



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED

縱 橫 財 經 公 關 顧 問 (中 國) 有 限 公 司

[For Immediate Release]



XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

**XINGDA'S 2022 INTERIM PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
REACHED RMB164.8 MILLION**

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**ACHIEVES REVENUE GROWTH DESPITE ADVERSE MARKET CONDITIONS
OVERALL BUSINESS MAINTAINED STEADY DEVELOPMENT**

(Hong Kong, 31 August 2022) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturers of radial tire cords, today announced its unaudited interim results for the six months ended 30 June 2022.

For the six months ended 30 June 2022, the Group recorded revenue of RMB5,539.6 million, representing a year-on-year increase of 5.0% (first half of 2021: RMB5,275.2 million). Gross profit rose by 8.2% year-on-year to RMB1,159.8 million (first half of 2021: RMB1,071.9 million) and gross profit margin expanded by 0.6 percentage points against the same period last year to 20.9% (first half of 2021: 20.3%). Profit attributable to owners of the Company decreased by 23.0% year-on-year to RMB164.8 million (first half of 2021: RMB214.0 million). Basic earnings per share were RMB9.93 cents (first half of 2021: RMB13.37 cents).

Mr. Liu Jinlan, Chairman of Xingda, said, “In March of 2022, affected by the COVID-19 flare-ups in China, some regions adopted various control measures which caused an impact on economic activities and disruption to logistics. The overall production and demand for tires has thus decreased, which correspondingly led to the decline in production and sales of domestic radial tire cords. As the pandemic situation started to ease, a series of policies to stabilise the economy were rolled out and proven effective. Since June, the economy has stabilised and been recovering. In the first half of 2022, the country’s GDP grew 2.5% year-on-year, with real GDP growth reaching 4.8% and 0.4% in the first and second quarters, respectively. Tire production also rebounded in June and returned to positive growth against the last corresponding period, benefitting also auxiliary markets.”

In the first half of 2022, despite facing pressures from impacts of the pandemic, relatively high costs and weakening demand, Xingda was able to give full play to its advantages as an industry leader and maintained overall stable business development. During the period, the Group recorded total sales volume of 527,400 tonnes, a 4.8% decrease year-on-year. Sales volume of radial tire cords decreased by 6.0% year-on-year to 413,000 tonnes, accounting for 78.3% of the Group’s total sales volume (first half of 2021: 79.2%). Sales volume of bead wires decreased by 2.0% to 68,400 tonnes, accounting for 13.0% of the Group total (first half of 2021: 12.6%). As for hose wires and other wires, sales volume increased by 1.8% to 46,000 tonnes, accounting for 8.7% of the Group’s total sales volume (first half of 2021: 8.2%).

During the period, due to the Chinese economic and logistic activities being affected by the pandemic, both the production and demand of domestic tires decreased year-on-year, causing the Group's sales volume of radial tire cords for trucks to decline by 9.6% to 241,100 tonnes; sales volume of radial tire cords for passenger cars only saw a slight decrease of 0.3% to 171,900 tonnes, as the decrease in production and demand of radial tire cords for domestic passenger cars was largely offset by the increase in exported sales of radial tire cords for passenger cars. The sales volume of radial tire cords for trucks and passenger cars accounted for 58.4% and 41.6%, respectively, of all radial tire cords sold by the Group during the Period (first half of 2021: 60.7% and 39.3%).

In the China market, sales volume of the Group's radial tire cords decreased by 12.1% to 280,400 tonnes (first half of 2021: 319,100 tonnes), mainly due to the decrease in production and demand of tires as a result of domestic economic activities being affected by pandemic prevention and control measures. As for overseas market demand, the growth momentum, which started building up from the second half year of 2021, continued. Sales volume of radial tire cords climbed 10.4% to 132,600 tonnes (first half of 2021: 120,100 tonnes), mainly thanks to overseas tire production and demand continued to be satisfactory. Domestic and overseas markets accounted for 67.9% and 32.1% of the Group's total sales volume, respectively (first half of 2021: 72.7% and 27.3%).

As at 30 June 2022, annual production capacity of radial tire cords increased to 975,000 tonnes, with the annual production capacity of the Jiangsu, Shandong and Thailand factories reaching 741,000 tonnes, 162,000 tonnes and 72,000 tonnes, respectively. The annual production capacity of bead wires, hose wires and other wires increased to 177,000 tonnes and 108,000 tonnes, respectively. During the period, affected by the decrease in domestic tire production, overall utilisation rate of the Group's factories declined to 84.8% (first half of 2021: 96.3%).

Apart from focusing on expanding production capacity and business footprint, the Group also strived to innovate product technologies and provide customers with tailor-made radial tire cords, in its bid to stand out in the tough industry environment and meet the needs of different strata customers. During the period, to provide customers with more diverse product selections, Xingda developed 8 new radial tire cords and 18 new hose wires and other wires.

Mr. Liu concluded, "The Group will pay close attention to national policies and global economic development, timely adjust its strategic deployment heeding changes in pandemic situations, and strengthen flexible deployment of its factories in various regions to ensure steady development of the Group and annual production output and sales growth. As a leading radial tire cord enterprise, Xingda will strive to improve product quality and develop more diverse high-end products, so as to help the rubber industry transform and upgrade, and achieve high-quality development in the '14th Five-Year Plan' period."

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of backbone material of radial tire including radial tire cord that support the tire wall and bead wire that connect the tire to the wheel-rim. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established solid foothold in China and is one of the largest manufacturers of radial tire cord in China. The Group's customers include China's top 10 radial tire manufacturers and global renowned tire manufacturers. Xingda's headquarters and main production base are located in Jiangsu Province of China with a total gross floor area of around 567,000 sq. m.

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