



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 2018 INTERIM PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
REACHES RMB127 MILLION**

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**RECORDS STEADY SALES GROWTH IN MAINLAND CHINA AND OVERSEAS MARKETS
FURTHER REINFORCES ITS LEADING INDUSTRY POSITION**

(Hong Kong, 29 August 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 unaudited interim results for the six months ended 30 June 2018.

For the six months ended 30 June 2018, the Group’s revenue amounted to RMB3,677.7 million, representing a growth of 14.4% from the corresponding period last year, which was mainly due to steady growth in demand for radial tire cord for trucks in China. The Group’s gross profit dropped by 13.9% to RMB617.6 million, mainly due to the rising wire rod price which led to higher production cost. Gross profit margin was 16.8%. Profit attributable to owners of the Company was RMB127.2 million. Basic earnings per share were RMB8.57 fen. The Board does not recommend payment of an interim dividend for the six months ended 30 June 2018.

Mr. Liu Jinlan, Chairman of Xingda, said, “In the first half of 2018, confronting the convoluted and complex international economic environment due to the slowdown in global economic recovery progress and geopolitical instability, nevertheless the Chinese economy fared steadily, of which investments in fixed assets, property development and rising spending in e-commerce have boosted the demand for transport and road logistics services. This spurred the replacement demand on truck radial tire and sales of radial tire cords for truck. During the period, Xingda remained adhered to its agile sales strategies, business principles of premium product quality and leading research and development technology. The Group continued to develop the market of radial tire cord and optimize its market layout, striving to maintain steady sales growth in mainland China and overseas markets in such a volatile market environment.”

During the period, the Group has recorded a total sales volume of 392,700 tonnes, up 11.0% year-on-year. The Group’s sales volume of radial tire cords increased by 3.3% to 325,900 tonnes during the period, accounting for 83.0% of the Group’s total sales volume. Sales volume of bead wires and other wires increased by 74.4% to 66,800 tonnes, making up 17.0% of the Group’s total sales volume.

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By product category, in the first half of 2018, the Group's sales volume of radial tire cord for trucks rose 9.4% to 215,800 tonnes from the corresponding period last year, mainly benefitting from stable demand for replacement trucks tires and growth of trucks sales. The Government in China has cancelled the tax reduction policy concerning the purchase tax on small vehicles this year, thereby dragging down the sales growth of passenger cars. Consequently the sales volume of radial tire cords for passenger cars dropped by 6.8% to 110,100 tonnes. The sales volume of the two segments accounted for 66.2% and 33.8% respectively of the Group's total sales of radial tire cords.

By market category, benefitting from the persistent demand growth for radial tires for trucks in mainland China, the Group's sales volume of radial tire cords in China in the first half of this year rose by 1.7% to 248,000 tonnes, constituting 76.1% of the Group's total sales volume of radial tire cords. Meanwhile, Xingda's efforts to open up overseas markets have yielded encouraging results, showing a solid performance particularly in Europe and Asia (excluding China) markets. Its overseas sales volume of radial tire cord rose year-on-year by 8.9% to 77,900 tones, constituting 23.9% of the Group's total sales volume of radial tire cords.

As at 30 June 2018, the Group's annual production capacity of radial tire cords maintained at 725,000 tonnes, with those of the Jiangsu factory and the Shandong factory reaching 625,000 tonnes and 100,000 tonnes respectively. Given the strong demand of Southeast Asian markets for its products, the Group has strategically decided to build a new factory in Thailand, which is expected to start production in the first half of 2019. Production capacity of radial tire cords of such new factory in the first phase will be 50,000 tonnes. Annual production capacity of bead wire and other wire rose to 150,000 tonnes. Capitalizing on stronger market demand, the Group's overall capacity utilization rate continued to improve, achieving a high level of 90.7%.

Mr. Liu concluded, "Looking ahead, stepping into the critical third year of the "13th Five-year Plan", China's economic structure will continue to upgrade, propelling the national economy towards high-quality development. Benefitting from stable performance of the macro economy and the introduction of favorable policies by the government, China's tire industry enjoys a promising outlook. As the government of China has implemented policies governing the overrunning of trucks, it speeded up the replacement cycle of truck, driving steady demand growths in the radial tires as well the radial tire cords. In recent years, as market competition has alleviated, the radial tire cord industry will continue the positive growth momentum in the long term. In overseas markets, facing a complicated and ever-changing global economy and political environment, Xingda's management will keep an eye on the macroeconomic environment and market changes, adjust its business strategies in due course in accordance with its own development pace while formulating a comprehensive plan. Xingda will make use of its unique competitive advantages to enhance its core competitiveness and reinforce its presence as the leading radial tire cords manufacturer in China. At the same time, the Group will also strive to capture opportunities to create satisfactory and long-term returns for its shareholders."

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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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