



**XINGDA INTERNATIONAL HOLDINGS LIMITED**  
**興達國際控股有限公司**  
**(Stock code: 1899 HK)**



**2020 Interim Results Corporate Presentation**

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## Agenda

I  
**Financial  
Review**

II  
**Business  
Overview**

III  
**Outlook &  
Strategies**



# Financial Highlights

*RMB' million*

	For the six months ended		YOY Change
	30 June		
	<u>2019</u> (unaudited)	<u>2020</u> (unaudited)	
Revenue	3,769	3,181	-15.6%
Gross Profit	724	593	-18.2%
Gross Profit Margin	19.2%	18.6%	-0.6pp
EBITDA (adjusted)*	547	503	-7.9%
EBITDA Margin (adjusted)*	14.5%	15.8%	+1.3pp
Profit Attributable to Owners of the Company	159	104	-34.9%
EPS (RMB fen) - basic	10.68	6.82	-36.1%
Profit Attributable to Owners of the Company (adjusted)*	144	108	-24.9%
EPS (RMB fen) - basic (adjusted)*	9.64	7.10	-26.3%

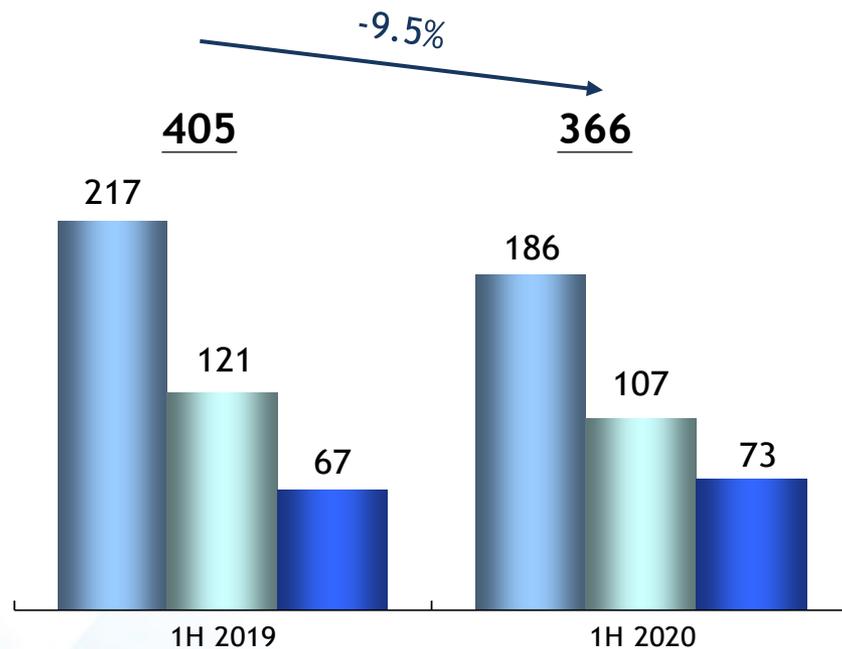
\*Note: Non-recurring items including change in fair value of financial assets through profit and loss, deferred tax charge related to the provision of withholding tax and exchange difference arising from non-operating activities were excluded from calculation of these figures.



# Financial Highlights

## Sales Volume by Product

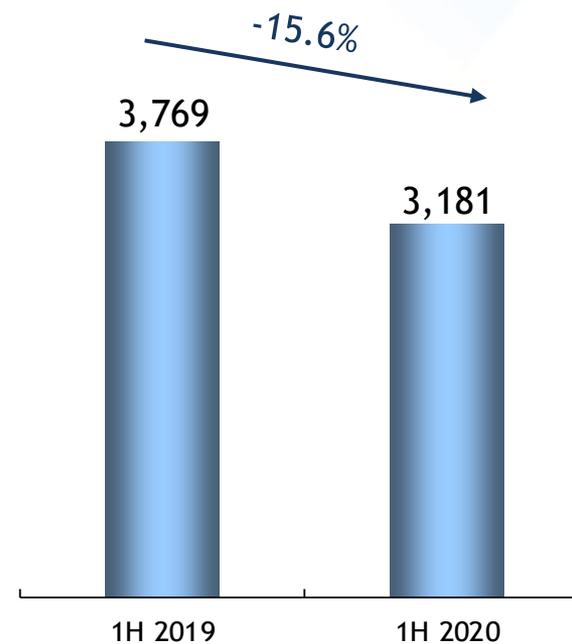
'000 tones



-9.5%

## Revenue

RMB' million



-15.6%



Radial tire cord for trucks



Radial tire cord for passenger cars



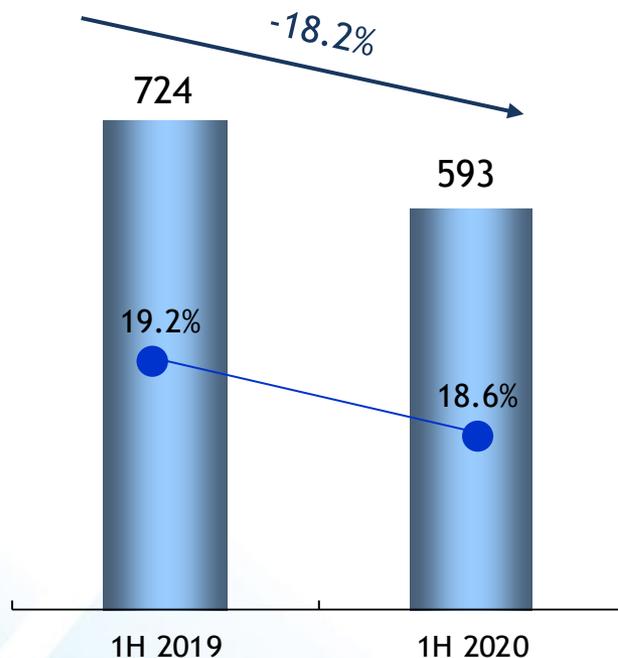
Bead wires & other wires



# Financial Highlights

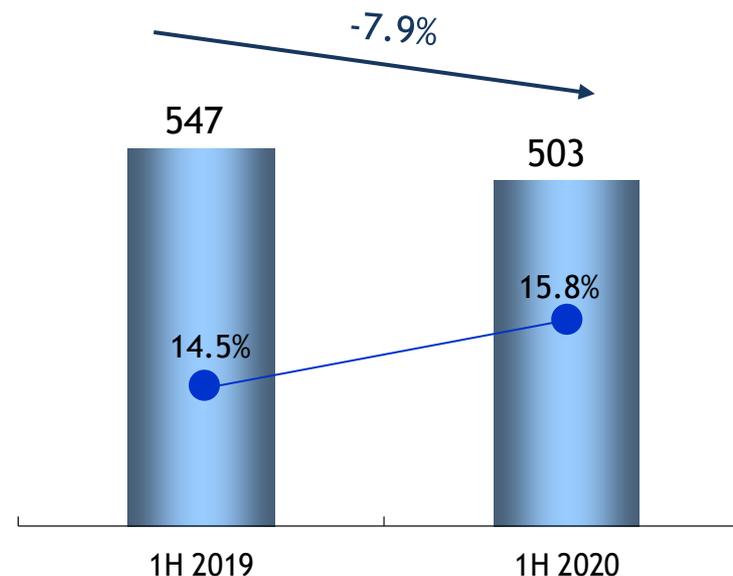
## Gross Profit & Margin

RMB' million



## EBITDA & Margin\*

RMB' million



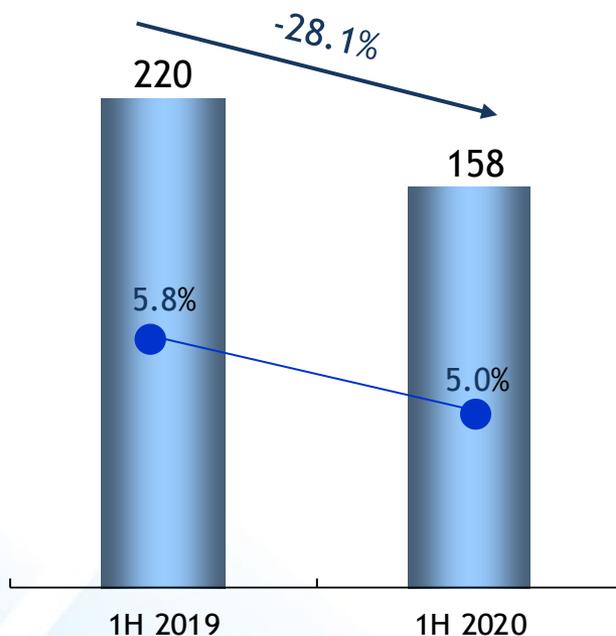
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# Financial Highlights

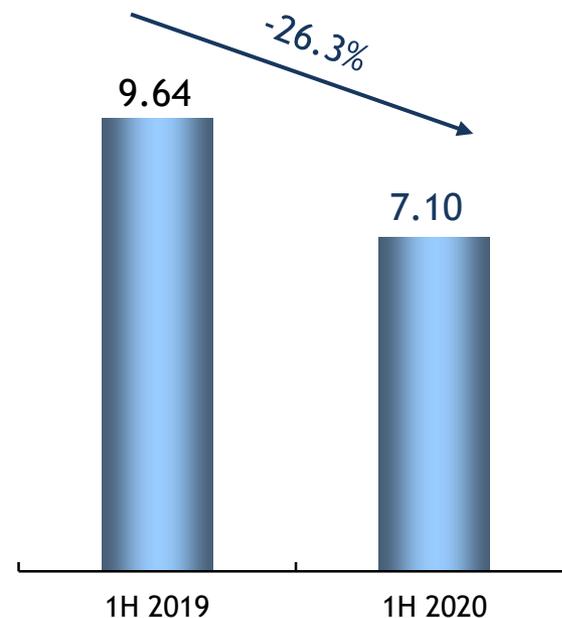
## Net Profit & Margin (Adjusted)\*

RMB' million



## EPS - basic (Adjusted)\*

RMB fen

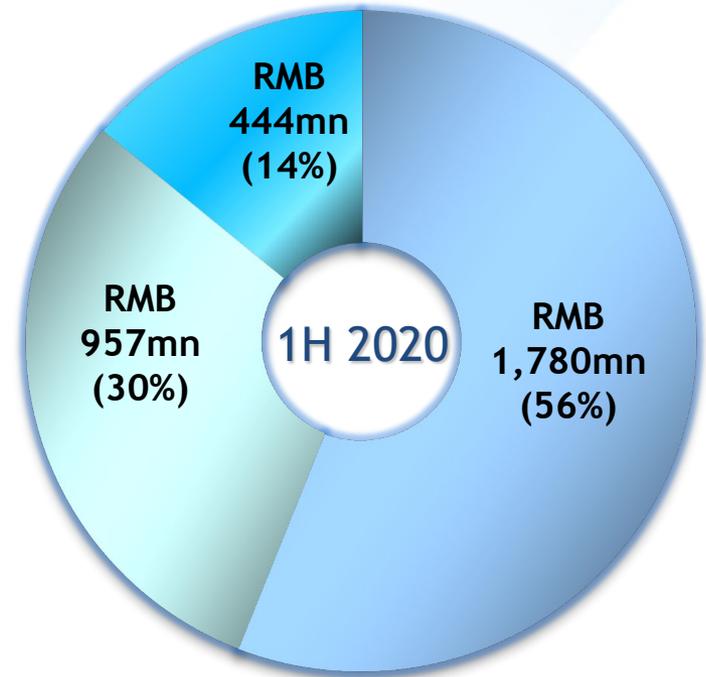
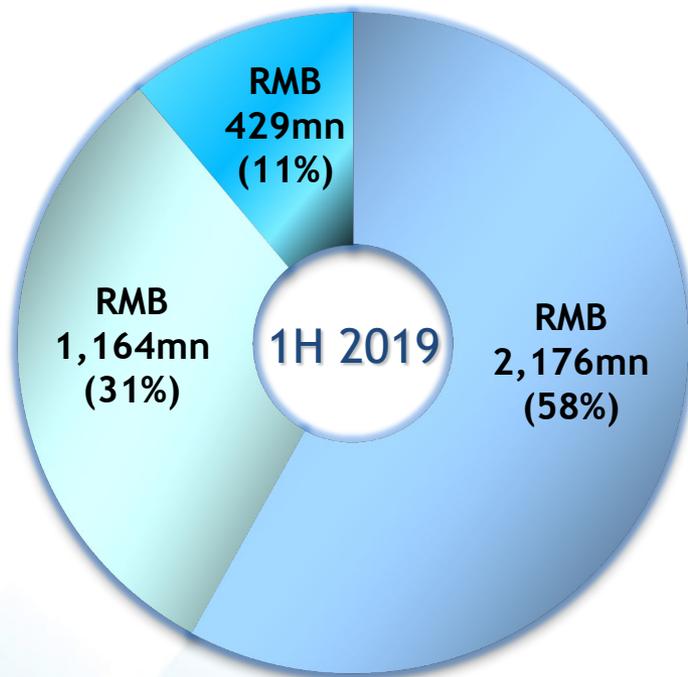


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# Financial Highlights

## Revenue by Product



Radial tire cord for trucks

Radial tire cord for passenger cars

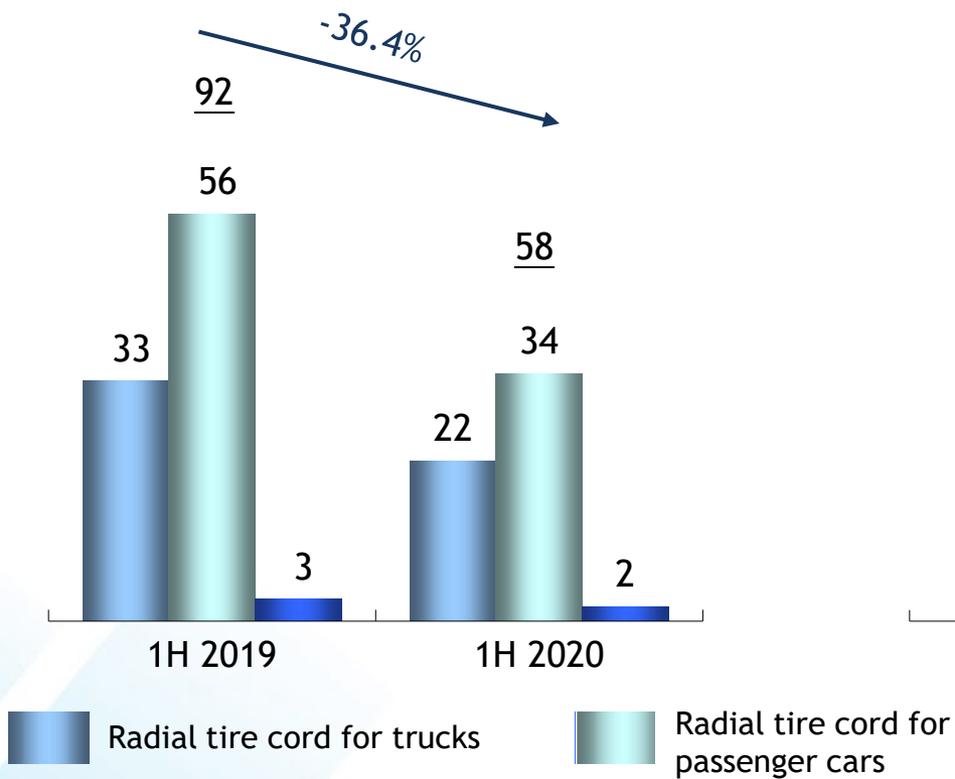
Bead wires & other wires



# Financial Highlights

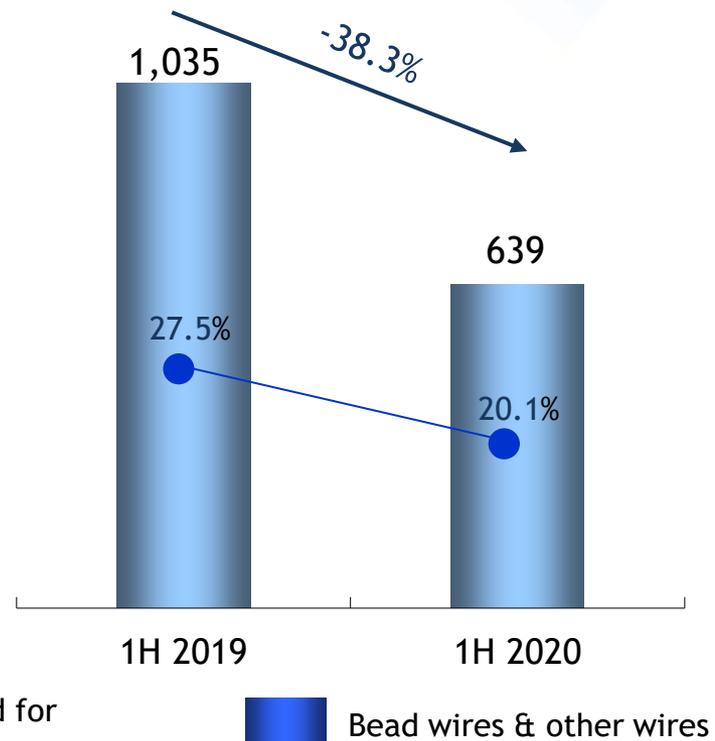
## Export Sales Volume

'000 tonnes



## Export Sales

RMB' million

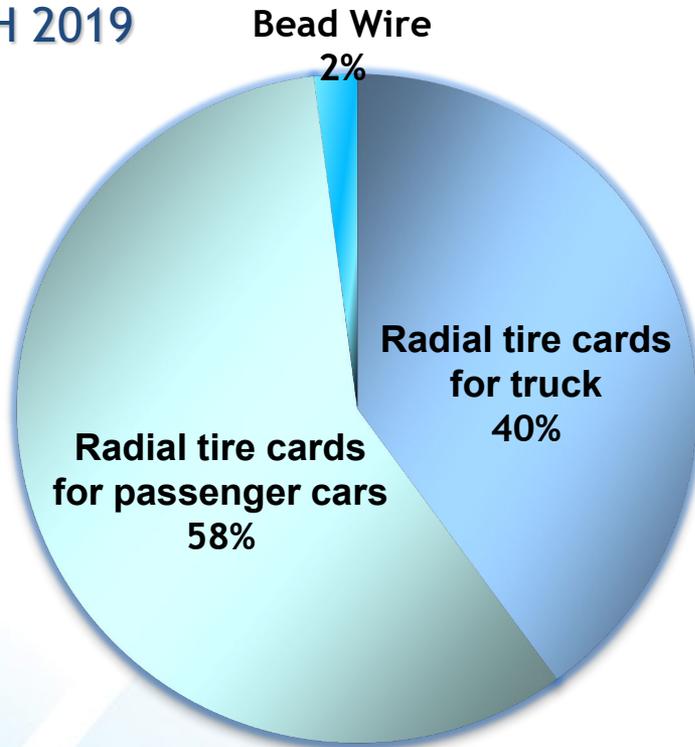




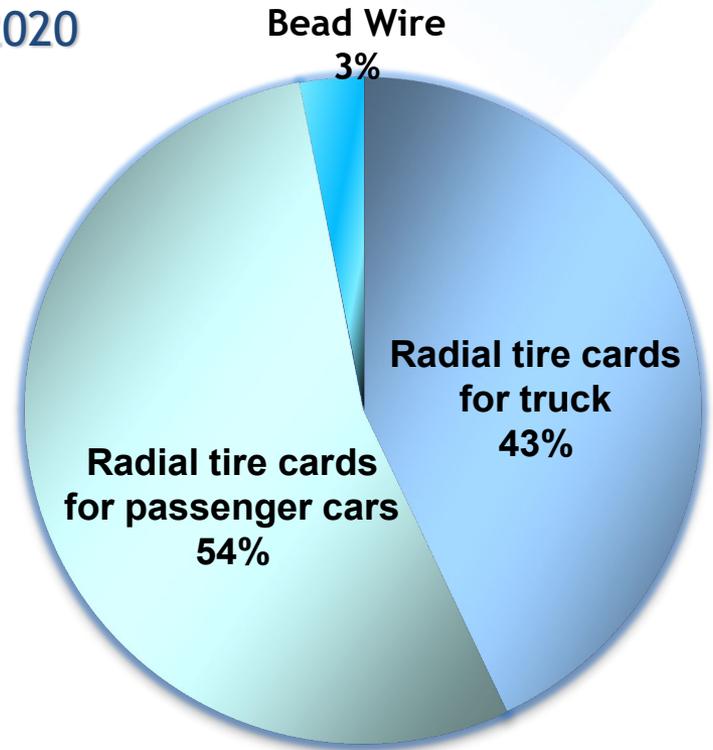
# Financial Highlights

## Export Sales by Product

1H 2019



1H 2020

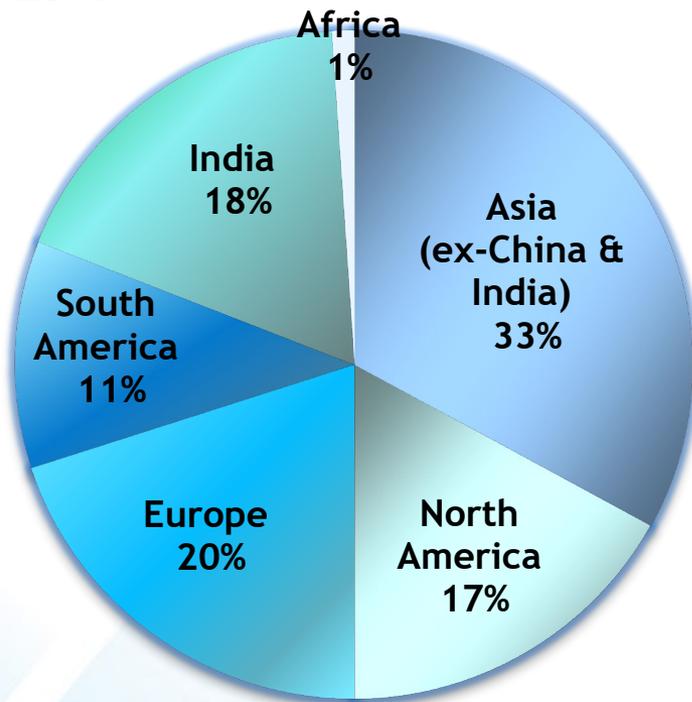




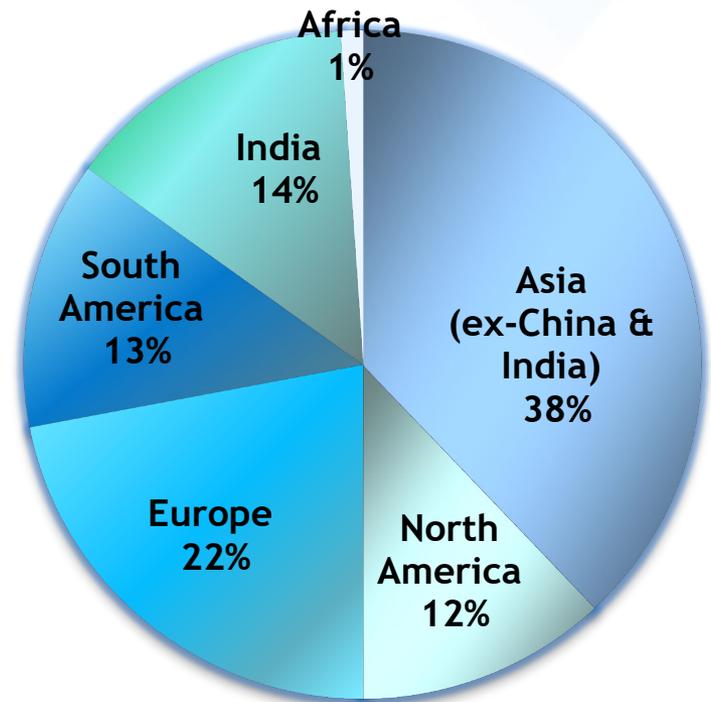
# Financial Highlights

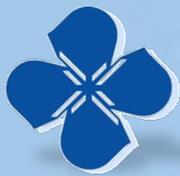
## Export Sales by Location

1H 2019



1H 2020





# Cash Flow (Extract)

For the six months ended 30 June

<i>RMB' million</i>	2019 (Unaudited)	2020 (Unaudited)
Net Operating Cash Inflow	664	403
Cash used in CAPEX	(514)	(267)
Net Addition of Borrowings	1,029	632
Cash and Cash Equivalents at Period End	1,580	650



# Key Ratios

	As at 31 Dec 2019 (audited)	As at 30 Jun 2020 (unaudited)
Current Ratio (times)	1.2	1.1
Debtors' Turnover Days	108	116
Stock Turnover Days	40	53
Creditors' Turnover Days	111	84
Return on Capital Employed	4.1%	3.0%
Return on Equity	5.1%	3.9%
Gearing Ratio	15.7%	20.3%



# Capacity & Utilisation

## ❖ Production capacity

- ❖ Radial tire cords capacity increased from 731K mtpa to 743k mtpa in 1H 2020
- ❖ Bead wire capacity increased by 19k mtpa to 189k mtpa in 1H 2020

## ❖ Jiangsu Factory

- ❖ Radial tire cord capacity slightly increased to 629k mtpa in 1H 2020

## ❖ Shandong Factory

- ❖ Radial tire cord capacity maintained at 103k mtpa in 1H 2020

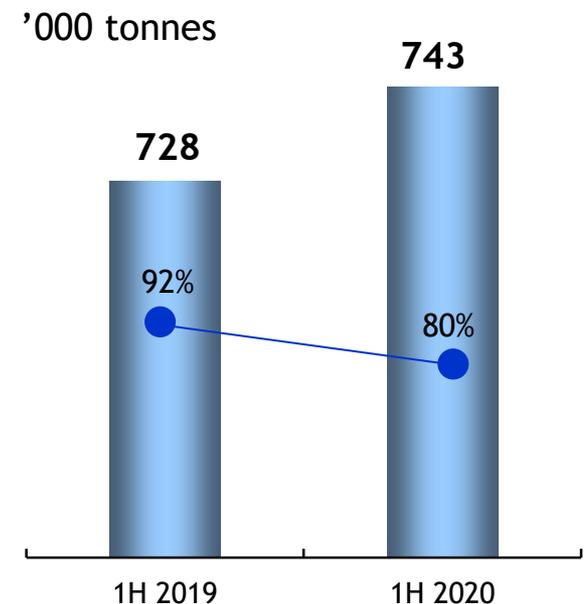
## ❖ Thailand Factory

- ❖ Radial tire cord capacity of 11k mtpa in mid-2020

## ❖ Utilisation rate

- ❖ Radial tire cord utilisation decreased to 80% in 1H 2020

Tire Cords  
Capacity & Utilisation Rate



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# Highlights for 1H 2020

## Revenue

- Decreased by 15.6% to RMB3,181mn
- Due to lower sales volume affected by the outbreak of coronavirus

## Sales volume

- Down by 9.5% to 366,100 tonnes
- TBR -14.1%
- PCR -12.4%

## GP Margin

- Decreased by 0.6 ppt to 18.6%
- Mainly due to higher fixed production costs per tonne under lower utilization rate

## Profit attributable to the owners of the Company

- Decreased by 34.9% to RMB104 mn

## Basic earnings per share

- RMB6.82 fen
- (1H 2019: RMB10.68 fen)

## Net operating cash inflow

- RMB403 mn
- Continued to maintain a solid financial position

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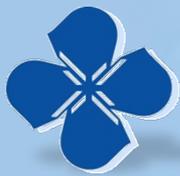
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# China Market Outlook

- ❖ To alleviate the negative impact of the pandemic on the operating environment, the Chinese government launched a series of stimulus measures
- ❖ Backed by strong support from the country, new infrastructure projects have achieved tremendous progress in various provinces and cities, further stimulating demand for radial tire cords
- ❖ Positive view on China market in the long run
- ❖ Driven by series of governmental policies including
  - ❖ “Supply-side structural reforms”
  - ❖ “Xiong’an New Area”
  - ❖ “Guangdong-Hong Kong-Macao Bay Area”
  - ❖ “1+3+7” new pattern of free trade area
  - ❖ “One belt, one road” initiative



## Steady Growth in Overseas Markets

- ❖ Xingda will continue to broaden its international customers' base, leveraging its strong brand reputation and advanced technologies
- ❖ Monitor market trends and adjust strategies and resource allocation of different products according to geographical areas and target customers

- ❖ **Differentiation**

Strengthens our unique competitive advantages and differentiates ourselves through high product quality

- ❖ **Raise efficiency**

Continues to implement a greater scope of automation and upgrade production lines to enhance production efficiency

- ❖ **Effective cost control**

Continues to impose stringent controls on capital expenditure and improve financial position

# Open Forum