



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 2019 INTERIM PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
ROSE BY 25.3% TO RMB159.4 MILLION**

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**OVERALL DOMESTIC DEMAND OF RADIAL TIRE CORDS REMAINS STABLE
WHILE OVERSEAS MARKET GROWS STEADILY**

(Hong Kong, 22 August 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 unaudited interim results for the six months ended 30 June 2019.

For the six months ended 30 June 2019, the Group’s revenue amounted to RMB3,769.2 million, representing a growth of 2.5% from the corresponding period last year, attributable mainly to the growth of export sales of radial tire cords and consistent demand for radial tire cords in the domestic market. The Group’s gross profit rose by 17.3% to RMB724.3 million, while gross profit margin also increased by 2.4 percentage points to 19.2%, mainly due to the drop of average price of steel wire rods on a year-on-year basis and the management implementing strict cost control measures as well as increase in revenue during the period. Profit attributable to owners of the Company increased year-on-year by 25.3% to RMB159.4 million. Basic earnings per share were RMB10.68 fen. The Board does not recommend payment of an interim dividend for the six months ended 30 June 2019.

Mr. Liu Jinlan, Chairman of Xingda, said, “In the first half of 2019, the GDP of China grew year-on-year by 6.3%, and at the impact of the Sino-US trade conflicts, growth momentum of the Chinese economy slowed down. During the period, total domestic radial tire output rose moderately, car parc in China surged to historical high at 250 million and total land freight traffic volume also increased slightly. The steady growth of logistics activities guaranteed stable demands on the replacement of radial tires as well as the radial tire cords in the first half of 2019.”

In the first half of 2019, Xingda adhered to its sound and pragmatic operational approach and actively consolidated its leadership in the radial tire cord industry. It also gradually implemented flexible sales strategy, optimized products and expanded its markets. During the period, the Group recorded total sales volume of 404,600 tonnes, up 3.0% year-on-year. Sales volume of radial tire cord climbed moderately by 3.8% year-on-year to 338,200 tonnes, making up 83.6% of the Group’s total sales volume. The sales volume of bead wire and other wire decreased by 0.6% to 66,400 tonnes, accounting for 16.4% of the Group’s total sales volume.

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During the period, the sales volume of radial tire cord for trucks slightly rose by 0.4% to 216,600 tonnes, against the corresponding period last year, owed mainly to the stable demand for replacement of truck tires. As for the sales volume of radial tire cord for passenger cars, it increased by 10.4% to 121,600 tonnes, mainly due to the obvious boost in sales orders of radial tire cord for passenger cars from overseas market. The sales volume of the two segments accounted for 64.0% and 36.0% respectively of the Group's total sales of radial tire cords during the period.

By market, the sales volume of radial tire cord in China slightly rose by 0.4% to 249,100 tonnes in the first half of 2019. In the face of US trade protectionism and guided by the "One Belt One Road" national initiative, Chinese tire enterprises have gradually been establishing production plants in overseas and particularly Southeast Asia in the recent years. Xingda has heeded this trend and also has continued to press ahead with its international sales strategies to broaden its business footprint and international customer base. As a consequence, overseas orders from countries like Thailand, Korea, Japan, Brazil, Germany and Slovakia have steadily increased. Sales of radial tire cords in overseas markets increased during the period by 14.4% year-on-year to 89,100 tonnes. The sales volume of domestic and overseas markets constituted 73.6% and 26.4% respectively of the Group's total sales volume.

As at 30 June 2019, the Group's annual production capacity of radial tire cords rose up to 728,000 tonnes, with the Jiangsu factory and Shandong factory accounting for up to 625,000 tonnes and 103,000 tonnes respectively. Given the strong demand of Southeast Asia markets for its products, the Group speeded up construction of the new factory in Thailand, with phase one expected to start operation in the second half of 2019 affords output of up to 50,000 tonnes. For bead wires and other wires, annual production capacity was increased to 165,000 tonnes. The Group's overall capacity utilization rate maintained at a high level at 90.2%.

Mr. Liu concluded, "2019 is the fourth year of China's 13th Five-Year Plan. With the Sino-US trade conflicts looming, the economic indicators of major economies worldwide have remained weak. Heeding that, the Chinese government has proposed to adopt the policy direction of "maintaining stable growth, preventing risks, making structural adjustments, pursuing progress while ensuring stability", and will implement a series of measures including tax reduction and infrastructure investments, as such the Chinese economy is expected to remain relatively stable and resilient in the future. The Group will keep a close watch on the global environment and changes in the macro market to prepare various comprehensive response plans and timely adjust its strategic global deployment. Applying its unique competitive advantages and strong capital, plus embracing international operation concepts, Xingda will endeavor to develop premium quality products and technologies. It will also seize opportunities to open up new markets and enhance its competitiveness. Construction of the new factory in Thailand will enable the Group to expand production capacity and extend its industrial chain in Asia, which can help consolidate its standing as a leading radial tire cords manufacturer and create long-term satisfactory returns for 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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