



**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 2017 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY REACHED  
RMB287 MILLION  
PROPOSED FINAL DIVIDEND 15.0 HK CENTS PER SHARE**

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**RADIAL TIRE CORD INDUSTRY SUPPORTING BY GOVERNMENT POLICY  
XINGDA FURTHER STRENGTHENS ITS INDUSTRY'S LEADING POSITION &  
EXPANDS MARKET SHARE**

(Hong Kong, 23 March 2018) – **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 2017.

With the supply-side reform in China continuing to go deeper and market demand growing at an even pace, the radial tire cord industry stayed on rebound which started in 2016. Xingda achieved satisfactory annual results, with revenue up by 25.9% year-on-year to RMB6,887 million for the review year. Sales volume and selling price of radial tire cord products increased on a year on year basis. However, with raw material costs starting to rise rapidly in the third quarter of 2017, while gross profit increased by 6.9% to RMB1,278 million, gross profit margin shrank by 3.3 percentage points to 18.6%. Profit attributable to owners of the Company was RMB287 million, representing an increase of 3.4% against 2016. Basic earnings per share were RMB19.44 fen, representing a year-on-year increase of 3.7%. The Board recommended payment of final dividend of 15.0 HK cents per share or approximately RMB12.1 fen per share for the year ended 31 December 2017.

**Mr. Liu Jinlan, Chairman of Xingda**, said, “In 2017, China entered the second year of its ‘13th Five-year Plan’. Facing changes of the economic model under the new normal and challenges from the complicated and changing international environment, with ‘maintaining stability’ as the guiding theme and development objective, the overall Chinese economy was stable and started trending up. Steady growth of the real estate and infrastructure investment industries has been driving development of the logistics industry, and in turn goods transportation volume on roads and that has spurred radial tire replacement demand for trucks. At the same time, the country’s continuous effort to cramp down on overrunning and overloading of trucks on the road stimulated the sales of new trucks as well as the original equipment manufacturer truck tires in China. As for overseas markets, on the back of the better-than-expected growth trend of the global economy. Xingda able to flexibly cater to all the different needs of overseas markets for radial tire cords for trucks and passenger cars, it recorded steady growth in overseas markets during the year, in particular with boosting sales of radial tire cords for trucks.”

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During the year under review, such factors including hastened development of new infrastructure projects, the government implementing policies to avoid illegal modification, overrunning and overloading of trucks has stimulated the truck production, provision of purchase tax benefit to low-emission cars, slow growth of tire utilization rate and total road logistics volume, and steady rise in trucks and passenger cars ownership in China, all helped drive demand for radial tires. However, market demand for radial tire cord products fluctuated mildly in mid 2017 as a result of the short term destocking by radial tire plants in the country. Overall, sales volume of radial tire cords of the Group increased by 7.8% to 653,400 tonnes during the year, accounting for 84.5% of the Group's total sales volume. Sales volume of bead wires and other wires increased by 54.1% to 119,800 tonnes, making up 15.5% of the Group's total sales volume.

In 2017, the economy of China has been steadily improving, frequent economic activities have been recorded, which spurred the replacement demand for radial tires. Moreover, the sales volume of trucks in China was growing upward, which led to a 9.1% year-on-year increase in the Group's sales volume of radial tire cords for truck to 416,300 tonnes. As for the sales volume of radial tire cords for passenger cars, there was a year-on-year increase of 5.4% to 237,100 tonnes, and by market, recording slow down in Mainland China while a steady growth in overseas. Sales volume of radial tire cords for trucks and passenger cars accounted for 63.7% and 36.3% of the Group's total sales volume of radial tire cord products, respectively.

Demand for radial tires was stable in China during the year. The domestic sales volume of radial tire cords rose by 5.0% to 511,600 tonnes, representing 78.3% of the Group's total sales volume of the product. The Group also continued to expand its global business building on its stable customer network and brand advantages and was rewarded with sustained healthy growth in its overseas markets. The pan-Asia Pacific region (excluding China), America and European markets remained the Group's key markets. Export sales volume of the Group's radial tire cords increased by 19.1% to 141,800 tonnes, accounting for 21.7% of the total sales volume of radial tire cords in 2017.

As at the end of 2017, the Group's total annual radial tire cord production capacity was 725,000 tonnes. The annual production capacities of the Jiangsu factory and Shandong plant were 625,000 tonnes and 100,000 tonnes respectively. The Group expects to see an increase, by a maximum of 100,000 tonnes per annum, in production capacity when its new factory in Thailand commences production. The Group has an annual production capacity of 141,000 tonnes of bead wires and other wires. During the year, the overall utilization rate of our facilities remained at 90%.

**Mr. Liu** concluded, "Looking ahead, the Group thinks that the tire industries in China will still be developing on a steady track. Demand-side improvement will encourage notable progress of supply-side reform in the industry, and economic development and the implementation of relevant policies in China are likely to bring long-term positive impact on radial tire demand for the industry. At the same time, the industry will continue to consolidate, resulting in leading players having presiding influence on the industry development trend. And, overseas, with the strategic thinking behind 'One Belt One Road Initiative' giving guidance, Chinese tire manufacturers will keep their eye on development opportunities in overseas markets. Emphasis on 'quality' will gradually replace that on 'pricing', which is going to lay a solid foundation for Chinese tire brands to build their international reputation. As an industry leader, Xingda will insist on delivering products of premium

quality and also looking for new business growth drivers. The Group will, in keeping pace with the market, draw up the corporate development strategies, and be a frontrunner in the new stage of development of the industry. It will keep improving its business performance, which will allow it to reward long-standing shareholders supportive of its advancement with reasonable dividends.”

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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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