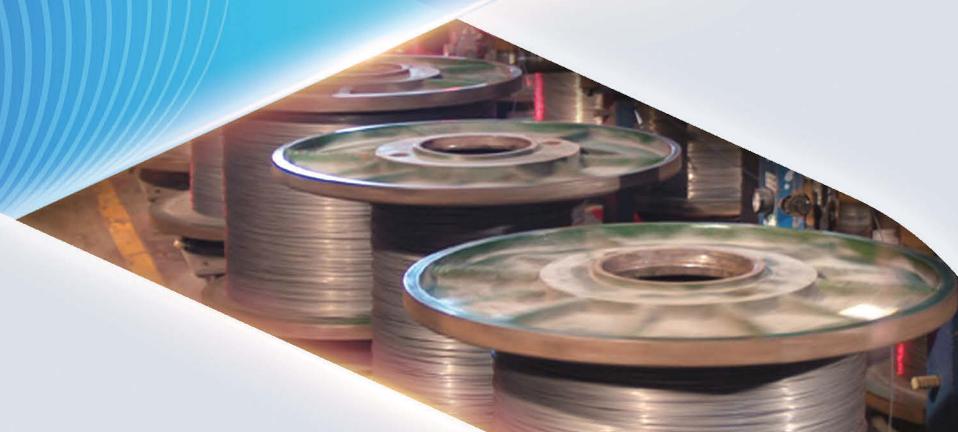




# XINGDA INTERNATIONAL HOLDINGS LIMITED 興達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code : 1899)

INTERIM REPORT 2025





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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Executive Directors

Mr. LIU Jinlan (*Chairman*)

Mr. LIU Xiang

Mr. HANG Youming

Mr. WANG Jin

Ms. WANG Yu

Independent Non-executive Directors

Mr. KOO Fook Sun, Louis

Ms. XU Chunhua

Ms. ZHANG Guoyun

## AUDIT COMMITTEE

Mr. KOO Fook Sun, Louis (*Chairman*)

Ms. XU Chunhua

Ms. ZHANG Guoyun

## REMUNERATION AND MANAGEMENT DEVELOPMENT COMMITTEE

Mr. KOO Fook Sun, Louis (*Chairman*)

Ms. ZHANG Guoyun

## NOMINATION COMMITTEE

Mr. LIU Jinlan (*Chairman*)

Mr. KOO Fook Sun, Louis

Ms. XU Chunhua

## COMPANY SECRETARY

Mr. CHENG Kam Ho, CPA

## AUTHORISED REPRESENTATIVES

Mr. WANG Jin

Mr. CHENG Kam Ho

## LEGAL ADVISORS

*As to Hong Kong Law:*

Patrick Mak & Tse

Solicitors

## AUDITORS

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

## INVESTOR RELATIONS

Ever Bloom (HK) Communications Consultants Group Limited

10/F., 80 Gloucester Road

Wan Chai

Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEAD OFFICE

6th Floor, No. 20, Lane 599

Yunling Road (East)

Putuo District

Shanghai 200062

China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit S03, 7/F, Low block

Grand Millennium Plaza

181 Queen's Road Central

Central, Hong Kong

## PRINCIPAL BANKERS

Agricultural Bank of China

China Construction Bank

Bank of China (Hong Kong) Limited

Industrial Bank Co., Ltd. Hong Kong Branch

## SHARE REGISTRARS AND TRANSFER OFFICES

Principal:

Suntera (Cayman) Limited

Suite 3204, Unit 2A, Block 3,

Building D, P.O. Box 1586, Gardenia Court, Camana Bay,

Grand Cayman, KY1-1100,

Cayman Islands

Hong Kong Branch:

Boardroom Share Registrars (HK) Limited

2103B, 21/F., 148 Electric Road

North Point

Hong Kong

## STOCK CODE

01899

## WEBSITE

[www.irasia.com/listco/hk/xingda/index.htm](http://www.irasia.com/listco/hk/xingda/index.htm)

# FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2025	2024	
	<i>RMB in million</i>	<i>RMB in million</i>	
<b>OPERATING RESULTS</b>			
Revenue	<b>5,664.3</b>	6,165.7	-8.1%
Gross profit	<b>1,121.1</b>	1,208.7	-7.2%
EBITDA <sup>(1)</sup>	<b>941.1</b>	871.3	+8.0%
Profit for the period	<b>283.2</b>	283.3	+0.0%
Profit attributable to owners of the Company	<b>198.9</b>	192.2	+3.5%
Earnings per share – basic (RMB cents)	<b>10.37</b>	10.31	+0.6%
Earnings per share – diluted (RMB cents)	<b>10.30</b>	10.24	+0.6%

	30.6.2025	31.12.2024	Change
	<i>RMB in million</i>	<i>RMB in million</i>	

## FINANCIAL POSITION

Total assets	<b>21,928.3</b>	22,381.5	-2.0%
Total liabilities	<b>13,260.0</b>	13,695.3	-3.2%
Net assets	<b>8,668.3</b>	8,686.2	-0.2%
Equity attributable to owners of the Company	<b>6,498.3</b>	6,467.7	+0.5%

	Six months ended 30 June	
	2025	2024
<b>KEY RATIOS</b>		
Gross profit margin <sup>(2)</sup>	<b>19.8%</b>	19.6%
EBITDA margin <sup>(3)</sup>	<b>16.6%</b>	14.1%
Return on equity <sup>(4)</sup>	<b>3.1%</b>	3.0%

	30.6.2025	31.12.2024
Current ratio <sup>(5)</sup>	<b>1.0</b>	1.0
Gearing ratio <sup>(6)</sup>	<b>36.2%</b>	34.8%
Net debts to equity ratio <sup>(7)</sup>	<b>101.9%</b>	107.5%

### Notes:

- (1) It is arrived at profit for the period before finance costs, income tax expense, depreciation and amortization
- (2) Gross profit divided by revenue.
- (3) EBITDA divided by revenue.
- (4) Profit for the period attributable to owners of the Company divided by equity attributable to owners of the Company.
- (5) Current assets divided by current liabilities.
- (6) Total debts (borrowings) divided by total assets.
- (7) Total debts (borrowings) less cash and bank balances divided by equity attributable to owners of the Company.



## MANAGEMENT DISCUSSION AND ANALYSIS

Xingda International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group” or “Xingda”) are pleased to present the unaudited interim results of the Group for the six months ended 30 June 2025 (the “review period”).

For the six months ended 30 June 2025, the Group recorded revenue of RMB5,664.3 million, representing a year-on-year decrease of 8.1% (first half of 2024: RMB6,165.7 million). Gross profit decreased by 7.2% year-on-year to RMB1,121.1 million (first half of 2024: RMB1,208.7 million) and gross profit margin grew by 0.2 percentage point compared to the same period last year to 19.8% (first half of 2024: 19.6%). Profit attributable to the owners of the Company increased by 3.5% year-on-year to RMB198.9 million (first half of 2024: RMB192.2 million). Basic earnings per share were RMB10.37 cents (first half of 2024: RMB10.31 cents). The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

In the first half of 2025, China’s economy remained sustained and showed upward momentum. According to data from the National Bureau of Statistics, the Gross Domestic Product (GDP) increased by 5.3% year-on-year, showing steady improvement in production demand. Based on data released by the China Association of Automobile Manufacturers, in the first half of 2025, China’s automobile production and sales reached 15.621 million units and 15.653 million units, respectively, with year-on-year increases of 12.5% and 11.4%. Additionally, according to statistics from the Ministry of Transport, from January to June 2025, the year-on-year growth rate of national highway freight volume reached 4.0%, indicating a steadily rising trend in highway freight volume, and various operational indicators continued to show improvement.

In terms of policy, in the first half of 2025, the Chinese government continued to comprehensively promote large-scale equipment renewal and trade-in programs for consumer goods, supported scrappage and renewal for aging commercial trucks, raised the subsidy standard for new energy city buses, and improved the subsidy standard for automobile replacement and renewal. However, due to the intensifying “involution” competition in the automotive industry, the development of both upstream and downstream of the automotive industry chain has been challenged. According to the statistics, the profit margin of the automobile industry has gradually declined from 5.7% in 2022 to 4.1% in April 2025. The price war in the automotive sector is weighing on the prices of upstream and downstream products, in turn squeezing profit margins of radial tire cord industry.

Meanwhile, according to data from the National Bureau of Statistics, China’s rubber tire casing production decreased by 1.2% year-on-year in May 2025, which also led the first negative growth in China’s total tire production since 2023. Growth in rubber tire casing production has been progressively narrowing. The replacement market for radial tires is expected to be affected by demand fluctuations in downstream markets in the short term.

## MANAGEMENT DISCUSSION AND ANALYSIS

New energy vehicles continuously drive the development of the radial tire cord industry. In the first half of 2025, the production and sales of new energy vehicles remained resilient. According to data from the National Bureau of Statistics, in the first half of 2025, China's value-added industrial output increased by 6.4% year-on-year, and the production of new energy vehicles increased by 36.2% year-on-year. According to the data of the China Association of Automobile Manufacturers, in the first half of 2025, the production and sales of new energy vehicles grew rapidly, reaching 6.968 million units and 6.937 million units, with year-on-year increases of 41.4% and 40.3%. In June 2025, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and three other departments jointly issued the Notice on Launching the 2025 New Energy Vehicle Promotion Campaign in Rural Areas, which will increase the penetration rate of new energy vehicles in Tier 3-5 cities in the coming years. As new energy vehicles expand into lower-tier markets, the radial tire cords industry is positioned for long-term gains.

In the second half of 2025, the global tire industry will be challenged by tariff policy adjustments and maneuvering, raising the downside risk for the global economy. Given that the US tariff policy is uncertain, China's export growth is under greater pressure. However, the domestic tire market is expected to maintain stable growth in the future due to the release of national policy effects and the rapid growth of new energy vehicles. Moreover, since multiple departments and industry associations have strengthened the supervision and management to the "involution" competition, it is believed that the automotive industry will welcome healthy and sustainable development, as well as the tire and radial tire cord will also embrace more opportunities for development.

### BUSINESS REVIEW

In the first half of 2025, domestic downstream market demand decreased and competition in the radial tire cords industry intensified, resulting in a decline in sales. The Group recorded total sales volume of 688,900 tonnes, down by 5.0% year-on-year, and that of radial tire cords declined by 2.8% year-on-year to 562,400 tonnes, accounting for 81.6% of the Group's total sales volume (first half of 2024: 79.8%). Sales volume of bead wires decreased by 17.3% to 68,600 tonnes, accounting for 10.0% of the Group's total sales volume (first half of 2024: 11.5%). As for hose wires and other wires, their total sales volume decreased by 8.5% to 57,900 tonnes, making up 8.4% of the Group's total sales volume (first half of 2024: 8.7%).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW – CONTINUED

During the review period, the sales volume of the Group's radial tire cords for trucks decreased by 4.9% year-on-year to 367,400 tonnes. The decline was primarily driven by falling demand in the domestic downstream market and intense competition in the radial tire cords industry. Additionally, an increase in orders from overseas tire manufacturers contributed to the increased sales volume of the Group's radial tire cords for passenger cars, which saw a growth of 1.5% to 195,000 tonnes. The sales volume of radial tire cords for trucks and passenger cars accounted for 65.3% and 34.7% of the total sales volume of radial tire cords during the review period.

### Sales Volume

	Six months ended 30 June		Change
	2025 <i>Tonnes</i>	2024 <i>Tonnes</i>	
Radial tire cords	<b>562,400</b>	578,600	-2.8%
– For trucks	<b>367,400</b>	386,400	-4.9%
– For passenger cars	<b>195,000</b>	192,200	+1.5%
Bead wires	<b>68,600</b>	83,000	-17.3%
Hose wires and other wires	<b>57,900</b>	63,300	-8.5%
Total	<b>688,900</b>	724,900	-5.0%

In the China market, the sales volume of the Group's radial tire cords decreased by 8.1% to 381,800 tonnes during the review period (first half of 2024: 415,600 tonnes), primarily driven by reduced demand from domestic tire manufacturers and involution competition within the radial tire cord industry. As for overseas market demand, the growth momentum continued in this review period. The sales volume of radial tire cords increased by 10.8% to 180,600 tonnes (first half of 2024: 163,000 tonnes), mainly due to ongoing growth in overseas orders for radial tire cords. Domestic and overseas markets accounted for 67.9% and 32.1% of the Group's total sales volume, respectively, (first half of 2024: 71.8% and 28.2%).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW – CONTINUED

### Sales Volume – CONTINUED

As at 30 June 2025, the annual production capacity of radial tire cords increased to 1,317,000 tonnes. The annual production capacity of the Jiangsu and Shandong factories reached 890,000 tonnes and 348,000 tonnes, respectively, providing strong support for domestic sales. The annual production capacity of the Thailand plant reached 79,000 tonnes. The annual production capacity of bead wires reached 173,000 tonnes. The annual production capacity of hose wires and other wires reached 131,000 tonnes. During the review period, the overall utilization rate of the Group's factories decreased to 83.0% (first half of 2024: 95.7%), influenced by weakening demand in the domestic radial tire market.

	<b>30 June 2025</b>	<b>Six months ended</b>	30 June 2024	Six months ended
	<b>Production</b>	<b>30 June 2025</b>	Production	30 June 2024
	<b>Capacity</b>	<b>Utilisation Rate</b>	Capacity	Utilisation Rate
	<b>(Tonnes)</b>		<b>(Tonnes)</b>	
Radial tire cords	<b>1,317,000</b>	<b>83%*</b>	1,248,000	96%
Bead wires	<b>173,000</b>	<b>77%</b>	173,000	96%
Hose wires and other wires	<b>131,000</b>	<b>89%</b>	131,000	96%
Overall	<b><u>1,621,000</u></b>	<b><u>83%*</u></b>	<u>1,552,000</u>	<u>96%</u>

\* One of the Group's plants located in Jining City, Shandong Province is still in the early stage of production volume expansion as it was successfully launched in December 2024. The Jining plant has been planned with foresight, and the existing production capacity and utilized space are relatively abundant, providing sufficient flexibility for the recovery of market demand and order growth in the future. In the review period, the newly launched Jining plant was one of factors for the decrease in overall plant utilization rate. Excluding the capacity utilization of Jining plant, the Group's radial tire cord and overall utilization rate were adjusted as 85% and 85% respectively.

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. In the review period, the Group developed 10 new types of radial tire cords and 7 new types of bead wires, hose wires and other wires.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue breakdown by product category is as follows:

<i>RMB in million</i>	Six months ended 30 June				
	2025	Proportion (%)	2024	Proportion (%)	Change (%)
Radial tire cords	<b>4,920.6</b>	<b>87</b>	5,272.0	86	-6.7
– For trucks	<b>3,145.8</b>	<b>56</b>	3,499.6	57	-10.1
– For passenger cars	<b>1,774.8</b>	<b>31</b>	1,772.4	29	+0.1
Bead wires	<b>356.5</b>	<b>6</b>	457.3	7	-22.0
Hose wires and other wires	<b>387.2</b>	<b>7</b>	436.4	7	-11.3
Total	<b><u>5,664.3</u></b>	<b><u>100</u></b>	<u>6,165.7</u>	<u>100</u>	<u>-8.1</u>

During the review period, the Group's revenue decreased by RMB501.4 million or 8.1% year on year to RMB5,664.3 million (first half of 2024: RMB6,165.7 million), mainly due to the decrease in sales volume for the Group.

### Gross profit and gross profit margin

The Group's gross profit decreased by RMB87.6 million or 7.2% year-on-year to RMB1,121.1 million (first half of 2024: RMB1,208.7 million), primarily due to the decrease in revenue. Gross profit margin was 19.8% (first half of 2024: 19.6%), representing a year-on-year increase of 0.2 percentage point. The increase in gross profit margin was mainly due to the decrease in cost of sales under upgrading of production technology in the first half of 2025.

### Other income

Other income decreased by RMB51.4 million or 36.1% to RMB90.9 million (first half of 2024: RMB142.3 million), mainly due to a decrease in bank interest income.

### Other expense

Other expenses decreased by RMB2.4 million or 70.6% to RMB1.0 million (first half of 2024: RMB3.4 million), primarily due to the reduction in sundry income in the first half of 2025 and the corresponding decrease in costs of sundry income.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW – CONTINUED

### Government grants

During the review period, government grants increased by RMB13.5 million or 264.7% to RMB18.6 million (first half of 2024: RMB5.1 million), mainly due to an increase in government grants released from deferred income.

### Distribution and selling expenses

Distribution and selling expenses increased by RMB1.6 million or 0.3% to RMB506.0 million (first half of 2024: RMB504.4 million), mainly due to an increase in storage costs on a year-on-year basis.

### Administrative expenses

Administrative expenses decreased by RMB14.2 million or 6.9% to RMB192.6 million (first half of 2024: RMB206.8 million). It is mainly due to a decrease in repairs and maintenance cost.

### Other gains and losses, net

Other gains and losses, net decreased by RMB98.4 million or 8,200.0% from net loss of RMB1.2 million in the first half of 2024 to net gain of RMB97.2 million in the first half of 2025. This decrease was mainly due to the net foreign exchange gain of RMB86.6 million recorded in this review period whereas a net foreign exchange loss of RMB18.8 million recorded in the first half of 2024.

### Impairment loss recognised under expected credit loss model, net

Impairment loss recognised under the expected credit loss model increased by RMB4.8 million or 81.4% to RMB10.7 million in the first half of 2025 (first half of 2024: RMB5.9 million). This increase was mainly due to an increase in default rates which were used in the expected credit loss model in the first half of 2025.

### Research and development expenditure

Research and development expenditure decreased by RMB8.1 million or 5.3% to RMB146.0 million (first half of 2024: RMB154.1 million), mainly due to the decrease in the number of new products under development projects in the first half of 2025, so that the Group invested less resources in new product research and development.

### Finance costs

Finance costs increased by RMB10.0 million or 9.7% to RM113.4 million (first half of 2024: RMB103.4 million). The increase was primarily due to the year-on-year increase in average bank borrowing balances.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW – CONTINUED

### Income tax expense

The Group's income tax expense decreased by RMB18.4 million or 19.7% to RMB75.0 million (first half of 2024: RMB93.4 million), with an effective tax rate of 20.9% (first half of 2024: 24.8%). During the review period, current tax was decreased by RMB22.3 million or 29.2% to RMB54.1 million due to the decrease in profit before tax (first half of 2024: RMB76.4 million). By using the current tax on calculating the effective tax rate, it would become 15.1% (first half of 2024: 20.3%). A decrease in an effective tax rate was mainly due to profit before tax of Xingda Steel Cord (Thailand) Company Limited for the six months ended 30 June 2025 was absorbed by its unrecognised tax loss and no provision for taxation has been made thereon.

### Net profit

Taking the factors mentioned above into account, the Group's net profit for the six months ended 30 June 2025 decreased by RMB0.1 million or 0.0% to RMB283.2 million (first half of 2024: RMB283.3 million).

## LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

During the review period, there were no significant changes in the Group's funding and treasury policies. The principal source of liquidity and capital resources was the cash flow generated from operating and investing activities, whereas the principal usage of cash was for the acquisition of property, plant and equipment, repurchase shares of a subsidiary from non-controlling interests, payments of dividends, interest and income tax.

Bank balances and cash of the Group increased by RMB471.5 million or 56.4% from RMB835.6 million as at 31 December 2024 to RMB1,307.1 million as at 30 June 2025. The increase was mainly due to the cash that has been generated from operating activities of RMB1,009.1 million, investing activities of RMB88.6 million and the effect of foreign exchange rate changes of RMB2.9 million respectively, exceeding the cash used in financing activities of RMB629.1 million.

Borrowings increased by RMB146.1 million or 1.9% to RMB7,931.7 million as at 30 June 2025 from RMB7,785.6 million as at 31 December 2024. The bank borrowings carry interest at fixed rates from 1.06% to 3.50% (31 December 2024: 0.57% to 3.50%) and variable rates from 2.14% to 3.80% (31 December 2024: 2.28% to 3.80%). Borrowings of RMB6,927.2 million are repayable within one year from 30 June 2025 and the remaining borrowings of RMB1,004.5 million are repayable after one year from 30 June 2025.

As at 30 June 2025, the Group's current assets decreased by RMB441.4 million or 3.6% to RMB11,959.4 million (31 December 2024: RMB12,400.8 million). Current liabilities decreased by RMB456.1 million or 3.7% to RMB11,937.8 million (31 December 2024: RMB12,393.9 million). The Group's current ratio (being defined as current assets over current liabilities) maintained at 1.0 times (31 December 2024: 1.0 times). The gearing ratio (being defined as total debts to total assets) as at 30 June 2025 was 36.2% (31 December 2024: 34.8%).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in Renminbi, 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 period under review. 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 six months ended 30 June 2025, capital expenditure for property, plant and equipment amounted to RMB685.6 million (first half of 2024: RMB709.9 million).

## CAPITAL COMMITMENTS

As at 30 June 2025, the Group had made a capital commitment of approximately RMB461.4 million (31 December 2024: RMB134.5 million) for acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements. The Group did not make any capital commitment for acquisition of property, plant and equipment and freehold land authorized but not contracted as at 30 June 2025 and 31 December 2024. 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 30 June 2025 and 31 December 2024 respectively.

## PLEDGE OF ASSETS

As at 30 June 2025, secured bank borrowings amounting to RMB1,246.6 million (31 December 2024: RMB2,393.8 million) were secured by term deposits and bills receivables of the Group amounting to RMB931.0 million and RMB247.6 million, respectively (31 December 2024: secured by term deposits, bills receivable and trade receivables amounting to RMB1,757.5 million, RMB301.5 million and RMB49.6 million, respectively).

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS

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) Holding 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% of the entire issued shares of Prinx Chengshan as at 30 June 2025 and 31 December 2024. 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 FVTPL of RMB2.4 million was recorded during the six months ended 30 June 2025 (first half of 2024: gain of RMB14.4 million).

The fair value of the investment in Prinx Chengshan as at 30 June 2025 was RMB125.6 million (31 December 2024: RMB123.1 million). The above mentioned investment accounted for 0.6% and 0.6% of the total assets value of the Group as at 30 June 2025 and 31 December 2024 respectively.

Save as disclosed above, the Group had no other significant investments as at 30 June 2025 and 31 December 2024 respectively.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 25 June 2025, Faith Maple International Ltd (“Faith Maple”), a wholly owned subsidiary of the Group, on the first part, entered into the capital reduction agreements (the “Capital Reduction Agreements”) with Jiangsu Xingda Steel Tyre Cord Co., Ltd\* (江蘇興達鋼簾線股份有限公司) (“Jiangsu Xingda”), on the second part, and Chengshan Group Co., Ltd\* (成山集團有限公司), Sailun Group Co., Ltd.\* (賽輪集團股份有限公司), Triangle Tyre Co., Ltd\* (三角輪胎股份有限公司), and Linglong Tire Co., Ltd.\* (玲瓏輪胎有限公司), respectively, on the third part (the “Investors”). Also on 25 June 2025, Faith Maple entered into a capital reduction agreement with and Dongying Rongju Investment Centre (Limited Partnership)\* (東營融聚投資中心(有限合夥)) (the “Dongying Capital Reduction Agreement”) (“Dongying”).

Pursuant to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, each of the Investors and Dongying withdrew from Jiangsu Xingda by way of capital reduction. Before the completion of the capital reduction, the total registered capital of Jiangsu Xingda is RMB2,862,262,865 divided into 2,862,262,865 shares. According to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, each share of Jiangsu Xingda is cancelled at approximately RMB2.69 per share.

# MANAGEMENT DISCUSSION AND ANALYSIS

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES – CONTINUED

After the completion of the said capital reduction, the shareholding of the Group in Jiangsu Xingda increased from approximately 70.32% to approximately 74.25%.

Please refer to the announcements of the Company dated 25 June 2025 and 4 July 2025 for further details.

Save as disclosed above, the Company had no material acquisitions and disposals in relation to its subsidiaries, associates and joint ventures for the six months ended 30 June 2025 and 30 June 2024 respectively.

## HUMAN RESOURCES

As of 30 June 2025, the Group had approximately 8,500 full time employees (31 December 2024: approximately 8,600). Total staff costs including directors' remuneration for the six months ended 30 June 2025 was RMB601.0 million (first half of 2024: RMB603.7 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, 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 six months ended 30 June 2025, the amount of Union Fees contributed by the Labour Union of Jiangsu Xingda, Shandong Xingda and Taizhou Xingda was RMB9.0 million (first half of 2024: RMB10.4 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.



# MANAGEMENT DISCUSSION AND ANALYSIS

## HUMAN RESOURCES – CONTINUED

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 30 June 2025, the balance of the Fifth Batch Shares were 2,139,665 shares.

As at 30 June 2025, 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PROSPECTS

In the first half of 2025, despite the rapid changes in the international environment, China's economic growth momentum still remains resilient. In July, the National Bureau of Statistics of China indicated that it was optimistic for China's consumer market in the second half of the year, and subsidy policies to stimulate consumption have already been forthcoming.

The radial tire cord industry is expected to benefit from the healthy development of the consumer market and the vehicle industry. In July 2025, the Executive meeting of the State Council emphasized that it is necessary to strengthen the cost survey and price monitoring, improve the long-term mechanism for regulating competition, and enhance competitiveness through scientific and technological innovation and quality improvement in the vehicle industry. In addition, the National Development and Reform Commission (NDRC) solicited comments from the public on the Amendment to Pricing Law of the People's Republic of China (Consultation Paper), identifying the standard of low-priced dumping, as well as to regulate "involution" competition.

Meanwhile, the Group noticed that the hydropower project in the lower reaches of the Yarlung Zangbo River in Tibet was officially launched recently. As a significant national infrastructure project, this project will promote the expansion of demand for radial tire cords as an upstream industry through the industrial chain transmission effect. It is believed that the radial tire cords industry will benefit from long-term growth prospects since the "anti-involution" policy and the significant national infrastructure projects.

However, due to the uncertainties of geopolitics and international trade, the Group's export growth is still under considerable pressure. China's Vehicle Inventory Alert Index (VIA) is slightly above boom-or-bust line, the vehicle industry is still facing challenges. Although beneficial policies have been coming out, the Group believes that the radial tire cords industry will take time to materialize benefits from the "anti-involution" policy. Therefore, the Group remains cautiously optimistic about the industry's short-term development.

Looking forward to the future, the Group will pay close attention to the changes in industry trends and domestic and overseas policies, adapt our strategy according to the general environment. At the same time, we will follow the green trend in the tire industry, optimize our global capacity layout, and continue to advance technological innovation and product upgrades. To continue the development focus for the whole year of 2025, we will commit ourselves to research and production of green products, providing high-quality solutions for customers.

## OTHER INFORMATION

### INTERIM DIVIDEND

The board of directors of the Company (the "Board") does not recommend the payment of interim dividend for the six months ended 30 June 2025.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules ("Model Code"), were as follows:

#### (1) Long positions in shares, underlying shares and debentures of the Company

Name of Directors	Capacity	Number of ordinary shares	Approximate percentage of issued share capital of the Company as at 30 June 2025 <i>(Note 5)</i>
Liu Jinlan <i>(Notes 1 &amp; 2)</i>	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	64.00%
Liu Xiang <i>(Notes 1 &amp; 3)</i>	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	64.00%
Hang Youming <i>(Notes 1 &amp; 4)</i>	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO <i>(Note 3)</i>	1,228,792,546	64.00%
Wang Jin <i>(Note 6)</i>	Beneficial owner	1,245,000	0.07%
Koo Fook Sun, Louis <i>(Note 7)</i>	Beneficial owner	727,824	0.04%
Xu Chunhua	Beneficial owner	50,000	0.003%

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – CONTINUED

#### (1) Long positions in shares, underlying shares and debentures of the Company – *Continued*

*Notes:*

- Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming (“Five Parties”) entered into an agreement dated 29 August 2005 (as supplemented by supplemental agreements dated 15 November 2005 and 29 November 2022) in relation to the beneficial interests in Great Trade Limited, In-Plus Limited, Perfect Sino Limited, Power Aim Limited and Wise Creative Limited (the “Five BVI Companies”) (the “Five Parties’ Agreement”). Pursuant to the Five Parties’ Agreement, (i) the interests and rights of the Five BVI Companies and the interests and rights in the Shares held by the Five Parties through the Five BVI Companies are held by the Five Parties for their own benefit and for the benefit of the other members (“ESC Members”) of 江蘇興達鋼簾線股份有限公司職工持股會 (Employee Shareholding Committee of Jiangsu Xingda Steel Tyre Cord Co., Ltd.\*) (the “Employee Shareholding Committee”) from time to time (including the Five Parties as at the date of this report) with reference to the proportion set out in the Five Parties’ Agreement and as amended from time to time; and (ii) to the extent any Shares were acquired by any of the Five Parties and/or the Five BVI Companies using the funds provided by such member of the Five Parties on or after 30 August 2005, such acquired Shares (together with all rights and benefits accruing and attaching thereto) shall be for the benefit of such member of the Five Parties only.

On 29 November 2022, the Five BVI Companies, the Five Parties, Widen Success Holdings Limited (“Widen Success”) and Mr. Liu Tao entered into an agreement (the “AIC Agreement”), pursuant to which the parties agreed, confirmed and acknowledged that in respect of all the Shares held by the Five BVI Companies, the Five Parties, Widen Success and Mr. Liu Tao from time to time, whether for their own benefit or for the benefit of the other ESC Members, they shall reach a consensus before voting on any of the matters to be resolved at the general meetings of the Company and shall vote unanimously on the resolutions proposed at the general meetings of the Company. Mr. Liu Tao further agreed and confirmed that he shall agree with Mr. Liu Jinlan when reaching a consensus among the Five Parties and himself. The AIC Agreement took effect on 10 March 2023, being the final settlement date for the conditional voluntary cash partial offer made by CLSA Limited on behalf of the joint offerors to the qualifying shareholders to acquire a maximum of 80,000,000 offer shares of the Company as disclosed in the composite document dated 27 January 2023 jointly issued by the relevant joint offerors and the Company.

On 24 September 2024, Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Mr. Liu Tao, Great Trade Limited, In-Plus Limited, Wise Creative Limited and Widen Success entered into a deed (the “2024 Concert Parties Deed”), pursuant to which, the parties confirmed they are and will be acting in concert in the control and management of the Group, including in the exercise of their voting rights in any meetings of the Company.

- Mr. Liu Jinlan held 49,039,275 Shares in his own name as at 30 June 2025. Mr. Liu Jinlan held as to 100% of the issued share capital of Great Trade Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties’ Agreement. As at 30 June 2025, Great Trade Limited held 890,604,403 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Jinlan was deemed to be interested in the Shares held by Great Trade Limited. Mr. Liu Jinlan was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Liu Jinlan is a grantee under the share award scheme of the Company adopted on 4 September 2009 (“Share Award Scheme”). Upon fulfilment of the relevant vesting conditions and assuming all shares of the Company (“Shares”) awarded under the Share Award Scheme (“Award Shares”) granted to him are vested in full, Mr. Liu Jinlan will become interested in a further 5,425,000 Shares.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – *CONTINUED*

#### (1) Long positions in shares, underlying shares and debentures of the Company – *Continued*

*Notes: – Continued*

3. Mr. Liu Xiang held 20,023,868 Shares in his own name as at 30 June 2025. Mr. Liu Xiang held as to 100% of the issued share capital of In-Plus Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties' Agreement. As at 30 June 2025, In-Plus Limited held 155,114,000 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Xiang was deemed to be interested in the Shares held by In-Plus Limited. Mr. Liu Xiang was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Liu Xiang is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Liu Xiang will become interested in a further 2,675,000 Shares.
4. Mr. Hang Youming held 10,000,001 Shares in his own name as at 30 June 2025. Mr. Hang Youming held as to 100% of the issued share capital of Wise Creative Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties' Agreement. As at 30 June 2025, Wise Creative Limited held 87,735,999 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Hang Youming was deemed to be interested in the shares held by Wise Creative Limited. Mr. Hang Youming was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Hang Youming is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Hang Youming will become interested in a further 2,675,000 Shares.
5. The percentages disclosed above were based on the total number of issued shares of the Company as at 30 June 2025, i.e. 1,920,125,199 shares.
6. Mr. Wang Jin held 920,000 Shares in his own name as at 30 June 2025 and is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Wang will become interested in a further 325,000 Shares.
7. Mr. Koo Fook Sun, Louis held 510,824 Shares in his own name as at 30 June 2025 and is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Koo Fook Sun, Louis will become interested in a further 217,000 Shares.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – CONTINUED

(2) Long position in shares and underlying shares of the associated corporation of the Company

Name of Directors	Capacity	Associated corporation	Number of ordinary shares in associated corporation	Approximate percentage of registered capital of the associated corporation as at 30 June 2025
Liu Jinlan	Interest of controlled corporation (Note 1)	Jiangsu Xingda Steel Tyre Cord Co., Ltd.	114,499,998	4.22%
Liu Xiang	Interest of controlled corporation (Note 2)	Jiangsu Xingda Steel Tyre Cord Co., Ltd.	72,000,000	2.66%

*Notes:*

1. Liu Jinlan is the general partner of 泰州金澤企業管理合夥企業(有限合夥) (Taizhou Jinze Corporate Management Partnership Corporation (Limited Partnership)\*) which held 99,000,000 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2025. Further, Liu Jinlan held 80% of the equity interest in 上海上麒升投資有限公司 (Shanghai Shang Qi Sheng Investment Co., Ltd.) which in turn held 76% of the equity interest in 興化市興達綉園酒店有限公司 (Xinghua Xingda Xiuyuan Hotel Co., Ltd.) which held 15,499,998 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2025.
2. Liu Xiang is the general partner of 泰州業祥企業管理合夥企業(有限合夥) (Taizhou Yexiang Corporate Management Partnership Corporation (Limited Partnership)\*) which held 72,000,000 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors, the chief executives of the Company and their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company in accordance with section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors and Chief Executive's interests and short positions in shares, underlying shares and debentures" above and for the share award scheme adopted by the Company, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of an acquisition of shares or underlying shares in, or debentures of, the Company or any other body corporate. Details of movements of the shares granted under the share award scheme for the six months ended 30 June 2025 are set out in note 21 to the condensed consolidated financial statements.

## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at 30 June 2025, the interests and short positions of the persons (other than the Directors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions and short positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of ordinary shares	Long position/ Short position	Approximate percentage of issued share capital of the Company as at 30 June 2025 <i>(note 3)</i>
Great Trade Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
In-Plus Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Wise Creative Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Widen Success Holdings Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Liu Tao	Interest of a controlled corporation, a concert party to an agreement to buy shares described ins.317(1)(a) of the SFO <i>(note 1)</i>	1,228,792,546	Long position	64.00%
Zhao Yue	Interest of controlled corporation <i>(note 2)</i>	121,496,916	Long position	6.33%
Always Blooming Holdings Limited	Interests of controlled corporations <i>(note 2)</i>	121,496,916	Long position	6.33%
Super Auspicious Inc.	Beneficial owner <i>(note 2)</i>	121,496,916	Long position	6.33%

## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO – CONTINUED

Long positions and short positions in shares and underlying shares of the Company – *Continued*

*Notes:*

1. Mr. Liu Tao held as to 100% of the issued share capital of Widen Success Limited. As at 30 June 2025, Widen Success Limited held 5,500,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Tao was deemed to be interested in the shares held by Widen Success Limited. Mr. Liu Jinlan was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 under the section headed “Directors’ and Chief Executive’s interests and short positions in Shares, underlying Shares and debentures–(1) Long positions in shares, underlying shares and debentures of the Company” above for details.
2. Zhao Yue held 100.00% of Always Blooming Holdings Limited which in turn owned 70.00% of the issued share capital of Super Auspicious Inc. For the purpose of Part XV of the SFO, Zhao Yue and Always Blooming Holdings Limited are deemed to be interested in the shares of the Company held by Super Auspicious Inc.
3. The percentages disclosed above were based on the total number of issued shares of the Company as at 30 June 2025, i.e. 1,920,125,199 shares.

Save as aforesaid and as disclosed in the section “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures” above, the Company has not been notified of any interest or short position in the shares or underlying shares of the Company as at 30 June 2025 which are required to be recorded in the register maintained under section 336 of the SFO.

### DEED OF NON-COMPETITION

To the best knowledge of the Board, since Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Perfect Sino Limited and Power Aim Limited have given termination notice that they would cease to be parties acting in concert with Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Mr. Liu Tao, Great Trade Limited, In-Plus Limited, Wise Creative Limited and Widen Success Limited, as disclose in the announcement of the Company dated 7 January 2024, and Mr. Tao Jinxiang and Mr. Zhang Yuxiao resigned on 8 June 2023 and 28 May 2024 respectively, Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Perfect Sino Limited and Power Aim Limited are no longer bound by the Non-competition Deed as Covenantors. The Company has received the declaration for the six months ended 30 June 2025 from Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Great Trade Limited, In-Plus Limited and Wise Creative Limited (together as a controlling shareholder) in respect of their respective compliance with the terms of the Non-competition Deed.

The existing directors have confirmed that they have not engaged in any business which competes or is likely to compete with the business of the Group, and the Directors are not aware that any of the Covenantors or their respective associates has engaged in any business which competes or is likely to compete with the business of the Group.

The independent non-executive Directors have reviewed the annual declaration and are not aware that any of the Covenantors or their respective associates has engaged in any business which competes or is likely to compete with the business of the Group.



## OTHER INFORMATION

### 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 six months ended 30 June 2025, 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 officer 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.

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 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 six months ended 30 June 2025.

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 price-sensitive information.

### SHARE AWARD SCHEME

#### Purpose and Participants of the Scheme

On 4 September 2009 (“Adoption Date”), the Board resolved to adopt the share award scheme (“Scheme”) to encourage and retain employee(s) selected by the Remuneration Committee (as defined below)(after taking into consideration recommendations and suggestions made by the Chairman) and approved by the Board pursuant to the rules relating to the Scheme (“Scheme Rules”) and employee(s) selected by the trustee(s) (“Trustee”) for the time being of the trust(s) declared in the trust deed (“Trust Deed”) after having taken into consideration recommendations made by the Chairman, considered and consented to by the Remuneration Committee and approved by the Board pursuant to the Scheme Rules for participation in the Scheme (“Selected Employees”) to work with the Group and to provide incentive for them to achieve performance goals with a view to achieving the objectives of increasing the value of the Group and aligning the interests of Selected Employees directly to the shareholders of the Company through ownership of Shares. Pursuant to the Scheme, Shares will be purchased by the Trustee in the market out of cash contributed by the Company and be held in trust for the relevant Selected Employees until such Shares are vested in the relevant Selected Employees in accordance with the provisions of the Scheme.

For the six months ended 30 June 2025, the participants of the Scheme include four of the executive Directors, namely Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming and Mr. Wang Jin, and one of the independent non-executive Directors, namely Mr. Koo Fook Sun Louis, the senior management personnel, and core technical personnel and key management personnel of the Company and its subsidiaries who provide a significant impact on the Group’s overall operation and development.

As at the date of this report, the total number of Company’s shares awards had been granted but not yet vested under the Scheme was approximately 16,099,667, representing 0.8% of the total issued shares of the Company.

According to the Scheme Rules, subject to terms of the Scheme Rules and the approval of the Board, the Remuneration Committee may, from time to time after taking into consideration recommendations and suggestions made by the chairman of the Board, at its discretion and subject to such terms and conditions as it may think fit, among other things (i) determine the aggregate number of awarded shares to be granted to all the Selected Employees in respect of each relevant financial year; and (ii) determine the number of awarded shares to be granted to each of the Selected Employees in respect of each relevant financial year out of the aggregate number of awarded shares to be granted in respect of such financial year as referred to in paragraph (i) above, and such awarded shares so granted to each Selected Employee shall constitute all or part of the annual remuneration (in whatever kind(s) or form(s)) in respect of the relevant financial year payable to such Selected Employee as contemplated under his employment agreement or service agreement with the relevant member of the Group, provided always that no award shall be made to any Selected Employee in respect of any financial year unless the Earnings Per Share (as defined below) of the Company for such financial year is a positive figure or unless such other condition(s) (if any) as determined or approved by the Board from time to time shall have been satisfied or unless otherwise determined by the Board. “Earnings Per Share” of the Company in respect of a financial year shall mean (i) the profit attributable to equity holders of the Company for that financial year divided by (ii) the weighted average number of ordinary shares of the Company in issue during that financial year.

## OTHER INFORMATION

### SHARE AWARD SCHEME – CONTINUED

#### Purpose and Participants of the Scheme – *Continued*

Upon receiving the letter of grant from the Company setting out the number of shares awarded to him/her and relevant terms and conditions, the Selected Employee may accept the award by delivering to the Company a duly completed form of acceptance within the acceptance period specified in the said letter of grant, failing which such Selected Employee shall not become entitled to any Shares pursuant to that Award.

#### Vesting

Save for a Lapse or a Partial Lapse (each as defined in the announcement of the Company dated 18 September 2009 (the “Announcement”) and subject to the section headed “Vesting Limit” below, unless otherwise determined by the Board at its discretion, the awarded shares held by the Trustee upon the Trust and which are referable to a Selected Employee shall be vested in that Selected Employee at no consideration on the date falling on the first anniversary of the relevant Reference Date (as defined in the Announcement)(or, if such date is not a business day, the business day immediately following such date) or at such times and in such manner as determined by the Remuneration Committee and approved by the Board from time to time, provided that such Selected Employee remains at all times after the relevant Reference Date and on the relevant Vesting Date(s) an Employee and that such Selected Employee has, as of the relevant Vesting Date(s), achieved the key performance indicator (if any) as specified in the letter of grant or as determined by the Remuneration Committee and approved by the Board and satisfied all the conditions as specified in the letter of grant or otherwise required by the Company under the Scheme. The date on which the awarded shares are to be vested is referred to as a “Vesting Date”.

#### Vesting Limit

The total number of awarded shares to be vested in all Selected Employees in respect of each financial year shall not exceed 5 million Shares.

Unless otherwise determined by the Remuneration Committee and approved by the Board, the number of awarded shares to be granted to the Selected Employees in respect of each financial year shall be subject to the following ratio:

Executive Directors 60% (“Ratio A”)

Non-executive Directors 10% (“Ratio B”)

Other Employees (excluding the executive Directors  
and non-executive Directors) 30% (“Ratio C”)

provided that in the event that any non-executive Director (including any independent non-executive Director) has notified the Company of his/her intention not to participate in the Scheme in respect of any financial year(s), (i) Ratio B in respect of any relevant Financial Year shall be reduced to such percentage and Ratio C in respect of such year shall be increased to such percentage as determined by the Remuneration Committee and approved by the Board from time to time, and (ii) Ratio A in respect such year shall remain at 60%, unless otherwise determined by the Remuneration Committee and approved by the Board.

### SHARE AWARD SCHEME – *CONTINUED*

#### Vesting Limit – *Continued*

The Scheme does not constitute a share option scheme and no new share of the Company will be granted under the Scheme accordingly. Instead, the vesting periods of the awards under the Scheme are stated in the table of the movements in the number of awarded shares outstanding during the first half of 2025 which are set out in the note 21 to the condensed consolidated financial statements.

For the six months ended 30 June 2025, no amount was payable on application or acceptance of award.

As at the date of this report, the vesting periods for different batches of granted and unvested restricted shares were different, ranging from 22 August 2019 to 31 March 2027.

#### Remaining life of the Scheme

Subject to terms of the Scheme Rules, the Scheme shall be valid and effective for a period commencing on the Adoption Date and ending on the date to be determined by the Board from time to time, after which no further award will be made but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to any awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

For details of the Scheme, please refer to the announcement of the Company dated 18 September 2009.

The table below sets out details of share awards granted to various participants/categories of participants under the Scheme:

## OTHER INFORMATION

### SHARE AWARD SCHEME – CONTINUED

#### Remaining life of the Scheme – Continued

Grantee/Category	Grant date	Vesting period	Unvested awards as at 1 January 2025	Granted during the six months ended 30 June 2025	Vested during the six months ended 30 June 2025	Forfeited during the six months ended 30 June 2025	Lapsed during the six months ended 30 June 2025	Cancelled during the six months ended 30 June 2025	Unvested awards as at 30 June 2025
Directors									
- Liu Jinlan	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	1,600,000	-	-	-	-	-	1,600,000
- Liu Jinlan	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	3,825,000	-	-	-	-	-	3,825,000
- Liu Xiang	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	800,000	-	-	-	-	-	800,000
- Liu Xiang	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	1,875,000	-	-	-	-	-	1,875,000
- Hang Youming	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	800,000	-	-	-	-	-	800,000
- Hang Youming	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	1,875,000	-	-	-	-	-	1,875,000
- Wang Jin	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	100,000	-	-	-	-	-	100,000
- Wang Jin	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	225,000	-	-	-	-	-	225,000
- Koo Fook Sun, Louis	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	67,000	-	-	-	-	-	67,000
- Koo Fook Sun, Louis	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	150,000	-	-	-	-	-	150,000
The five highest paid individuals during the financial year									
(three out of six include Directors listed above) in aggregate	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	3,200,000	-	-	-	-	-	3,200,000
(three out of six include Directors listed above) in aggregate	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	7,575,000	-	-	-	-	-	7,575,000
Other grantees (employees) in aggregate									
	22 August 2019 <sup>(1)</sup>	22 August 2019 to 31 March 2026	1,782,000	-	-	-	-	-	1,782,000
	30 November 2021 <sup>(2)</sup>	30 November 2021 to 31 March 2027	3,150,000	-	-	-	-	-	3,150,000

#### Notes:

- (1) The closing price of Shares immediately before the grant date of 22 August 2019 (i.e. 21 August 2019) was HK\$2.03 per share. The fair value of the awarded shares as at 22 August 2019 was HK\$1.41 per share.
- (2) The closing price of Shares immediately before the grant date of 30 November 2021 (i.e. 29 November 2021) was HK\$1.64 per share. The fair value of the awarded shares as at 30 November 2021 was HK\$1.11 per share.
- (3) No awards were vested during the six months ended 30 June 2025.

### SHARE AWARD SCHEME – *CONTINUED*

#### Voting power of the Trustee

According to the terms of the Trust Deed, notwithstanding that the Trustee is the legal registered holder of the Shares awarded and held upon trust pursuant to the Trust Deed, the Trustee shall not exercise the voting rights attached to such Shares.

### 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 six months ended 30 June 2025.

### USE OF PROCEEDS

The net proceeds from the Company's offering of new shares at its listing on the Main Board of the Stock Exchange and the subscription arrangement completed in February 2024 were all utilized as at 30 June 2025.

### AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Koo Fook Sun, Louis, Ms. Xu Chunhua and Ms. Zhang Guoyun. The chairman of the Audit Committee is Mr. Koo Fook Sun, Louis.

The Audit Committee of the Company together with the external auditor and the management of the Company have reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the unaudited interim results of the Group for the six months ended 30 June 2025.

By Order of the Board

**XINGDA INTERNATIONAL HOLDINGS LIMITED**

**Liu Jinlan**

*Chairman*

Shanghai, the PRC, 29 August 2025



# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## TO THE BOARD OF DIRECTORS OF XINGDA INTERNATIONAL HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### Introduction

We have reviewed the condensed consolidated financial statements of Xingda International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 29 to 56, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

#### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

29 August 2025

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Revenue	4	5,664,267	6,165,692
Cost of sales		<u>(4,543,157)</u>	<u>(4,956,977)</u>
Gross profit		1,121,110	1,208,715
Other income	5	90,887	142,271
Other expense	5	(1,020)	(3,430)
Government grants	6	18,597	5,068
Distribution and selling expenses		(505,965)	(504,441)
Administrative expenses		(192,616)	(206,819)
Other gains and losses, net	7	97,240	(1,185)
Impairment loss recognised under expected credit loss model, net		(10,682)	(5,897)
Research and development expenditure		(145,966)	(154,098)
Finance costs	8	<u>(113,408)</u>	<u>(103,442)</u>
Profit before tax		358,177	376,742
Income tax expense	9	<u>(74,960)</u>	<u>(93,432)</u>
Profit for the period	10	283,217	283,310
<i>Other comprehensive income (expense) item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>21,284</u>	<u>(25,894)</u>
Total comprehensive income for the period		<u>304,501</u>	<u>257,416</u>
Profit for the period attributable to:			
Owners of the Company		198,921	192,159
Non-controlling interests		<u>84,296</u>	<u>91,151</u>
		<u>283,217</u>	<u>283,310</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		213,898	173,933
Non-controlling interests		<u>90,603</u>	<u>83,483</u>
		<u>304,501</u>	<u>257,416</u>
Earnings per share	12		
– Basic (RMB cents)		<u>10.37</u>	<u>10.31</u>
– Diluted (RMB cents)		<u>10.30</u>	<u>10.24</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	NOTES	As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	8,270,094	8,013,342
Right-of-use assets		648,147	605,082
Freehold land		188,006	181,978
Investment properties	13	107,300	107,300
Term deposits		474,998	748,460
Deferred tax assets	14	155,450	156,645
Prepayments for acquisition of property, plant and equipment		113,587	155,062
Prepayments		11,304	12,901
		<b>9,968,886</b>	<b>9,980,770</b>
<b>CURRENT ASSETS</b>			
Inventories		1,358,622	1,423,150
Financial assets at fair value through profit or loss ("FVTPL")	24	125,564	123,148
Trade, bills and other receivables	15	7,683,928	7,999,040
Tax recoverable		321	4,204
Term deposits		1,483,929	2,015,618
Bank balances and cash		1,307,064	835,591
		<b>11,959,428</b>	<b>12,400,751</b>
<b>CURRENT LIABILITIES</b>			
Trade, bills and other payables	16	4,813,436	5,175,964
Contract liabilities		71,480	93,711
Tax liabilities		86,124	79,667
Dividend payable		39,226	3
Borrowings – due within one year	17	6,927,244	6,815,194
Lease liabilities		277	271
Obligations arising from repurchase of shares	19	–	229,111
		<b>11,937,787</b>	<b>12,393,921</b>
<b>NET CURRENT ASSETS</b>		<b>21,641</b>	<b>6,830</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,990,527</b>	<b>9,987,600</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

		As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	14	62,888	62,259
Borrowings – due after one year	17	1,004,470	970,420
Deferred income	18	254,644	268,281
Lease liabilities		255	395
		<u>1,322,257</u>	<u>1,301,355</u>
<b>NET ASSETS</b>		<u><b>8,668,270</b></u>	<u>8,686,245</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	20	186,603	186,603
Share premium and other reserves		6,311,697	6,281,126
Equity attributable to owners of the Company		6,498,300	6,467,729
Non-controlling interests		2,169,970	2,218,516
<b>TOTAL EQUITY</b>		<u><b>8,668,270</b></u>	<u>8,686,245</u>

The condensed consolidated financial statements on pages 29 to 56 were approved and authorised for issue by the Board of Directors on 29 August 2025 and are signed on its behalf by:

\_\_\_\_\_  
Liu Jinlan  
DIRECTOR

\_\_\_\_\_  
Wang Jin  
DIRECTOR

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Attributable to owners of the Company

	Share capital	Share premium	Special reserve	Capital contribution reserve	Statutory common reserve	Capital redemption reserve	Translation reserve	Retained profits	Shares held under share-award scheme	Share-based payment reserve	Total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			(Note a)	(Note d)	(Note e)								
At 1 January 2024 (audited)	163,218	-	434,179	(130,150)	1,038,067	9,700	(46,249)	4,633,696	(3,540)	6,002	6,104,923	2,193,968	8,298,891
Profit for the period	-	-	-	-	-	-	-	192,159	-	-	192,159	91,151	283,310
Other comprehensive expense for the period	-	-	-	-	-	-	(18,226)	-	-	-	(18,226)	(7,668)	(25,894)
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(18,226)	192,159	-	-	173,933	83,483	257,416
Issuance of shares (note 20)	23,385	282,961	-	-	-	-	-	-	-	-	306,346	-	306,346
Dividend recognised as distribution (note 11)	-	-	-	-	-	-	-	(226,207)	-	-	(226,207)	-	(226,207)
Dividend to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(99,601)	(99,601)
Recognition of equity-settled share-based payment (note 21)	-	-	-	-	-	-	-	-	-	93	93	-	93
At 30 June 2024 (unaudited)	186,603	282,961	434,179	(130,150)	1,038,067	9,700	(64,475)	4,599,648	(3,540)	6,095	6,359,088	2,177,850	8,536,938
At 1 January 2025 (audited)	186,603	282,961	434,179	(130,150)	1,080,501	9,700	(33,681)	4,634,100	(3,540)	7,056	6,467,729	2,218,516	8,686,245
Profit for the period	-	-	-	-	-	-	-	198,921	-	-	198,921	84,296	283,217
Other comprehensive income for the period	-	-	-	-	-	-	14,977	-	-	-	14,977	6,307	21,284
Total comprehensive income for the period	-	-	-	-	-	-	14,977	198,921	-	-	213,898	90,603	304,501
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	240,000	240,000
Dividend recognised as distribution (note 11)	-	-	-	-	-	-	-	(265,136)	-	-	(265,136)	-	(265,136)
Dividend to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(114,924)	(114,924)
Repurchase of non-controlling interests shares (Note c)	-	-	3,803	-	-	-	-	-	-	-	3,803	(187,320)	(183,517)
Effect of exercise of put option (note 19)(Note b)	-	-	76,905	-	-	-	-	-	-	-	76,905	(76,905)	-
Recognition of equity-settled share-based payment (note 21)	-	-	-	-	-	-	-	-	-	1,101	1,101	-	1,101
At 30 June 2025 (unaudited)	186,603	282,961	514,887	(130,150)	1,080,501	9,700	(18,704)	4,567,885	(3,540)	8,157	6,498,300	2,169,970	8,668,270

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Notes:

- (a) Special reserve of RMB514,887,000 represents (i) the difference between the paid-in capital of Faith Maple International Ltd. ("Faith Maple") acquired by the Company and the nominal value of the share capital of the Company through an exchange of shares in prior years; (ii) the difference between the consideration paid by Faith Maple and the net carrying amount of equity interest in Jiangsu Xingda Steel Tyre Cord Co. Ltd. ("Jiangsu Xingda"), a subsidiary of the Company, at date of acquisition in prior years; (iii) the difference between the net carrying amount of additional 24.5% equity interest ("equity interest") in Shandong Xingda Steel Tyre Cord Co., Ltd. ("Shandong Xingda"), a subsidiary of the Company, and the fair value of consideration paid in relation to the acquisition of the equity interest in 2016; (iv) the difference between the consideration paid by Jiangsu Xingda and the net carrying amount of 90% equity interest in Jiangsu Xingda Special Cord Co., Ltd. ("Xingda Special Cord"), a subsidiary of the Company, in 2019; (v) the difference between the net carrying amount of additional 3.77% equity interest in Jiangsu Xingda acquired by Faith Maple through the subscription of 212,229,323 new shares issued by Jiangsu Xingda with an amount of RMB689,745,000 in 2019; (vi) the difference between the aggregate amount of net assets related to 42.38% and 24.50% equity interest in Shandong Xingda transferred from Faith Maple and a non-controlling interests to Jiangsu Xingda and 2.47% of net assets of Jiangsu Xingda subgroup with an amount of RMB64,004,000 in 2020; and (vii) the difference between the total share-based payment expenses recognised for the 101,840,880 shares of Jiangsu Xingda, transferred from a non-controlling shareholder, granted to eligible directors, employees and a supplier rendering services to the Group and the change in share of net assets of Jiangsu Xingda by non-controlling shareholders with an amount of RMB198,071,000 in 2020.
- (b) As set out in note 19, in 2020, five strategic investors acquired 3.35% equity interest in Jiangsu Xingda that the difference of consideration RMB230,000,000 and respective carrying amount of 3.35% of Jiangsu Xingda subgroup's net assets was RMB12,833,000, with debiting special reserve of RMB12,833,000 and crediting non-controlling shareholder of RMB242,833,000 accordingly and was transferred to obligations arising from repurchase shares since the repurchase option granted to the five strategic investors. In January 2023, Jiaying Jianxin Chenyue, one strategic investor with 0.44% shareholding in Jiangsu Xingda exercised the put option and entered into an equity transfer agreement with Xingda Xiu Yuan (as defined in note 23) that Xingda Xiu Yuan purchased 0.44% of Jiangsu Xingda's equity interests at a consideration of RMB32,565,000. In June 2025, the other four strategic investors entered into agreements with Faith Maple and Jiangsu Xingda to exercise the repurchased option by reducing Jiangsu Xingda's respective registered capital at a consideration of RMB223,944,000. After the capital reduction, the obligation arising from repurchases of shares are derecognised and the Company's shareholding in Jiangsu Xingda increased from 70.32% to 72.43% with RMB76,905,000 transferred from non-controlling interests to the equity attributable to owners of the Company.
- (c) In June 2025, another non-controlling shareholder of Jiangsu Xingda entered into agreement with Jiangsu Xingda to repurchase all of its 2.386% shareholding in Jiangsu Xingda by reducing Jiangsu Xingda's respective registered capital at a consideration of RMB183,517,000. After the capital reduction, the Company's shareholding in Jiangsu Xingda increased to 74.25% and RMB3,803,000 was debited to special reserve representing the difference of consideration RMB183,517,000 and respective carrying amount of Jiangsu Xingda subgroup's net assets was RMB187,320,000.
- (d) Capital contribution reserve represents deemed distribution to shareholders for the acquisition of equity interest in Jiangsu Xingda and contribution received from shareholders in previous years.
- (e) According to the Articles of Association of the subsidiaries in the People's Republic of China (the "PRC"), the subsidiaries of the Group in the PRC are required to transfer 10% of the profit after tax to the statutory common reserve until the reserve reaches 50% of the registered capital. Transfer to this fund must be made before distributing dividends to shareholders. The statutory common reserve can be used to make up for previous year's losses, expand the existing operations or convert into additional capital of the subsidiaries.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,009,072</b>	371,683
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(786,289)	(605,280)
Payment for acquiring financial assets at FVTPL	–	(49,542)
Payments for leasehold land	–	(461)
Placement of term deposits	(445,803)	(88,061)
Withdrawal of term deposits	1,200,010	309,000
Interest received	109,308	22,097
Receipts of assets-related government grants	–	5,500
Dividend received from financial assets at FVTPL	7,755	4,459
Proceeds on disposal of property, plant and equipment	3,651	–
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>88,632</b>	(402,288)
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	5,010,002	5,328,977
Proceeds from issuance of shares	–	306,346
Repayments of borrowings	(4,773,237)	(4,607,722)
Repurchase shares of a subsidiary from non-controlling interests	(407,461)	–
Dividend paid	(353,337)	(368,208)
Interest paid	(104,882)	(101,344)
Repayments of lease liabilities	(147)	(130)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(629,062)</b>	557,919
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>468,642</b>	527,314
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY,</b>	<b>835,591</b>	570,801
Effect of foreign exchange rate changes	2,831	(2,510)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE,</b>	<b>1,307,064</b>	1,095,605
represented by bank balances and cash	1,307,064	1,095,605

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 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 with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses 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 PRC.

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

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

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

### *Application of amendments to IFRS Accounting Standards*

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatory effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 3. PRINCIPAL ACCOUNTING POLICIES – CONTINUED

### *Application of amendments to IFRS Accounting Standards – CONTINUED*

Amendments to IAS 21

Lack of Exchangeability

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

## 4. REVENUE AND SEGMENT INFORMATION

### Disaggregation of revenue from contracts with customers

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

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Sales of products</b>		
Radial Tire Cords		
– For trucks	<b>3,145,841</b>	3,499,587
– For passenger cars	<b>1,774,738</b>	1,772,460
Bead wires	<b>356,455</b>	457,238
Hose wires and other wires	<b>387,233</b>	436,407
	<b><u>5,664,267</u></b>	<u>6,165,692</u>

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Timing of revenue recognition</b>		
A point in time	<b><u>5,664,267</u></b>	<u>6,165,692</u>

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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 4. REVENUE AND SEGMENT INFORMATION – CONTINUED

### 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 or 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:

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
The PRC	<b>7,993,995</b>	7,802,236
Thailand	<b>1,344,443</b>	1,273,429
	<b><u>9,338,438</u></b>	<u>9,075,665</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 4. REVENUE AND SEGMENT INFORMATION – CONTINUED

### 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.

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
The PRC (country of domicile)	3,596,685	4,220,613
India	293,383	271,663
United States of America	234,799	135,176
Thailand	231,663	239,624
Brazil	210,233	169,362
Slovakia	129,775	118,605
Korea	105,856	93,782
Romania	102,542	82,540
Others	759,331	834,327
	<u>5,664,267</u>	<u>6,165,692</u>

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

No customer contributes over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 5. OTHER INCOME AND OTHER EXPENSE

### Other income

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Sales of scrap materials	24,215	35,108
Bank interest income	58,033	97,465
Rental income from investment properties	3,113	2,473
Sundry income	5,526	7,225
	<u>90,887</u>	<u>142,271</u>

### Other expense

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Expenses of sundry income	1,020	3,430
	<u>1,020</u>	<u>3,430</u>

## 6. GOVERNMENT GRANTS

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Unconditional government grants (Note)	4,960	2,465
Released from deferred income (note 18)	13,637	2,603
	<u>18,597</u>	<u>5,068</u>

*Note:* The amount mainly represents government grants received from the local governments relevant to the Group's operations and business development. The grant is unconditional at the date the amount was received by the Group and was recognised as income during the six months ended 30 June 2025.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 7. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net foreign exchange gain (loss)	86,621	(18,764)
Dividend income from financial assets at FVTPL	8,250	4,954
Gain on change in fair value of financial assets at FVTPL	2,416	14,436
Loss on written off and disposal of property, plant and equipment	(47)	(1,811)
	<u>97,240</u>	<u>(1,185)</u>

## 8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Interests on:		
Bank borrowings	104,099	93,016
Bills receivable discounted	1,963	2,410
Lease liabilities	13	16
Imputed interest on obligations arising from repurchase of shares (note 19)	7,333	8,000
	<u>113,408</u>	<u>103,442</u>

No borrowing costs were capitalised during the six months ended 30 June 2025 and 2024.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Current tax	54,123	76,356
Overprovision in prior years	(12,004)	(9,509)
Withholding tax	31,017	26,661
Deferred tax	1,824	(76)
	<u>74,960</u>	<u>93,432</u>

The tax charge represents income tax in the PRC which is calculated at the prevailing tax rate prevailing 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 for certain PRC subsidiaries is 25% except for Jiangsu Xingda as further described below.

Jiangsu Xingda is qualified as High-tech Enterprise and enjoyed preferential tax rate of 15% throughout the effective period of High-tech Enterprise Certificate during 2024 to 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 periods.

No provision for taxation in Thailand has been made as the assessable profits was absorbed by its unrecognised tax loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: no assessable profits of the Group's subsidiary in Thailand incurred).

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 are insignificant, as those group entities are with no assessment profits or the assessable profits are absorbed by the unused tax losses for the current period. 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 10. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	<b>559,135</b>	562,398
Retirement benefits scheme contributions	<b>40,729</b>	41,163
Share-based payments	<b>1,101</b>	93
	<u><b>600,965</b></u>	<u>603,654</u>
Total staff costs		
Depreciation and amortisation		
– Property, plant and equipment	<b>461,738</b>	383,435
– Right-of-use assets	<b>7,802</b>	7,648
	<u><b>469,540</b></u>	<u>391,083</u>

## 11. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Dividend for ordinary shareholders of the Company recognised as distribution during the period:		
Final dividend in respect of the year ended 31 December 2024		
– nil HK cents per share (2024: final dividend in respect of the year ended 31 December 2023 – 13.0 HK cents per share)	<u><b>–</b></u>	<u>226,207</u>
Special dividend – 15.0 HK cents per share (2024: Nil HK cents per share)	<u><b>265,136</b></u>	<u>–</u>

During the current interim period, 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.

The board of directors has determined that no dividend will be paid for both interim periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 12. 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:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Earnings</b>		
Earnings for the period attributable to owners of the Company	<u><b>198,921</b></u>	<u>192,159</u>

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>'000</b>	<b>'000</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>1,917,986</b>	1,864,184
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u><b>13,048</b></u>	<u>11,806</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>1,931,034</b></u>	<u>1,875,990</u>

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust as set out in note 21.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 13. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

### Property, plant and equipment

During the current interim period, the Group consumed approximately RMB685,639,000 (for the six months ended 30 June 2024: RMB709,877,000) mainly on the construction of its manufacturing plants in Thailand and the PRC and the acquisition of other plant, machinery and equipment in order to upgrade the Group's manufacturing capabilities.

During the current interim period, the Group mainly disposed certain machineries amounting to RMB3,698,000 with proceeds of RMB3,651,000, resulting in a loss on disposal of RMB47,000 (for the six months ended 30 June 2024: wrote off certain machineries with an aggregate carrying amount of approximately RMB1,811,000).

### Investment properties

The fair value of investment properties at 30 June 2025 were assessed by the management by reference to the market situation and valuation model formulated by the external independent qualified valuer engaged by the Group in preparing the Group's consolidated financial statements for the year ended 31 December 2024, revisited and determined the appropriate assumptions and inputs for valuing the investment properties under the investment approach. In the opinion of the management, the aggregate carrying amounts of the Group's investment properties in Shanghai, the PRC, as at the end of the current interim period does not differ significantly from their estimated fair value. Consequently, no gain or loss on fair value changes has been recognised in the current interim period.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2025 are as follows:

	<b>Level 3</b> <i>RMB'000</i>
Office premises located in Shanghai	<u>107,300</u>

There were no transfers into or out of Level 3 during the periods.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 14. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Deferred tax assets	<b>155,450</b>	156,645
Deferred tax liabilities	<b>(62,888)</b>	(62,259)
	<b><u>92,562</u></b>	<u>94,386</u>

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior periods:

	Impairment loss recognised on property, plant and equipment RMB'000	Unrealised gain from property, plant and equipment transferred between group entities RMB'000	Deferred income RMB'000	Differences between accounting depreciation and tax depreciation RMB'000	Allowance for credit losses RMB'000	Fair value change on investment properties RMB'000	Fair value adjustment arising from acquisition of subsidiary RMB'000	Undistributed profits of a subsidiary RMB'000	Total RMB'000
At 1 January 2025	15,921	66,488	61,993	(9,119)	12,243	(19,925)	(3,023)	(30,192)	94,386
Effect of change in tax rate recognised in profit or loss	-	929	2,539	-	-	-	-	-	3,468
(Charge) credit to profit or loss	(853)	(1,975)	(3,273)	(214)	1,439	(489)	73	-	(5,292)
<b>At 30 June 2025</b>	<b><u>15,068</u></b>	<b><u>65,442</u></b>	<b><u>61,259</u></b>	<b><u>(9,333)</u></b>	<b><u>13,682</u></b>	<b><u>(20,414)</u></b>	<b><u>(2,950)</u></b>	<b><u>(30,192)</u></b>	<b><u>92,562</u></b>

Note: The deferred tax assets represent tax impact of temporary differences between the carrying amount of the property, plant and equipment transferred and their tax bases.

At the end of the reporting period, the Group has unused tax losses of approximately RMB142,553,000 (31 December 2024: RMB195,424,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15. TRADE, BILLS AND OTHER RECEIVABLES

	As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
Trade receivables – goods	4,500,723	4,198,221
Less: Allowance for credit losses	(77,136)	(68,031)
	<u>4,423,587</u>	<u>4,130,190</u>
Bills receivables	2,729,695	3,270,094
Less: Allowance for credit losses	(1,950)	(1,950)
	<u>2,727,745</u>	<u>3,268,144</u>
	<u>7,151,332</u>	<u>7,398,334</u>
Advances to suppliers of raw materials	282,339	365,515
Prepayments for spool	19,392	15,955
Value-added tax receivable	147,279	180,720
Other receivables (Note)	66,625	23,289
Other prepayments	22,223	20,489
Less: Allowance for credit losses on other receivables	(5,262)	(5,262)
	<u>532,596</u>	<u>600,706</u>
	<u>7,683,928</u>	<u>7,999,040</u>

Note: Included in other receivables as at 30 June 2025, RMB38,857,000 is capital injection receivable from a non-controlling shareholder of a subsidiary of the Company and the management expect the amount will be recovered within twelve months after the period end.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15. TRADE, BILLS AND OTHER RECEIVABLES – CONTINUED

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:

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Trade receivables		
0 – 90 days	<b>2,800,894</b>	2,658,476
91 – 120 days	<b>521,159</b>	379,573
121 – 180 days	<b>385,805</b>	406,366
181 – 360 days	<b>598,498</b>	571,053
Over 360 days	<b>117,231</b>	114,722
	<b><u>4,423,587</u></b>	<u>4,130,190</u>

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Bills receivables		
0 – 90 days	<b>263,901</b>	310,642
91 – 180 days	<b>1,119,685</b>	1,406,600
181 – 360 days	<b>1,343,288</b>	1,541,117
Over 360 days	<b>871</b>	9,785
	<b><u>2,727,745</u></b>	<u>3,268,144</u>

The Group has a policy of allowing an average credit period of 90 to 120 days to its trade customers and the Group allows domestic customers to pay bills or letter of credit to settle the trade receivables. Bills receivables and letter of credit received by the Group are with a maturity period of less than one year.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 15. TRADE, BILLS AND OTHER RECEIVABLES – CONTINUED

The basis of determining the inputs and assumptions and the estimation techniques for impairment assessment under expected credit loss model used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

During the current interim period, the Group has recognised impairment loss under expected credit loss model of RMB10,682,000 (for the six months ended 30 June 2024: recognised impairment loss under expected credit loss model of RMB5,897,000).

## 16. TRADE, BILLS AND OTHER PAYABLES

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Trade payables	<b>3,186,364</b>	2,966,246
Bills payables ( <i>Note a</i> )	–	306,900
	<b>3,186,364</b>	3,273,146
Value-added tax payables and other tax payables	<b>84,139</b>	26,557
Accrued staff costs and pension	<b>212,109</b>	272,762
Payables for purchase of property, plant and equipment	<b>1,097,935</b>	1,375,595
Amount due to a related party	<b>12,795</b>	11,671
Accrued interest expenses	<b>9,078</b>	7,898
Accrued expenses	<b>118,335</b>	128,654
Other payable to a non-controlling shareholder ( <i>Note b</i> )	<b>20,000</b>	20,000
Others	<b>72,681</b>	59,681
	<b>1,627,072</b>	1,902,818
	<b>4,813,436</b>	5,175,964

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 16. TRADE, BILLS AND OTHER PAYABLES – CONTINUED

Notes:

- (a) These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.
- (b) The Group's other payable to a non-controlling shareholder is non-trade in nature, unsecured, interest free and with no fixed repayment term.

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

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Trade payables		
0 – 90 days	<b>1,927,391</b>	1,512,488
91 – 180 days	<b>857,084</b>	1,017,814
181 – 360 days	<b>272,970</b>	379,137
Over 360 days	<b>128,919</b>	56,807
	<b>3,186,364</b>	2,966,246
Bills payables		
91 – 180 days	–	225,548
181 – 360 days	–	81,352
	–	306,900

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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 17. BORROWINGS

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Bank borrowings	<u><b>7,931,714</b></u>	<u>7,785,614</u>
Secured	<b>1,246,640</b>	2,393,781
Unsecured	<u><b>6,685,074</b></u>	<u>5,391,833</u>
	<u><b>7,931,714</b></u>	<u>7,785,614</u>
Analysed for reporting purposes as:		
Current	<b>6,927,244</b>	6,815,194
Non-current	<u><b>1,004,470</b></u>	<u>970,420</u>
	<u><b>7,931,714</b></u>	<u>7,785,614</u>

During the current interim period, the Group obtained new bank borrowings amounting to RMB5,220,802,000 (for the six months ended 30 June 2024: RMB5,328,977,000), proceeds of which were used as working capital (for the six months ended 30 June 2024: as working capital). The Group also settled bank borrowings amounting to RMB5,074,702,000 (for the six months ended 30 June 2024: RMB4,607,722,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 17. BORROWINGS – CONTINUED

The borrowings carry interest at market rates. The range of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	<b>As at 30 June 2025</b>	As at 31 December 2024
Effective interest rates:		
Fixed-rate borrowings	<b>1.06% – 3.50%</b>	0.57% – 3.50%
Variable-rate borrowings	<b>2.14% – 3.80%</b>	2.28% – 3.80%

As at 30 June 2025, secured bank borrowings amounting to RMB1,246,640,000 (31 December 2024: RMB2,393,781,000) were secured by term deposits and bills receivables of the Group amounting to RMB930,950,000 and RMB247,619,000, respectively (31 December 2024: secured by term deposits, bills receivable and trade receivables amounting to RMB1,757,511,000, RMB301,465,000 and RMB49,608,000, respectively).

## 18. DEFERRED INCOME

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Analysed for reporting purposes as:		
Non-current liability	<u><b>254,644</b></u>	<u>268,281</u>

During the current interim period, no government grant received (for the six months ended 30 June 2024: RMB5,500,000) to support the Group's industrial projects and technology improvements. As at 30 June 2025, balance of deferred income of RMB254,644,000 (31 December 2024: RMB268,281,000) remained to be amortised and for the six months ended 30 June 2025, deferred income released to profit or loss amounted to RMB13,637,000 (for the six months ended 30 June 2024: RMB2,603,000) as set out in note 6.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 19. OBLIGATIONS ARISING FROM REPURCHASE OF SHARES

	<b>As at 30 June 2025 (unaudited) RMB'000</b>	<b>As at 31 December 2024 (audited) RMB'000</b>
Analysed for reporting purposes as:		
Current liability	<u>          -</u>	<u>      229,111</u>

On 16 December 2020, Jiangsu Xingda, an indirectly non-wholly owned subsidiary of the Company, entered into Capital Increase Agreements with five strategic investors (hereinafter collectively referred to as the "Investors"), namely, 成山集團有限公司 (Chengshan Group Co., Ltd.\*), 玲瓏輪胎有限公司 (Linglong Tire Co., Ltd.\*), 賽輪集團股份有限公司 (Sailun Group Co., Ltd.\*), 三角輪胎股份有限公司 (Triangle Tyre Co., Ltd.\*) and 嘉興建信宸玥股權投資合夥企業(有限合夥) (Jiaxing Jianxin Chenyue Equity Investment Enterprise (Limited Partnership))("Jiaxing Jianxin Chenyue")\*, pursuant to which the Investors subscribed for, in aggregate, 3.35% of the equity interest, representing RMB63,888,885 of enlarged paid-in capital of Jiangsu Xingda, by way of cash contribution at an aggregate consideration of RMB230,000,000.

The Capital Increase Agreements each contains a share repurchase arrangement, pursuant to which Jiangsu Xingda granted put option to the Investors to demand Faith Maple to repurchase their shares at an agreed price equivalent to full consideration of the capital injection plus imputed interest at 8% per annum deducting all dividend (including tax) declared and received from Jiangsu Xingda starting from the date of payment of share subscription, if Jiangsu Xingda does not complete the A share initial public offering and become listed on either the Shanghai Stock Exchange or Shenzhen Stock Exchange by 31 December 2022.

In January 2023, Jiaxing Jianxin Chenyue, who held equity interests representing approximately 0.44% of the total issued capital of Jiangsu Xingda, exercised the put option and entered into an equity transfer agreement with Xingda Xiu Yuan and Xingda Xiu Yuan purchased all the aforesaid equity interests in Jiangsu Xingda held by Jiaxing Jianxin Chenyue (the "Relevant Transfer") at a consideration of RMB32,565,000, representing full consideration of its capital injection plus imputed interest at 8% per annum deducting all dividend (including tax) received from Jiangsu Xingda starting from the date of payment of share subscription. Upon the completion of the Relevant Transfer, obligation arising from repurchases of shares to Jiaxing Jianxin Chenyue amounting to RMB32,565,000 is derecognised and Xingda Xiu Yuan became a non-controlling interests of the Group since then.

The imputed interest of 8% per annum charged to profit or loss under finance costs during the current interim period amounted to RMB7,333,000 (for the six months ended 30 June 2024: RMB8,000,000) and dividends received from Jiangsu Xingda amounted to RMB12,500,000 (for the six months ended 30 June 2024: RMB10,833,000), which was deducted from the obligations arising from repurchase of shares.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 19. OBLIGATIONS ARISING FROM REPURCHASE OF SHARES – CONTINUED

In June 2025, Faith Maple and Jiangsu Xingda entered into agreements with Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire as settlement of the put option, pursuant to which approximately RMB83,333,000 of the registered capital of Jiangsu Xingda will be reduced with consideration of RMB223,944,000, representing full consideration of its capital injection plus imputed interest at 8% per annum deducting all dividend (including tax) received from Jiangsu Xingda starting from the date of payment of share subscription. After the capital reduction, the obligation arising from repurchases of shares are derecognised since then.

\* For identification only

## 20. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2025 '000	31 December 2024 '000	30 June 2025 RMB'000	31 December 2024 RMB'000
Authorised:				
3 billion ordinary shares of HK\$0.1 each	<u>3,000,000</u>	<u>3,000,000</u>	<u>301,410</u>	<u>301,410</u>
Issued and fully paid:				
At beginning of period/year	<b>1,920,125</b>	1,662,445	<b>186,603</b>	163,218
Issuance of shares	<u>–</u>	<u>257,680</u>	<u>–</u>	<u>23,385</u>
At end of period/year	<u><b>1,920,125</b></u>	<u>1,920,125</u>	<u><b>186,603</b></u>	<u>186,603</u>

As at 30 June 2025, included the issued and fully paid ordinary shares, 2,139,665 shares are held by trustee under share-award scheme (31 December 2024: 2,139,665 shares).

## 21. SHARE-BASED PAYMENT

The Company's share-award scheme (the "Scheme"), was adopted pursuant to a resolution passed on 4 September 2009 for the primary purpose of providing incentives to the participants of the Scheme (the "Participants") including the directors and certain employees of the Group, to achieve performance goals which in turn achieve the objectives of increasing the value of the Group and align the interests of the directors and eligible employees directly to the shareholders of the Company through ownership of shares. A trustee, as an independent third party, was appointed by the Company for the administration of the Scheme. The trustee shall purchase the Company's shares from the market out of cash contributed by the Company and shall hold such shares in trust until they are vested to the Participants in accordance to the rules of the Scheme.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 21. SHARE-BASED PAYMENT – CONTINUED

The following table discloses number of awarded shares outstanding during the current interim period as follows:

	Number of awarded shares		
	Awarded shares granted in 2019 (Note a)	Awarded shares granted in 2021 (Note b)	Total
Outstanding as at 1 January 2024	5,799,667	12,975,000	18,774,667
Forfeited during the period (Note c)	(800,000)	(1,875,000)	(2,675,000)
Outstanding as at 30 June 2024	<u>4,999,667</u>	<u>11,100,000</u>	<u>16,099,667</u>
<b>Outstanding as at 1 January and 30 June 2025</b>	<b><u>4,999,667</u></b>	<b><u>11,100,000</u></b>	<b><u>16,099,667</u></b>

Notes:

- (a) The awarded shares granted in 2019 would be vested in tranches annually since the year of 2022.
- (b) The awarded shares granted in 2021 would be vested in tranches annually since the year of 2025.
- (c) The awarded shares forfeited during the period are resulting from the retirement/resignation of the directors of the Company.

The Group recognised the total expenses of approximately RMB1,101,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB93,000) in relation to shares granted under the Scheme by the Company.

## 22. CAPITAL COMMITMENTS

	As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	<u>461,404</u>	<u>134,541</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 23. RELATED PARTY TRANSACTIONS

During the period, the Group entered into significant transactions with a related party as follows:

Name of related party	Nature of transaction	Six months ended 30 June	
		2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Xingda Xiu Yuan ( <i>Note a</i> )	Services fee for hotel and catering services	11,249	11,990
	Provision of utilities	176	245
	Dividend declared and paid	2,325	1,625
		<u>13,750</u>	<u>13,860</u>

*Note:*

- (a) Xingda Xiu Yuan is a limited company controlled by a director of the Company as well as a non-controlling shareholder of Jiangsu Xingda.

### Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
Short-term benefits	20,724	22,077
Post-employment benefits	255	318
Share-based payments	1,101	93
	<u>22,080</u>	<u>22,488</u>

The remuneration of directors and key management is determined by the Remuneration and Management Development Committee having regard to the performance of individuals and market trends.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

## 24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their corresponding fair values.

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The Group's financial assets, representing listed equity securities in Hong Kong Market, are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used) as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

*Financial asset*

	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Relationship of unobservable inputs to fair value
	30 June 2025 <i>RMB'000</i> (unaudited)	31 December 2024 <i>RMB'000</i> (audited)			
Financial assets at FVTPL	125,564	123,148	Level 1	Quoted price in active market	N/A

*Note:* There were no transfers between level 1 to level 2 during the six months ended 30 June 2025 and 2024.