



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 2019 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY  
UP 9.5% TO RMB288.8 MILLION**

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**RADIAL TIRE CORDS BUSINESS ACHIEVES STEADY DEVELOPMENT**

(Hong Kong, 27 March 2020) – **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 annual results for the year ended 31 December 2019. Pending the lifting of relevant travel restrictions in relation to COVID-19 in the PRC, it is expected that auditors will commence their fieldwork as soon as practicable. The Group will duly publish its audited annual results announcement for the year 31 December 2019 as soon as possible.

For the year ended 31 December 2019, the Group’s revenue increased modestly by 0.3% year-on-year to RMB7,582.7 million. The increase was mainly due to a moderate increase in total sales volume of radial tire cords. Gross profit increased by 11.2% year-on-year to RMB1,471.2 million, gross profit margin also rose slightly by 1.9 percentage points to 19.4%, mainly due to the drop in both materials prices and production costs per tonne. Profit attributable to owners of the Group amounted to RMB288.8 million, representing an increase of 9.5% year-on-year. Basic and diluted earnings per share were RMB19.12 fen and RMB19.08 fen respectively. The Board recommended the payment of a final dividend of 15.0 HK cents per share for the year ended 31 December 2019.

**Mr. Liu Jinlan, Chairman of Xingda** said, “In 2019, despite the ongoing Sino-U.S. trade frictions and decline in global economic growth, China’s economy continued to grow stably, with areas including employment, consumption, export and property investment performing particularly well. By the end of 2019, the national car parc had increased to 260 million, up 8.8% year-on-year, which provided overall support to the domestic tire replacement market. Meanwhile, the tire industry has continued to internationalize, which led more radial tire production capacities and utilization shifted from China to overseas. Xingda has adapted to such industry changes, and has accelerated its strategic layout on a global scale. Consequently, overseas orders have been growing gradually, resulting in steady growth during the year.”

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During the year, the Group was able to lead its market coverage by capitalizing on its extensive business network, conducting in-depth analysis of radial tire cord market trends and setting practical operation approaches based on prevailing market conditions. In 2019, the Group recorded total sales volume of 818,300 tonnes, up 2.2% year-on-year. Sales volume of radial tire cords rose slightly by 1.5% year-on-year to 676,600 tonnes, accounting for 82.7% of the Group's total sales volume (2018: 83.3%). Sales volume of bead wires and other wires also increased, up by 5.7% to 141,700 tonnes, and accounted for 17.3% (2018: 16.7%) of the Group's total sales volume.

In terms of market segments, the sales volume of radial tire cords for trucks declined modestly year-on-year by 3.2% to 426,100 tonnes, which was mainly due to a slight decline in domestic radial tire output. As for the sales volume of radial tire cords for passenger cars, an increase of 10.6% year-on-year to 250,500 tonnes was achieved, mainly due to the continuous rise in overseas orders. This is also a reflection of the widespread recognition that the Xingda brand enjoys from overseas customers, as well as the confidence that they have owing to the Group's high-quality products.

During the year under review, the sales volume of the Group's radial tire cords in China slightly increased by 0.7% to 501,400 tonnes (2018: 498,100 tonnes) under the overall stable market and orders. Furthermore, thanks to the Group's efforts in building its reputation and offering excellent products and services, sales of radial tire cords in overseas markets increased by 4.0% year-on-year to 175,200 tonnes (2018: 168,500 tonnes). Orders of related products from overseas markets including Thailand, Brazil, Germany, Slovakia and etc. also continued to grow steadily. Sales volume in domestic and overseas markets constituted 74.1% and 25.9%, respectively, of the Group's total sales volume of radial tire cords (2018: 74.7% and 25.3%).

During the year, the Group's annual production capacity of radial tire cords rose to 730,500 tonnes, with Jiangsu and Shandong factories accounting for up to 627,000 tonnes and 103,500 tonnes respectively. The Group continued to implement its internationalization strategy and followed the development direction of the "Belt and Road" countries. It has completed plant construction in Thailand and started trial operation. The Thailand plant is expected to be capable of producing 70,000 tonnes of radial tire cords per annum in the second half of 2020, allowing the Group to diversify geopolitical risks amid the Sino-US trade war. The annual production capacity of bead wires and other wires rose to 170,000 tonnes. Overall capacity utilization rate of the Group's plants further increased to a high of 91.4% (2018: 90.0%).

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At the beginning of 2020, the coronavirus outbreak has rapidly spread across the country. In order to contain coronavirus outbreak, the Group responded the call by PRC government on the delay of work resumption after Chinese New Year holiday. Jiangsu Xingda plant and Shandong Xingda plant have resumed working in the second and third week of February, respectively.

The Group expects the epidemic situation would cause a series of uncertainties in global economy, however, the Group has not been able to assess any financial impact in view of the changing circumstances. The Group will keep monitoring closely on the possible impact of the epidemic on the financial position and operating results of the Group, and will make appropriate and feasible measures timely in response to the outbreak.

Mr. Liu concludes, “Facing a complex economic environment, Xingda will do its best to strengthen the risk management. It will continue to adhere to its development principle of seeking progress while maintaining stability, accurately leverage market conditions, push ahead with its globalization strategy and maintain good cash flow and healthy financial structure, in a bid to respond to uncertainties and challenges in the market.”

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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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