



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 2021 REVENUE INCREASES STEADILY TO RMB10.645 BILLION

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BENEFITS FROM STRONG DOMESTIC DEMAND, ACTIVE ECONOMIC ACTIVITIES AND REBOUND OF DEMAND FOR RADIAL TIRE CORDS IN OVERSEAS MARKETS

(Hong Kong, 30 March 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 audited annual results for the year ended 31 December 2021.

Both the global economy and the Chinese economy have continued to recover from the impact of 2020's COVID-19 pandemic, and, as a result, the Group recorded steady growth in its 2021 business. In 2021, the Group's revenue increased by 38.6% to RMB10.645 billion when compared with the preceding year. Gross profit increased by 35.1% year-on-year to RMB2.065 billion, while gross profit margin decreased by 0.5 percentage points year-on-year to 19.4%, mainly due to the sharp rise in raw material prices which was partially offset by the rise in sales volumes and average selling prices of the Group's products. During the year, profit attributable to owners of the Company rose by 90.3% year-on-year to RMB219 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 2021 decreased year-on-year by 30.1%. Basic earnings per share were RMB13.46 cents. The Board recommended the payment of a final dividend of 15.0 HK cents per share (2020: 15.0 HK cents per share) for the year ended 31 December 2021.

Mr. Liu Jinlan, Chairman of Xingda, said, “The Chinese economy experienced strong growth momentum in the second half of 2020, and this momentum was sustained in the first half of 2021 thanks to the remarkable results of the nation's anti-pandemic efforts and the Chinese government's internal circulation policy. Given the strong domestic demand and active economic activities, the radial tire cord industry saw rapid growth. In addition, a surge in economic activities and logistics demand around the world led to increased demand for tires for cars and trucks. Consequently, radial tire cord exports have increased steadily in 2021. Xingda's leading position in China's radial tire cord industry, its diversified product lines and flexible marketing strategy enabled it to achieve steady growth in 2021.”

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During the year under review, the Chinese economy continued to recover, driving the demand for radial tire cords in the domestic market. The demand in the first half of the year was particularly strong, and this, coupled with the steady increase in demand in overseas markets, drove the growth of the Group's business. In 2021, the Group recorded total sales volume of 1,077,600 tonnes, an increase of 22.1% year-on-year. Sales volume of radial tire cords rose by 20.4% year-on-year to 851,400 tonnes, making up 79.0% of the Group's total sales volume (2020: 80.1%). Sales volume of bead wires also increased by 24.1% to 130,400 tonnes, accounting for 12.1% of the Group's total sales volume (2020: 11.9%), while sales volume of hose wires and other wires climbed by 36.7% to 95,800 tonnes, accounting for 8.9% of the Group's total sales volume (2020: 7.9%).

In terms of market segments, the further resumption of economic activities in China has driven the sales volume of radial tire cords for trucks up 15.5% year-on-year to 504,600 tonnes, and the sales volume of radial tire cords for passenger cars increased by 28.3% year-on-year to 346,800 tonnes.

During the year under review, sales volume of the Group's radial tire cords in China increased by 9.7% to 607,000 tonnes (2020: 553,100 tonnes). This was mainly attributable to the robust demand for the Group's products in China, particularly in the first half of the year, which even led to supply shortages. Although the sales volume of the Group's radial tire cords reduced slightly in the second half of the year under the temporary electricity curtailment policy implemented in certain provinces in China, the growth in annual sales volume remained strong. The growth in overseas demand was relatively stable and the sales volume of the Group's radial tire cords increased by 58.8% year-on-year to 244,400 tonnes (2020: 153,900 tonnes), mainly due to the resumption of normal production levels of overseas tire manufacturers in the whole year of 2021 and the need to restock radial tires subsequent to temporary shutdown of production facilities in 2020. Sales volume in domestic and overseas markets constituted 71.3% and 28.7%, respectively, of the Group's total sales volume of radial tire cords (2020: 78.2% and 21.8%).

To address the strong demand for radial tire cords from the Chinese market, the Group enhanced the production capacity of its Jiangsu and Shandong factories by upgrading technologies and increasing production lines in 2021. As a result, the production capacity of the Jiangsu factory increased by 14.4% to 738,000 tonnes, and the production capacity of the Shandong factory increased by 29.7% to 144,000 tonnes. The annual production capacity of Xingda's plant in Thailand also increased by 42.9% to 60,000 tonnes. As at 31 December 2021, the Group's annual production capacity of radial tire cords increased by 18.0% year-on-year to 942,000 tonnes. The annual production capacity of bead wires, hose wires and other wires also rose to 166,500 tonnes and 98,500 tonnes, respectively. The overall capacity utilization rate of the Group's plants in 2021 was 92.2% (2020: 87.6%).

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

Mr. Liu concluded, "In 2022, global economic activities further increase, driving demand for radial tire cords. However, the pandemic, tight supply chains and inflation have created uncertainties for the pace of economic recovery at home and abroad, so the Group remains cautiously optimistic about short-term industry prospects. The market expects that the car parc in China will maintain stable growth during the '14th Five-Year Plan' period while global demand for automotive tire strengthening materials will grow moderately in the coming few years, all supporting the mid- to long-term development of the radial tire cord industry. Xingda will closely monitor the development of the pandemic and implement strategies to complement national policies' development tone of seeking progress while maintaining stability. The Group will also prudently invest resources to improve production capacity and product quality, develop high-end products and strengthen the flexible deployment of its factories in various regions so as to seize future business opportunities."

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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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