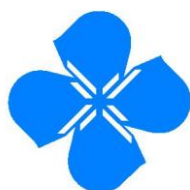


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XINGDA

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XINGDA INTERNATIONAL HOLDINGS LIMITED

興 達 國 際 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01899)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		<u>CHANGE</u>
	2021	2020 (restated and unaudited)	
	(unaudited)	unaudited)	
	RMB in	RMB in	
	Million	Million	
Revenue	5,275.2	3,233.9	+63.1%
Gross profit	1,071.9	621.8	+72.4%
Gross profit margin	20.3%	19.2%	+1.1pp
EBITDA <i>(Note)</i>	716.0	548.9	+30.4%
Profit attributable to owners of the Company	214.0	134.8	+58.7%
Earnings per share – basic (RMB cents)	13.37	8.86	+50.9%
Earnings per share – diluted (RMB cents)	13.30	8.81	+51.0%

Note:

It is arrived at profit before finance costs, income tax expense, depreciation and amortisation.

INTERIM RESULTS

The board of directors (the “Board”) of Xingda International Holdings Limited (the “Company”) is pleased to announce the condensed consolidated financial statements of the Company and its subsidiaries (the “Group” or “Xingda”) for the six months ended 30 June 2021 (the “Period”) together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

	<i>NOTES</i>	Six months ended 30 June	
		2021	2020
		(unaudited)	(restated and unaudited)
		RMB'000	RMB'000
Revenue	3	5,275,190	3,233,858
Cost of sales		(4,203,262)	(2,612,090)
Gross profit		1,071,928	621,768
Other income		94,894	71,039
Government grants		5,927	8,839
Distribution and selling expenses		(401,073)	(204,741)
Administrative expenses		(204,508)	(160,593)
Other gains and losses, net	4	(60,948)	5,648
Impairment loss recognised under expected credit loss model, net of reversal		(6,180)	(196)
Research and development expenditure		(56,466)	(54,587)
Finance costs		(74,994)	(28,761)
Profit before tax		368,580	258,416
Income tax expense	5	(69,375)	(62,053)
Profit for the period	6	299,205	196,363
Other comprehensive expense item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		(62,353)	(6,448)
Total comprehensive income for the period		236,852	189,915
Profit for the period attributable to:			
Owners of the Company		214,048	134,847
Non-controlling interests		85,157	61,516
		299,205	196,363

Total comprehensive income for the period
attributable to:

Owners of the Company	170,056	128,569
Non-controlling interests	66,796	61,346
	236,852	189,915

Earnings per share	8		
-Basic (RMB cents)		13.37	8.86
-Diluted (RMB cents)		13.30	8.81

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021**

	<i>NOTES</i>	As at 30 June 2021 (unaudited) RMB'000	As at 31 December 2020 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		4,788,887	4,543,522
Right-of-use assets		601,503	401,119
Freehold land		67,558	73,061
Investment properties		121,740	121,740
Term deposits		1,371,584	2,525,942
Deferred tax assets		128,664	72,698
Prepayments		22,463	23,963
		7,102,399	7,762,045
CURRENT ASSETS			
Inventories		1,150,609	773,681
Financial assets at fair value through profit or loss ("FVTPL")		176,184	84,384
Term deposits		1,311,183	5,011
Trade, bills and other receivables	9	7,428,148	6,157,711
Bank balances and cash		841,749	911,965
		10,907,873	7,932,752
CURRENT LIABILITIES			
Trade, bills and other payables	10	4,786,880	3,748,887
Contract liabilities		58,415	38,480
Amount due to a related company		1,929	3,415
Tax liabilities		70,202	77,284
Dividend payable		202,861	—
Dividend payable to non-controlling interests		314,337	328,976
Borrowings - due within one year		4,033,943	2,903,181
Bank overdrafts		21,000	21,000
Lease liabilities		589	572
		9,490,156	7,121,795
NET CURRENT ASSETS		1,417,717	810,957
TOTAL ASSETS LESS CURRENT LIABILITIES		8,520,116	8,573,002

	<i>NOTE</i>	As at 30 June 2021 (unaudited) <i>RMB'000</i>	As at 31 December 2020 (audited) <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		41,719	42,128
Borrowings - due after one year		485,000	670,000
Deferred income		210,263	48,805
Lease liabilities		1,195	1,494
Obligations arising from repurchase of shares		240,090	231,533
		<hr/> 978,267	<hr/> 993,960
NET ASSETS		<hr/> 7,541,849 <hr/>	<hr/> 7,579,042 <hr/>
CAPITAL AND RESERVES			
Share capital	11	158,603	158,603
Share premium and other reserves		5,468,644	5,499,008
		<hr/> 5,627,247	<hr/> 5,657,611
Equity attributable to owners of the Company		1,914,602	1,921,431
Non-controlling interests		<hr/> 7,541,849	<hr/> 7,579,042
TOTAL EQUITY		<hr/> 7,541,849 <hr/>	<hr/> 7,579,042 <hr/>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Six months ended 30 June	
	2021	2020
	(unaudited)	(restated and unaudited)
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Profit before tax	368,580	258,416
Interest income	(52,839)	(44,595)
Depreciation of property, plant and equipment	265,375	257,405
Depreciation of right-of-use assets	7,095	4,298
Dividend income from financial assets at FVTPL	(1,958)	(2,177)
Finance costs	74,989	28,761
Recognition of equity-settled share-based payments	2,441	3,370
Increase in inventories	(376,928)	(61,685)
(Increase) decrease in trade, bills and other receivables	(1,276,617)	755,238
Loss (gain) on change in fair value of financial assets at FVTPL	8,201	(775)
Increase (decrease) in trade, bills and other payables	835,826	(750,471)
Increase in contract liabilities	19,935	2,756
Income taxes paid	(132,832)	(50,483)
Other operating cash flows	28,580	2,455
	<hr/>	<hr/>
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(230,152)	402,513
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Placement of term deposits	(1,356,131)	(555,196)
Purchases of property, plant and equipment	(394,701)	(266,740)
Payments for right-of-use assets	(207,661)	(60,953)
Purchase of financial assets at FVTPL	(100,001)	—
Withdrawal of term deposits	1,255,011	12,000
Receipts of assets-related government grants	165,038	53,109
Proceeds on disposal of property, plant and equipment	5,006	1,380
Interest received	2,145	2,037
Dividend received from financial assets at FVTPL	1,958	2,177
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(629,336)	(812,186)
	<hr/>	<hr/>

FINANCING ACTIVITIES		
New bank and other borrowings raised	2,813,892	1,590,630
Repayment of bank and other borrowings	(1,866,552)	(958,146)
Dividend paid to non-controlling interests of a subsidiary	(88,264)	(25,484)
Interest paid	(61,514)	(45,306)
Repayment of lease liabilities	(282)	(222)
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	797,280	561,472
	<hr/>	<hr/>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(62,208)	151,799
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	890,965	497,912
Effect of foreign exchange rate changes	(8,008)	(102)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 30 JUNE,	820,749	649,609
	<hr/> <hr/>	<hr/> <hr/>
represented by		
Bank balances and cash	841,749	649,609
Bank overdrafts	(21,000)	—
	<hr/>	<hr/>
	820,749	649,609
	<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Financial Reporting*" issued by the International Accounting Standards Board (the "IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Stock Exchange").

1.1 PRIOR PERIOD ADJUSTMENTS

During the finalisation of the consolidated financial statements of the Group for the year ended 31 December 2020, the management has carried out a reassessment and identified certain adjustments in the consolidated financial statements of prior years. The prior period adjustments are to adjust (i) recognition of revenue from contracts with customers in proper accounting period; and (ii) accrual of goods transportation expenses in proper accounting period.

In preparing the condensed consolidated financial statements for the current interim period, the management has adjusted the prior period adjustments for the preceding interim period following the same accounting principles in adjusting the prior period adjustments as set out in Note 3.1 to the consolidated financial statements of the Group for the year ended 31 December 2020. The effect of the prior period adjustments in the respective line items of consolidated financial position of the Group as at 31 December 2019 are also presented in the same note. The effect of the prior period adjustments in the condensed consolidated statement of profit or loss and other comprehensive income for the current interim period is set out below:

		Six months ended 30 June 2020 (unaudited and previously reported) RMB'000	Prior period adjustments RMB'000	Six months ended 30 June 2020 (restated and unaudited) RMB'000
Revenue	(a)	3,181,268	52,590	3,233,858
Cost of sales	(a)	(2,588,642)	(23,448)	(2,612,090)
Gross profit		592,626	29,142	621,768
Other income		71,039	—	71,039
Government grants		8,839	—	8,839
Distribution and selling expenses	(b)	(223,588)	18,847	(204,741)
Administrative expenses		(160,593)	—	(160,593)
Other gains and losses, net		5,648	—	5,648
Impairment loss recognised under expected credit loss model, net of reversal	(a)	(2,208)	2,012	(196)
Research and development expenditure		(54,587)	—	(54,587)
Finance costs		(28,761)	—	(28,761)
Profit before tax		208,415	50,001	258,416
Income tax expenses	(a) & (b)	(54,553)	(7,500)	(62,053)
Profit for the year		153,862	42,501	196,363

*Other comprehensive income item that
may be reclassified subsequently to
profit or loss*

Exchange difference arising on translation of foreign operations	(6,448)	—	(6,448)
Total comprehensive income for the year	147,414	42,501	189,915
Profit for the year attributable to:			
Owners of the Company	103,766	31,081	134,847
Non-controlling interests	50,096	11,420	61,516
	153,862	42,501	196,363
Total comprehensive income for the year attributable to:			
Owners of the Company	97,488	31,081	128,569
Non-controlling interests	49,926	11,420	61,346
	147,414	42,501	189,915
Earnings per share			
Basic (RMB cents)	6.82	2.04	8.86
Diluted (RMB cents)	6.78	2.03	8.81

Notes:

- a. To adjust recognition of revenue from contracts with customers in proper accounting period

The adjustment is to recognise revenue on sales of goods in the correct accounting period in accordance with the goods delivery terms that appropriately reflect the timing when control of the goods is transferred to the customers. The corresponding impact on cost of sales, impairment loss recognised under credit risk model on trade receivables, income tax expense, inventories, trade receivables, value-added tax receivable and tax liabilities has been adjusted accordingly.

- b. To adjust accrual of goods transportation expenses in proper accounting period

The adjustment is to accrue goods delivery expenses in the correct accounting period in which expenses incurred. The adjustments set out above summarised the corresponding impact on selling and distribution expenses, income tax expense, other payables and tax liabilities.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied the following amendments to following IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IAS 16

Covid-19-Related Rent Concessions

Amendments to IFRS 9, IAS 39

Interest Rate Benchmark Reform – Phase 2

IFRS 7, IFRS 4 and IFRS 16

The application of the amendments to IFRSs 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.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(a) Disaggregation of revenue from contracts with customers

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

	Six months ended	
	30 June 2021	30 June 2020
	(unaudited)	(restated and unaudited)
	RMB'000	RMB'000
Sale of products		
Radial tire cords		
- For trucks	2,817,554	1,791,499
- For passenger cars	1,655,959	1,006,132
Bead wires	448,251	227,319
Hose wires and other wires	353,426	208,908
	5,275,190	3,233,858
Timing of revenue recognition		
A point in time	5,275,190	3,233,858

The contracts for sales of goods to external customers are short-term and the contract prices are fixed.

The Group's customers were tyre manufacturers in the PRC and other countries.

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 are details below:

	As at 30 June 2021 (unaudited) RMB'000	As at 31 December 2020 (audited) RMB'000
The PRC	4,652,492	4,175,926
Thailand	949,659	987,479
	5,602,151	5,163,405

Geographical information

Information about the Group's revenue from operations from external customers is presented based on the location of the goods delivered.

	Six months ended 30 June	
	2021	2020
	(unaudited)	(restated and unaudited)
	RMB'000	RMB'000
The PRC (country of domicile)	3,927,601	2,520,996
Thailand	255,430	129,061
India	234,812	88,377
United States of America	129,086	71,749
Korea	84,349	46,232
Slovenska	82,811	50,019
Brazil	78,183	55,628
Germany	73,209	35,928
Others	409,709	235,868
	5,275,190	3,233,858

No customers contribute over 10% of the total revenue of the Group for the six months ended 30 June 2021 and 2020.

4. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	RMB'000	RMB'000
(Loss) gain on change in fair value of financial assets at FVTPL	(8,201)	775
Net foreign exchange (loss) gain	(48,276)	6,184
Loss on disposal of property, plant and equipment	(6,429)	(1,311)
Dividend income from financial assets at FVTPL	1,958	—
	(60,948)	5,648

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	(unaudited)	(restated and unaudited)
	RMB'000	RMB'000
Current tax	108,110	43,462
Withholding tax paid	17,640	13,808
Deferred tax	(56,375)	4,783
	<hr/>	<hr/>
	69,375	62,053
	<hr/> <hr/>	<hr/> <hr/>

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% from 1 January 2008 onwards except for Jiangsu Xingda as further described below.

Following the successful in renewing the High-tech Enterprise Certificate (the "Certificate") issued on 24 October 2018, Jiangsu Xingda is continued to entitle the tax incentive as High-tech Enterprise for another three years period up to year 2020. In the opinion of the management of the Group, Jiangsu Xingda fulfills the renewal requirements and the renewal of the Certificate in 2021 is under application process. Accordingly, the management continues to use the tax rate of 15% to calculate the amount of current tax for the six months ended 30 June 2021 (2020: 15%).

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 Group's subsidiary in Thailand has no assessable profit for both periods.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	398,009	278,255
Retirement benefits scheme contributions	23,496	11,584
Share-based payments	2,441	3,370
	<hr/>	<hr/>

Total staff costs	423,946	293,209
Less: capitalised in inventories	(285,755)	(201,427)
Less: included in research and development expenditure	(17,574)	(12,113)
	120,617	79,669
Depreciation and amortisation		
- Property, plant and equipment	265,375	257,405
- Right-of-use assets	7,095	4,298
Total depreciation and amortisation	272,470	261,703
Less: capitalised in inventories	(200,049)	(212,492)
Less: included in research and development expenditure	(2,616)	(2,438)
	69,805	46,773

7. DIVIDENDS

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	RMB'000	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 2020 - 15.0 HK cents per share (2020: final dividend in respect of the year ended 31 December 2019 - 15.0 HK cents per share)	202,861	204,823

During the current interim period, a final dividend of 15.0 HK cents per ordinary share in an aggregate amount of RMB202,861,000 for the year ended 31 December 2020 was approved at the annual general meeting of the Company held on 8 June 2021.

The management has determined that no dividend will be paid in respect of the 2021 interim period (2020: nil).

8. 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:

	Six months ended 30 June	
	2021	2020
		(restated and unaudited)
	(unaudited)	unaudited)
	RMB'000	RMB'000
Earnings		
Earnings for the period attributable to owners of the Company	214,048	134,847
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,600,407	1,522,044
Effect of dilutive potential ordinary shares in respect of outstanding share awards	8,838	8,522
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	1,609,245	1,530,566

The weighted average number of ordinary shares shown above has been arrived at after deducting shares held by share award scheme trust.

9. TRADE, BILLS AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period of 120 days to its trade customers.

The Group accepts bills from various local customers as settlement when the trade receivables fall due. Before accepting the bills, the Group would confirm with the relevant banks on the validity of the bills. It is the Group's practice to utilise bills received to settle certain of its accounts payable.

	As at 30 June 2021 (unaudited) <i>RMB'000</i>	As at 31 December 2020 (audited) <i>RMB'000</i>
Trade receivables - goods	3,158,878	2,454,551
Less: Allowance for credit losses	(101,200)	(95,020)
	3,057,678	2,359,531
Bills receivables	4,125,441	3,605,122
Less: Allowance for credit losses	(1,950)	(1,950)
	4,123,491	3,603,172
	7,181,169	5,962,703
Advance to suppliers of raw materials	41,746	39,331
Prepayment for spools	37,163	18,376
Value-add tax receivable	131,884	113,601
Other receivables and prepayments	41,448	28,962
Less: Allowance for credit losses on other receivables	(5,262)	(5,262)
	246,979	195,008
	7,428,148	6,157,711

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.

	As at 30 June 2021 (unaudited) <i>RMB'000</i>	As at 31 December 2020 (audited) <i>RMB'000</i>
Trade receivables		
0 - 90 days	2,266,233	1,842,046
91 - 120 days	346,707	231,928
121 - 180 days	290,043	195,082
181 - 360 days	154,645	90,272
Over 360 days	50	203
	3,057,678	2,359,531

Bills receivables		
0 - 90 days	573,411	482,520
91 - 180 days	1,379,191	1,416,727
181 - 360 days	1,882,792	1,610,423
Over 360 days	288,097	93,502
	<u>4,123,491</u>	<u>3,603,172</u>

10. TRADE, BILLS AND OTHER PAYABLES

	As at 30 June 2021 (unaudited) RMB'000	As at 31 December 2020 (audited) RMB'000
Trade payables	2,902,597	1,706,739
Bills payables	620,000	900,000
	<u>3,522,597</u>	<u>2,606,739</u>
Value-added tax payables and other tax payables	4,267	13,042
Accrued staff costs and pension	230,382	296,655
Payables for purchase of property, plant and equipment	894,253	697,004
Accrued interest expense	9,027	4,109
Accrued expenses	112,122	96,406
Others	14,232	34,932
	<u>1,264,283</u>	<u>1,142,148</u>
	<u>4,786,880</u>	<u>3,748,887</u>

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

	As at 30 June 2021 (unaudited) RMB'000	As at 31 December 2020 (audited) RMB'000
Trade payables		
0 - 90 days	1,929,388	943,324
91 - 180 days	455,352	295,487
181 - 360 days	450,700	365,943
Over 360 days	67,157	101,985
	2,902,597	1,706,739
Bills payables		
0 - 90 days	440,218	499,768
91 - 180 days	179,782	400,232
	620,000	900,000

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.

11. SHARE CAPITAL

	<u>Number of shares</u>		<u>Share capital</u>	
	30 June 2021 '000	31 December 2020 '000	30 June 2021 RMB'000	31 December 2020 RMB'000
Authorised:				
3 billion ordinary shares of HK\$0.1 each	3,000,000	3,000,000	301,410	301,410
Issued and fully paid:				
At beginning of period	1,606,928	1,530,813	158,603	151,728
Issue of scrip shares	—	76,115	—	6,875
At end of period	1,606,928	1,606,928	158,603	158,603

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 2021.

For the six months ended 30 June 2021, the Group recorded revenue of RMB5,275.2 million, representing a year-on-year increase of 63.1% (first half of 2020: RMB3,233.9 million (restated)). Gross profit rose by 72.4% year-on-year to RMB1,071.9 million (first half of 2020: RMB621.8 million (restated)) and gross profit margin also climbed, by 1.1 percentage points, against the same period last year to 20.3% (first half of 2020: 19.2% (restated)). Profit attributable to owners of the Company grew by 58.7% year-on-year to RMB214.0 million (first half of 2020: RMB134.8 million (restated)). Basic earnings per share was RMB13.37 cents (first half of 2020: RMB 8.86 cents (restated)). The Board did not recommend payment of interim dividend for the six months ended 30 June 2021.

In the first half of 2021, although there was no simple answer to where the pandemic would head, major economies had started on the recovery path and the Chinese economy in particular demonstrated resilience. In the first half year, China's GDP was up 12.7% year-on-year, with real GDP growth reaching 18.3% and 7.9% in the first and second quarters, respectively. With China's economy continuing to recover since the second quarter of 2020, translating into strong domestic demand and an improving operating environment, the radial tire cord industry kept growing with good momentum during the period.

In addition, at the end of November 2020, the China Rubber Industry Association released the "Outline of the 14th Five-Year Plan for Rubber Industry", which covers important development indicators for the 14 industries in the rubber industry chain. It also announced the product output and development targets in the 14th Five-Year Plan period, including raising the radialization rate to 96%, planned annual radial tire output for passenger cars to 527 million and planned annual radial tire output for trucks to 148 million by 2025. These guidelines will drive continuous positive development of the industry as well as steady development of the Group's radial tire cord business.

According to data from the key members of China Rubber Industry Association's tire division, total domestic radial tire output was approximately 250 million in the first half of 2021 (first half of 2020: 197 million), representing a year-on-year increase of 26.9%. As for the radialization rate, it remained stable at 94.3%. Statistics of the Ministry of Public Security showed, as in June 2021, car parc in China reached 292 million, topping the world side-by-side the US. The continuous expansion of car parc has given strong support to China's radial tire replacement market.

On 18 June 2021, the Group announced a scrip dividend scheme ("Scrip Dividend Scheme"). Shareholders of the Company were being given an option to receive an allotment of new shares of HK\$0.1 each in the capital of the Company (the "Scrip Shares") in lieu of the 2020 final dividend of HK15.0 cents in cash. The issue price of the scrip shares was HK\$1.76 per share. The controlling shareholders of the Company elected to receive the 2020 final dividends partly in scrip shares and partly in cash, and were eventually allotted a total of 7,000,000 scrip shares of the Company. The controlling shareholders continuously electing to receive scrip shares is a reflection of their full confidence in the Company's long-term development.

The Group proposed the spin-off and separate listing of the tire-related business run by its non-wholly owned subsidiary Jiangsu Xingda Steel Tyre Cord Co. Ltd., ("Jiangsu Xingda") by way of A shares listing on a stock exchange in China. The proposal was submitted to the Hong Kong Stock Exchange on 20 November 2020. On 20 April 2021, Jiangsu Province Regulatory Bureau of the China Securities Regulatory Commission ("CSRC") accepted the sponsor's application to start the pre-listing tutoring process in relation to the proposed spin-off and separate listing of Jiangsu Xingda.

BUSINESS REVIEW

In the first half of 2021, though still volatile, the global and Chinese economies continued to recover, with the production in terms of output gradually returning close to pre-pandemic level. With major economies bottoming out and rebounding, market demand growth for radial tire cords was back on track. During the Period, the Group's total sales volume increased by 50.6% year-on-year to 554,200 tonnes, and radial tire cords sales volume was up 48.4% to 439,200 tonnes, making up 79.2% of the Group total (first half of 2020: 80.4% (restated)), as for bead wires, sales volume increased by 67.0% to 69,800 tonnes, accounting for 12.6% of the Group's total sales volume (first half of 2020: 11.4% (restated)). The sales volume of hose wires and other wires increased by 49.2% to 45,200 tonnes, making up 8.2% of the Group total sales volume (first half of 2020: 8.2% (restated)).

During the Period, the mainland and overseas economies recovering and consistently high car parc fueled growth in sales volume of radial tire cords for trucks as well as passenger cars. The former increased by 43.8% year-on-year to 266,800 tonnes, whereas the latter rose 56.3% to 172,400 tonnes. The sales volume of radial tire cords for trucks and passenger cars accounted for 60.7% and 39.3%, respectively, of all radial tire cords sold by the Group (first half of 2020: 62.7% and 37.3% (restated)).

Sales Volume

	Six months ended 30 June		Change
	2021 Tonnes	2020 Tonnes (Restated)	
Radial tire cords	439,200	295,900	+48.4%
- For trucks	266,800	185,600	+43.8%
- For passenger cars	172,400	110,300	+56.3%
Bead wires	69,800	41,800	+67.0%
Hose wires and other wires	45,200	30,300	+49.2%
Total	554,200	368,000	+50.6%

In the China market, the sales volume of radial tire cords has extended the growth momentum since the second half in 2020, hence 319,100 tonnes of them were sold in the Period, up 36.4% (first half of 2020: 233,900 tonnes (restated)). As for overseas markets, there was steady improvement, with sales volume of radial tire cords up 93.7% to 120,100 tonnes (first half of 2020: 62,000 tonnes (restated)), mainly due to the production of most of the overseas tire manufacturers returning back to the normal levels in the first half of 2021. Domestic and overseas markets accounted for 72.7% and 27.3%, respectively, of the total sales volume of radial tire cords (first half of 2020: 79.0% and 21.0% (restated)).

As at 30 June 2021, annual production capacity of the Group's radial tire cords increased to 930,200 tonnes, with the Jiangsu, Shandong, and Thailand plants accounting for 731,800 tonnes, 144,000 tonnes and 54,400 tonnes, respectively. For bead wires, hose wires and other wires, their annual output capacity increased to 154,600 and 98,200 tonnes respectively. Overall factory utilization rate rebounded to 96.3% high (first half of 2020: 79.2%).

	30 June 2021 Production Capacity (Tonnes)	Six months ended 30 June 2021 Utilization Rate	30 June 2020 Production Capacity (Tonnes)	Six months ended 30 June 2020 Utilization Rate
Radial tire cords	930,200	97%	743,000	80%
Bead wires	154,600	92%	107,000	80%
Hose wires and other wires	98,200	95%	82,000	74%
Overall	1,183,000	96%	932,000	79%

At the same time as it expands production capacity and its business footprint, the Group has also emphasized innovation of product technologies, and thus it never stopped pursuing product research and development, striving to provide customers with tailor-made radial tire cords to meet their various needs. To provide greater product diversity for customers, Xingda developed 17 new types of radial tire cords, 1 new type of bead wires and 7 types of hose wires and other wires in this Period.

FINANCIAL REVIEW

Revenue

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

<i>RMB in million</i>	Six months ended 30 June				
	2021	Proportion (%)	2020 (Restated)	Proportion (%) (Restated)	Change (%)
Radial tire cords	4,473.5	85	2,797.7	87	+59.9
- For trucks	2,817.5	54	1,791.5	56	+57.3
- For passenger cars	1,656.0	31	1,006.2	31	+64.6
Bead wires	448.3	8	227.3	7	+97.2
Hose wires and other wires	353.4	7	208.9	6	+69.2
Total	5,275.2	100	3,233.9	100	+63.1

During the Period, the Group's revenue increased by RMB2,041.3 million or 63.1% year-on-year to RMB5,275.2 million (first half of 2020: RMB3,233.9 million (restated)), mainly due to the increase in sales volume of the Group's products. Such increase in sales volume was driven by economic recovery and activities in China and overseas due to the gradual alleviation of the pandemic when compared to the first half of 2020.

Gross profit and gross profit margin

The Group's gross profit increased by RMB450.1 million or 72.4% year-on-year to RMB1,071.9 million (first half of 2020: RMB621.8 million (restated)), with gross profit margin at 20.3% (first half of 2020: 19.2% (restated)), representing a year-on-year increase of 1.1 percentage points. That was mainly due to the rise in sales volumes and average selling prices of the Group's products, partly offset by an increase in major raw material prices.

Other income

Other income increased by RMB23.9 million or 33.7% to RMB94.9 million (first half of 2020: RMB71.0 million), mainly due to the increase in sales income of scrap materials and increase of bank interest income which was derived from placing fixed bank deposits and bank balances.

Government grants

During the review period, government grants decreased by RMB2.9 million or 33.0% to RMB5.9 million (first half of 2020: RMB8.8 million), due to a decrease in subsidies from the local government in China.

Distribution and selling expenses

Distribution and selling expenses increased by RMB196.4 million or 95.9% to RMB401.1 million (first half of 2020: RMB204.7 million (restated)), mainly due to the higher transportation and storage costs under higher export sales volume and inflated shipment fees on a year-on-year basis.

Administrative expenses

Administrative expenses increased by RMB43.9 million or 27.3% to RMB204.5 million (first half of 2020: RMB160.6 million), mainly due to an increase in salaries and pension provision. There was a special incentive and relief on pension contributions provided to the Group in the first half of 2020 under the COVID-19 pandemic.

Other gains and losses, net

Other gains and losses, net decreased by RMB66.5 million or 1,187.5% from net gain of RMB5.6 million in the first half of 2020 to net loss of RMB60.9 million in the first half of 2021. It was mainly due to the net foreign exchange loss of RMB48.3 million recorded in first half of 2021 (first half of 2020: net foreign exchange gain of RMB6.2 million) and a decrease in fair value of financial assets at FVTPL.

Impairment loss recognised on trade and other receivables

Impairment loss recognised under expected credit loss model, net of reversal increased by RMB6.0 million or 3,000.0% to an impairment loss of RMB6.2 million (first half of 2020: impairment loss of RMB0.2 million (restated)). It was mainly attributable to an increase in an accumulated impairment loss recognised on trade receivables under impairment assessment by reference to the expected credit loss model in this Period.

Research and development expenses

Research and development expenses increased by RMB1.9 million or 3.5% to RMB56.5 million (first half of 2020: RMB54.6 million), as the Group kept on putting consistent and stable resources to boost production technique advancement.

Finance costs

Finance costs increased by RMB28.7 million or 62.0% to RMB75.0 million (first half of 2020: RMB46.3 million) if the amount capitalised in the cost of qualifying assets of RMB17.5 million in the first half of 2020 (first half of 2021: nil) was excluded. The increase was mainly due to the rise of average balance of bank borrowings and imputed interest on obligations arising from repurchase of shares of RMB8.6 million recorded in this Period.

Income tax expense

The Group's income tax expense increased by RMB7.3 million or 11.8% to RMB69.4 million (first half of 2020: RMB62.1 million (restated)) and with an effective tax rate of 18.8% (first half of 2020: 24.0% (restated)). If the withholding tax paid was excluded, the effective tax rate would become 14.0% (first half of 2020: 18.7% (restated)). The decrease in effective tax rate was mainly caused by additional income tax deduction for research and development expenditure in the first half of 2021.

Net profit

Taking the above factors into account, the Group's net profit for the six months ended 30 June 2021 increased by RMB102.8 million or 52.3% to RMB299.2 million (first half of 2020: RMB196.4 million (restated)).

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

During the period under review, there was no significant change in the Group's funding and treasury policy. The principal source of liquidity and capital resources was the cash flow generated from financing activities whereas the principal uses of cash were for the acquisition of property, plant and equipment and right-of-use assets and payment of income tax.

Bank balances and cash including bank deposits of the Group decreased by RMB70.3 million or 7.7% from RMB912.0 million as at 31 December 2020 to RMB841.7 million as at 30 June 2021. The decrease was mainly due to the cash that has been used in operating activities of RMB230.2 million, investment activities of RMB629.4 million and the decrease in cash under the effect of foreign exchange rate changes of RMB8.0 million exceeding the cash generated from financing activities of RMB797.3 million.

Borrowings increased by RMB945.7 million or 26.3% to RMB4,539.9 million as at 30 June 2021 from RMB3,594.2 million as at 31 December 2020. The bank borrowings carry interest at fixed rates from 2.70% to 4.56% (first half of 2020: 2.70% to 4.79%) and variable rate at HIBOR+2.2% (first half of 2020: HIBOR+2.2%). Borrowings of RMB4,054.9 million are repayable within one year from 30 June 2021 and the remaining borrowings of RMB485.0 million are repayable after one year from 30 June 2021.

As at 30 June 2021, the Group's current assets increased by RMB2,975.1 million or 37.5% to RMB10,907.9 million (31 December 2020: RMB7,932.8 million). Current liabilities increased by RMB2,368.4 million or 33.3% to RMB9,490.2 million (31 December 2020: RMB7,121.8 million). The Group's current ratio (being defined as current assets over current liabilities) increased to 1.15 times (31 December 2020: 1.11 times). The increase was mainly caused by the increase in trade, bill and other receivables and term deposits included in the current assets. The gearing ratio (being defined as total debts to total assets) as at 30 June 2021 was 25.2% (31 December 2020: 22.9%).

FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in Renminbi, US dollars and Euros. Part of the sales proceeds in US dollars and Euros have been used to purchase imported raw materials in the same currencies.

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 2021, capital expenditure for property, plant and equipment amounted to RMB592.0 million (first half of 2020: RMB185.8 million).

CAPITAL COMMITMENTS

As at 30 June 2021, the Group had made a capital commitment of approximately RMB507.1 million (31 December 2020: RMB594.8 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 authorised but not contracted as at 30 June 2021 and 31 December 2020. 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 2021 and 31 December 2020 respectively.

PLEDGE OF ASSETS

As at 30 June 2021, the Group had fixed bank deposits of RMB1,082.6 million (31 December 2020: RMB801.7 million) pledged to banks to secure bank borrowings.

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 expenses, amounted to approximately HK\$71.4 million. The shares held by Xingda accounted for 1.9% and 1.9% of the entire issued shares of Prinx Chengshan as at 30 June 2021 and 31 December 2020 respectively. 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 fair value through profit or loss of RMB2.4 million was recorded during the six months ended 30 June 2021 (first half of 2020: gain of RMB0.8 million).

The fair value of the investment in Prinx Chengshan as at 30 June 2021 was RMB86.8 million (31 December 2020: RMB84.4 million). The above mentioned investment accounted for 0.5% and 0.5% of the total assets value of the Group as at 30 June 2021 and 31 December 2020 respectively.

On 4 March 2021, an agreement was reached between Jiangsu Xingda, an indirect non-wholly owned subsidiary of the Company, and Guizhou Tyre Co., Ltd. (“Guizhou Tyre”) for the subscription by Jiangsu Xingda of 15,873,015 new A shares issued by Guizhou Tyre at RMB6.30 per share in cash under a non-public offer. The subscription monies of approximately RMB100.0 million were satisfied by internal resources of the Group. The shares held by Xingda accounted for 1.7% of the entire issued shares of Guizhou Tyre as at 30 June 2021. Guizhou Tyre is a joint stock limited company incorporated in the PRC principally engaged in the design, research and development, manufacture and sale of tires. The issued A shares of Guizhou Tyre are listed on the Shenzhen Stock Exchange (stock code: 000589). The above mentioned investment still exists and a loss on change in fair value of financial assets at fair value through profit or loss of RMB10.6 million was recorded during the six months ended 30 June 2021 (first half of 2020: nil).

The fair value of the investment in Guizhou Tyre as at 30 June 2021 was RMB89.4 million (31 December 2020: nil). The above mentioned investment accounted for 0.05% and nil of the total assets value of the Group as at 30 June 2021 and 31 December 2020 respectively.

Save as disclosed above, the Group had no other significant investments as at 30 June 2021 and 31 December 2020 respectively.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company had no material acquisitions and disposals in relation to its subsidiaries, associates and joint ventures for the six months ended 30 June 2021 and 2020 respectively.

PRIOR PERIOD ADJUSTMENTS

Reference is made to (a) the announcement of the Company dated 15 April 2021 in relation to the annual results of the Company for the year ended 31 December 2020 (the “2020 Annual Results Announcement”), (b) the annual report of the Company for the year ended 31 December 2020 (the “2020 Annual Report”) and (c) the supplemental announcement of the Company dated 23 June 2021 (the “Supplemental Announcement”) in relation to 2020 Annual Results Announcement and the 2020 Annual Report on, among others, the Prior Year Adjustments (as referred to in the Supplemental Announcement).

There have been corresponding prior period adjustments on similar items for the six months ended 30 June 2020 which are set out in Note 1.1 to the condensed consolidated financial statements of the Company for the six months ended 30 June 2021 (“Prior Period Adjustments”).

For background leading to the Prior Period Adjustments, please refer to the Supplemental Announcement.

HUMAN RESOURCES

As at 30 June 2021, the Group had approximately 7,900 full time employees (31 December 2020: approximately 7,100). Total staff costs including directors' remuneration for the six months ended 30 June 2020 was RMB423.9 million (first half of 2020: RMB293.2 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, 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 2021, the amount of Union Fees contributed by the Labour Union of Jiangsu Xingda, Shandong Xingda and Taizhou Xingda was RMB7.3 million (first half of 2020: RMB4.3 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.

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. As at 30 June 2021, the balance of the Fourth Batch Shares and Fifth Batch Shares were 84,000 shares and 4,658,194 shares respectively.

As at 30 June 2021, all the First Batch Shares, the Second Batch Shares, the Third Batch Shares and nearly all the Fourth Batch Shares have been vested with selected employees. The remaining 84,000 Fourth Batch Shares and 4,658,194 Fifth Batch Shares are expected to be vested with selected employees in a four-year period from 2021 to 2024.

PROSPECTS

With different countries speeding up vaccination and major economies rolling out economic stimulus measures in response to the pandemic, it is hopeful that the global economy will steadily recover, with developed countries expected to pick up faster than emerging countries. In China, the central bank lowered the deposit reserve ratio of financial institutions by 0.5 percentage point in mid-July this year, which is expected to release long-term liquidity worth RMB1,000,000 million. The lowering of reserve ratio (RRR) will be conducive to boosting domestic demand and helping the Chinese economy grow steadily.

The Group will pay close attention to continuous changes in the global economy under the impact from pandemic, national policies and market development trends. It will move forward in firm strides and timely adjust its strategic deployment to ensure that it affords healthy development.

As for the industry, the “14th Five-Year Plan” period is the time for the rubber industry to transform and upgrade, realizing quality development, which is critical to China in growing to become a strong player in the global rubber industry. As a leader in the radial tire cord sector, the Group will continue to stand at the forefront of the industry, actively develop high-end products and help the industry raise automation and intelligence levels as required.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2021.

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 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) throughout the six months ended 30 June 2021, except for the following:-

Code provision A.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 for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 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 2021.

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.

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 2021.

REVIEW OF INTERIM FINANCIAL STATEMENTS

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 2021.

By Order of the Board
XINGDA INTERNATIONAL HOLDINGS LIMITED
Liu Jinlan
Chairman

Shanghai, the PRC, 30 August 2021

As at the date of this announcement, the executive directors of the Company are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. TAO Jinxiang and Mr. ZHANG Yuxiao; the independent non-executive directors of the Company are Mr. KOO Fook Sun, Louis, Mr. William John SHARP and Ms. XU Chunhua.