend income received from Prinx Chengshan was RMB7.4 million (2023: RMB2.2 million).

The fair value of the investment in Prinx Chengshan as at 31 December 2024 was RMB123.1 million (31 December 2023: RMB69.4 million). The above mentioned investment accounted for 0.6% and 0.3% of the total assets value of the Group as at 31 December 2024 and 31 December 2023 respectively.

Save as disclosed above, the Group had no other significant investments as at 31 December 2024 and 31 December 2023 respectively.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Year, save as disclosed in this announcement, there was no any material acquisitions or disposals of subsidiaries and associated companies by the Group.

MATERIAL EVENTS

Subscription of New Shares under General Mandate

Reference is made to the announcements of the Company dated 30 January 2024, 6 February 2024 and 8 February 2024 (the "Subscriptions Announcements"), in relation to the subscriptions of new Shares under General Mandate. Unless otherwise specified, capitalised terms used under this subheading shall have the same meanings as those defined in the Subscriptions Announcements.

On 8 February 2024, the Subscriptions were completed in accordance with the terms and conditions of the relevant Subscription Agreements. An aggregate of 257,680,000 ordinary Shares (of an aggregate nominal value of HK$25,768,000), representing (i) approximately 15.50% of the issued share capital of the Company immediately before Completion; and (ii) approximately 13.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately upon Completion, have been issued at the Subscription Price of HK$1.31 per Subscription Share to the Subscribers, namely 133,000,000 Subscription Shares to JINYU TIRE (HONGKONG) CO., LIMITED (金宇輪胎(香港)有限公司), 39,900,000 Subscription Shares to HAOHUA TIRE CO., LIMITED and 84,780,000 Subscription Shares to Longmarch Hongkong Holding Limited (長征香港控股有限公司) respectively. The gross proceeds from the Subscriptions amounted to approximately HK$337.56 million and the net proceeds, after deduction of expenses, amounted to approximately HK$337.06 million, representing the net price of approximately HK$1.308 per Subscription Share. Such net proceeds have been applied in the manner as disclosed in the Subscriptions Announcements. The market value of the Subscription Shares which was determined based on the closing price of HK$1.63 per Share as at the date of the Subscription Agreements was approximately HK$420.02 million.

Voluntary Conditional Cash Offer

Reference is made to the announcements jointly issued by the Offeror and the Company on 24 September 2024, 25 October 2024, 15 November 2024 and 29 November 2024 (the "Joint Announcements") and the composite offer and response document (the "Composite Document") jointly issued by the Offeror and the Company on 25 October 2024 together with the accompanying Form of Acceptance. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcements and the Composite Document unless specified otherwise.

On 4 September 2024, the Offeror notified the Company that it has firm intention to make the Offer (in compliance with the Takeovers Code) through Shenwan Hongyuan to acquire all the Shares not already owned by the Offeror and the Offeror Concert Parties at the Offer Price of HK$1.30 per Offer Share. The Offer was closed at 4:00 p.m. on 29 November 2024 and was not revised or extended by the Offeror. Immediately before commencement of the Offer Period (i.e. 24 September 2024), the Offeror and the Offeror Concert Parties were interested in an aggregate of 710,956,146 Shares, representing approximately 37.03% of the issued Share capital of the Company as at the date of the close of Offer on 29 November 2024 (the "Close of Offer"). Immediately after the Close of Offer and taking into account the Acceptance Shares and subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances were received, the Offeror and the Offeror Concert Parties would hold an aggregate of 1,218,017,546 Shares, representing approximately 63.43% of the issued Share capital of the Company as at the date of the Close of Offer.

HUMAN RESOURCES

As at 31 December 2024, the Group had approximately 8,600 full-time employees (31 December 2023: approximately 8,700). Total staff costs including directors' remuneration for the year ended 31 December 2024 was RMB1,236.9 million (2023: RMB1,085.2 million). Salaries are generally reviewed with reference to employees' merit, qualifications and competence. The calculation of bonuses was based on an evaluation of individual efforts and contributions to the financial performance of the Group. The Group also continues to provide training programs for staff to enhance their technical and product knowledge as well as awareness of industry quality standards.

In addition to salaries and bonuses, the Group also provides various benefits to employees through the Labor Union of Jiangsu Xingda ("Xingda Labor Union"). Each year, major operating subsidiaries including Jiangsu Xingda, 山東興達鋼簾線有限公司 (Shandong Xingda Steel Tyre Cord Co., Ltd.*) ("Shandong Xingda") and Taizhou Xingda Specialized Wires Co., Ltd. ("Taizhou Xingda") contribute 2% of the total salary of staff ("Union Fee") to support operation of the Xingda Labor Union. The Union Fee, together with other funds obtained by the Xingda Labor Union are used to provide a variety of welfare benefits and services to employees of the Group, including provision of staff quarters which employees may choose to purchase. For the year ended 31 December 2024, the amount of Union Fees contributed by the Labor Unions of Jiangsu Xingda, Shandong Xingda, and Taizhou Xingda was RMB19.7 million (2023: RMB19.1 million).

According to the Social Insurance Regulations published by the State Council of China on 14 January 1999, the Group is required to make contributions to pension funds and insurance policies for its employees. Full-time employees of the Group in China are covered by the contributory pension scheme managed by the government entitling them to a monthly pension after they retire. The PRC government is responsible for crediting the pension to the retired and the Group is required to make annual contributions to the retirement scheme run by the Xinghua Municipality at a specified rate. The contribution is booked in due course as an operating expense of the Group. Under the scheme, no forfeited contributions are available to reduce the existing level of contributions. Apart from pension funds, the Group has provided medical, personal accident and unemployment insurance policies for its employees.

In 2009, the Board adopted a share award scheme to retain elite employees and encourage them to achieve performance goals by aligning their interests to the shareholders through share ownerships. Shares are to be purchased by the trustee in the market out of cash contributed by the Company and be held in trust for the selected employees until such shares are vested in them.

In 2010, 5,000,000 shares of the Company (the “First Batch Shares”) were purchased by the trustee on the public market. In 2011, another 5,000,000 shares of the Company (the “Second Batch Shares”) were purchased by the trustee on the public market. In 2013, 10,481,000 shares of the Company were purchased by the trustee on the public market, of which 5,000,000 shares were added to the Second Batch Shares and the remaining 5,481,000 shares were classified as the Third Batch Shares (the “Third Batch Shares”). In 2014, 4,519,000 shares of the Company were purchased by the trustee on the public market and were added to the Third Batch Shares. In 2016, 7,282,000 shares of the Company were purchased by the trustee on the public market (the “Fourth Batch Shares”). In 2017, 601,011 scrip shares allotted under the scrip dividend scheme of the Company as dividend derived from the shares held upon the trust in relation to the share award scheme were added to the Fourth Batch Shares. In 2018, 506,266 scrip shares allotted under the scrip dividend scheme of the Company as dividend derived from the shares held upon the trust in relation to the share award scheme were added to the Fourth Batch Shares. In 2019, 418,899 scrip shares allotted under the scrip dividend scheme of the Company as dividend derived from the shares held upon the trust in relation to the share award scheme were added to the Fourth Batch Shares. Meanwhile, 4,900,000 shares of the Company were purchased by the trustee on the public market, of which 1,075,824 shares were added to the Fourth Batch Shares and the remaining 3,824,176 shares as the Fifth Batch Shares (the “Fifth Batch Shares”). In 2020, 732,018 scrip shares allotted under the scrip dividend scheme of the Company as dividend derived from the shares held upon the trust in relation to the share award scheme were added to the Fifth Batch Shares. In 2021, 665,471 scrip shares allotted under the scrip dividend scheme of the Company as dividend derived from the shares held upon the trust in relation to the share award scheme were added to the Fifth Batch Shares. For the year ended 31 December 2021, 102,000 Fourth Batch Shares were unvested and added to the Fifth Batch Shares. As at 31 December 2024, the balance of the Fifth Batch Shares were 2,139,665 shares.

As at 31 December 2024, all the First Batch Shares, the Second Batch Shares, the Third Batch Shares and the Fourth Batch Shares and one-third of the Fifth Batch Shares have been vested with selected employees. The remaining 2,139,665 Fifth Batch Shares are expected to be vested with selected employees not later than the end of year 2025.

PROSPECTS

In 2024, China's macro policies continued to focus on boosting consumption and expanding domestic demand, promoting a steady economic recovery. The National Development and Reform Commission, the Ministry of Finance and the Ministry of Commerce and other departments have successively introduced a series of policies and measures focusing on supporting the trade-in of old cars and the consumption of green smart home appliances. With the support of these policies, advantageous industries such as new energy vehicles have become important growth engines, bringing new impetus to the demand for semi-steel tires and high-performance steel cords. However, the domestic demand for full-steel tires was slowed down by the decline in the logistics boom and inventory pressure, and the intensified competition in the industry led to the compression of profit margins. Although the demand for semi-steel tires and high-performance steel cords was driven by the increase in penetration rate of new energy vehicles, the fluctuation of raw material prices, uncertainty of sea freight rates and overcapacity posed a continuous pressure on the industry's profitability.

Entering 2025, China's economic work continues to adhere to the general tone of "seeking progress while maintaining stability," implementing more proactive macroeconomic policies. The National Development and Reform Commission and the Ministry of Finance have issued the "Notice on Intensifying and Expanding the Implementation of Large-scale Equipment Renewal and Consumer Goods Trade-in Policies in 2025," which is expected to further unleash the potential of the automotive market and drive further development in the steel cord industry. However, facing challenges such as a complex international environment, high global inflation, and upgraded trade barriers, the Group remains cautiously optimistic about the industry's short-term development.

Looking ahead, the global trend towards greener tires in the automotive industry is clear, with increasing demand for lightweight and recyclable steel cords. The Group will closely follow industry trends and policy directions, optimize its global capacity layout, and continue to advance technological innovation and product upgrades. The Group will focus on the research and production of green products, providing high-quality solutions for customers. As a leading global enterprise in radial tire cords, the Group will actively respond to the green and low-carbon trend in the tire industry, promote sustainable development, and contribute to the industry's progress.

DIVIDEND

The Board of Directors did not recommend any final dividend for the year ended 31 December 2024.

A one-off special dividend of 15.0 HK cents per ordinary share of the Company in an aggregate amount of approximately HK$288,019,000 (equivalent to approximately RMB265,136,000) was approved at an extraordinary general meeting held on 27 January 2025.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Thursday, 5 June 2025, notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 31 May 2025 to Thursday, 5 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting to be held on Thursday, 5 June 2025, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Friday, 30 May 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

To promote high level of transparency, accountability and independence in the interests of the shareholders, the Company is committed to maintaining high standards of corporate governance.

The Company has applied the principles in and complied with the code provisions of the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the year ended 31 December 2024, except for the following:-

Code provision C.2.1 provides, among other things, that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The chairman of the Board, Mr. Liu Jinlan, provides overall leadership for the Board and takes the lead to ensure that the Board acts in the best interest of the Company. The Company does not have the position of chief executive and the daily operation of the Group is assigned among the executive Directors. In addition to the fact that the responsibilities of the chairman are shared by the remaining executive Directors, the Executive Committee of the Company which has been established for determining, approving and overseeing the day-to-day control over the allocation of the Group's resources also segregates the duties of Mr. Liu Jinlan.

During the Year, each of Mr. Hang Youming, Mr. Wang Jin and Ms. Wang Yu has been appointed as an executive Director on 15 January 2024. Following the resignation of Mr. Luo Tiejun as an independent non-executive Director on 3 April 2024, the Board comprised six executive Directors and two independent non-executive Directors. As a result of the foregoing, the Company was not in compliance with (i) Rule 3.10(1) of the Listing Rules, which stipulates that the Board must include at least three independent non-executive directors; (ii) Rule 3.10A of the Listing Rules, which stipulates that the number of independent non-executive directors shall represent at least one-third of the Board; and (iii) Rule 3.21 of the Listing Rules, which stipulates that the audit committee must comprise a minimum of three members. Ms. Zhang Guoyun was appointed as an independent non-executive Director on 6 September 2024. Following the appointment of Ms. Zhang Guoyun, the Company has been in compliance with Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules.

Following the resignation of Mr. Zhang Yuxiao as an executive Director, chief financial officer and an authorised representative of the Company (the "Authorised Representative") for the purpose of Rule 3.05 of the Listing Rules on 28 May 2024, the Company was not be able to comply with Rule 3.05 until the appointment of Mr. Wang Jin as chief financial officer and the Authorised Representative on 3 June 2024.

In compliance with the code provisions of the Corporate Governance Code, the Company has set up the Audit Committee, the Remuneration and Management Development Committee and the Nomination Committee, and the Board has been responsible for performing the corporate governance duties as set out in the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as the code of conduct regarding Directors' securities transactions. After having made specific enquiry with all Directors, the Company has received confirmations from all Directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2024.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions of the employees who are likely to be in possession of unpublished inside information.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group, discussed auditing and financial reporting matters and have reviewed the audited annual results of the Group for the year ended 31 December 2024. In addition, the consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu and an unqualified opinion report was issued.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 31 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at www.irasia.com/listco/hk/xingda/index.htm. The annual report of the Company for the year ended 31 December 2024 will be dispatched to the shareholders and made available on the above websites in due course.

APPRECIATION

The Board would like to express its gratitude to all employees for their diligence and contribution. At the same time, the Board is also thankful for the support it has from all the customers, suppliers and shareholders of the Group. The Group will continue to work as a team to push for more brilliant results in 2025.

By Order of the Board
XINGDA INTERNATIONAL HOLDINGS LIMITED
Liu Jinlan
Chairman of the Board

Shanghai, the PRC, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. LIU Jinlan (Chairman), Mr. LIU Xiang, Mr. HANG Youming, Mr. WANG Jin and Ms. WANG Yu, the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Ms. XU Chunhua and Ms. ZHANG Guoyun.