



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

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XINGDA'S 2020 REVENUE INCREASES MODESTLY TO RMB7,680 MILLION

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BENEFITS FROM REBOUND OF MARKET DEMAND FOR RADIAL TIRE CORDS IN CHINA IN Q2 OF 2020

(Hong Kong, 15 April 2021) – **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 audited annual results for the year ended 31 December 2021.

The Group's results in the first quarter of 2020 were inevitably affected by the COVID-19 outbreak which has battered global economy. Nevertheless, market demand for radial tire cords rebounded in China in the second quarter of 2020 and helped drive the Group's stable results during the year under review. In 2020, the Group's revenue increased modestly by 1.3% to RMB7,680 million when compared with the preceding year. Gross profit increased by 4.4% year-on-year to RMB1,529 million, gross profit margin also rose slightly by 0.6 percentage point to 19.9%, which was mainly benefited from the costs saving from lower major raw material prices. During the year, profit attributable to owners of the Company decreased by 59.8% to RMB115 million. If the share-based payment of Jiangsu Xingda Steel Tyre Cord Co. Ltd. was excluded, the adjusted profit attributable to owners of the Company for the year ended 31 December 2020 increased year-on-year by 9.6% to RMB313 million. Basic earnings per share were RMB7.39 cents; adjusted basic earnings per share were RMB20.12 cents. The Board recommended the payment of a final dividend of 15.0 HK cents per share (2019: 15.0 HK cents per share) for the year ended 31 December 2020.

Mr. Liu Jinlan, Chairman of Xingda, said, “The COVID-19 outbreak started in early 2020 and became severe. Despite this, the Chinese government implemented effective measures to fight the virus and supported the prompt resumption of work and production in major cities, which enabled it to basically control the pandemic in the second quarter and drive fast economic recovery. At the same time, China promoted the “domestic circulation” economic strategy which stresses the importance of infrastructure to industries relying on domestic demand. The strategy helped stimulate domestic demand as well as boost the flourishing growth of the infrastructure and logistics industries. All these factors supported the robust recovery in demand for radial tire cords in the second half of 2020. Xingda's leading position in China's radial tire cord industry also enabled it to seize the opportunities and navigate through the turbulence in the challenging operating environment in 2020.”

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During the year under review, benefit from the prompt and effective measures against the pandemic and the favorable policies such as inner circulation strategy implemented by the Chinese government, the Chinese economy started to rebound in the second quarter of 2020, resulting in significant growth of domestic market demand for radial tire cords in the second half year. In 2020, the Group recorded total sales volume of 882,200 tonnes, an increase of 7.9% year-on-year. Sales volume of radial tire cords rose by 4.5% year-on-year to 707,000 tonnes, making up 80.1% of the Group's total sales volume (2019: 82.7%). Sales volume of bead wires and other wires also increased by 23.9% to 175,200 tonnes, accounting for 19.9% of the Group's total sales volume (2019: 17.3%).

In terms of market segments, the sales volume of radial tire cords for trucks rose by 2.5% to 436,800 tonnes against that of last year. This was mainly due to the strong demand for radial tire cords for trucks in China starting from the second quarter of 2020. Sales volume of radial tire cords for passenger cars increased by 8.0% year-on-year to 270,200 tonnes, mainly due to the rebound of domestic market demand from the second quarter of 2020.

During the year under review, sales volume of the Group's radial tire cords in China increased by 10.1% to 553,100 tonnes (2019: 502,500 tonnes). This was mainly due to fast recovery of the market and fast resumption of production in China after the first quarter, which led to an increase in tires manufactured in China amid adversity, leading to booming demand of radial tire cords locally. On the other hand, the production levels of certain overseas tire manufacturers were dropped in different extent from March to June 2020 which led to sales of Xingda's radial tire cords in overseas markets decreased by 11.4% year-on-year to 153,900 tonnes (2019: 173,800 tonnes). Sales volume in domestic and overseas markets constituted 78.2% and 21.8%, respectively, of the Group's total sales volume of radial tire cords (2019: 74.3% and 25.7%).

As at 31 December 2020, the Group's annual production capacity of radial tire cords increased to 798,000 tonnes, with the Jiangsu and Shandong factories accounting for up to 645,000 tonnes and 111,000 tonnes respectively. Xingda's plant in Thailand has commenced production in 2020. The annual production capacity of radial tire cords reached 42,000 tonnes by the end of 2020, and the annual production capacity was flexibly allocated to cope with the demand of overseas markets during the second phase. The annual production capacity of bead wires and other wires also rose to 194,600 tonnes. The overall capacity utilization rate of the Group's plants in 2020 was 87.6% (2019: 91.4%).

Mr. Liu concluded, "2020 was an important year for the tire industry in China. Certain domestic tire companies actively invested capital in construction and capacity expansion, which are both expected to drive market demand in the future. The Group will work together with radial tire customers to grasp new opportunities for growth and technological innovation arising from the industry's use of intelligent manufacturing and the Industry of Internet in a bid to lead the new development of the industry. Xingda will enhance its core competitiveness, improve the quality of its products and its management and operation standards, stabilize sales growth overseas and prudently respond to the ever-changing political environment."

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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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