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**兴 达**

**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 2025**

**FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>		<b><u>CHANGE</u></b>
	<b>2025</b>	<b>2024</b>	
	<b>(unaudited)</b>	<b>(unaudited)</b>	
	<b><i>RMB in</i></b>	<b><i>RMB in</i></b>	
	<b><i>Million</i></b>	<b><i>Million</i></b>	
Revenue	<b>5,664.3</b>	6,165.7	-8.1%
Gross profit	<b>1,121.1</b>	1,208.7	-7.2%
Gross profit margin	<b>19.8%</b>	19.6%	+0.2pp
EBITDA <i>(Note)</i>	<b>941.1</b>	871.3	+8.0%
Profit attributable to owners of the Company	<b>198.9</b>	192.2	+3.5%
Earnings per share – basic (RMB cents)	<b>10.37</b>	10.31	+0.6%
Earnings per share – diluted (RMB cents)	<b>10.30</b>	10.24	+0.6%

*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 2025 (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 2025

	NOTES	Six months ended 30 June	
		2025	2024
		(unaudited)	(unaudited)
		RMB'000	RMB'000
Revenue	3	5,664,267	6,165,692
Cost of sales		(4,543,157)	(4,956,977)
Gross profit		1,121,110	1,208,715
Other income		90,887	142,271
Other expense		(1,020)	(3,430)
Government grants		18,597	5,068
Distribution and selling expenses		(505,965)	(504,441)
Administrative expenses		(192,616)	(206,819)
Other gains and losses, net	4	97,240	(1,185)
Impairment loss recognised under expected credit loss model, net		(10,682)	(5,897)
Research and development expenditure		(145,966)	(154,098)
Finance costs	5	(113,408)	(103,442)
Profit before tax		358,177	376,742
Income tax expense	6	(74,960)	(93,432)
Profit for the period	7	283,217	283,310
<i>Other comprehensive income (expense) item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		21,284	(25,894)
Total comprehensive income for the period		304,501	257,416
Profit for the period attributable to:			
Owners of the Company		198,921	192,159
Non-controlling interests		84,296	91,151
		283,217	283,310

Total comprehensive income for the period  
attributable to:

Owners of the Company  
Non-controlling interests

**213,898** 173,933  
**90,603** 83,483

**304,501** 257,416

Earnings per share

9

-Basic (RMB cents)

**10.37** 10.31

-Diluted (RMB cents)

**10.30** 10.24

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025**

		As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
	<i>NOTES</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,270,094	8,013,342
Right-of-use assets		648,147	605,082
Freehold land		188,006	181,978
Investment properties		107,300	107,300
Term deposits		474,998	748,460
Deferred tax assets		155,450	156,645
Prepayments for acquisition of property, plant and equipment		113,587	155,062
Prepayments		11,304	12,901
		<b>9,968,886</b>	<b>9,980,770</b>
<b>CURRENT ASSETS</b>			
Inventories		1,358,622	1,423,150
Financial assets at fair value through profit or loss ("FVTPL")		125,564	123,148
Trade, bills and other receivables	10	7,683,928	7,999,040
Tax recoverable		321	4,204
Term deposits		1,483,929	2,015,618
Bank balances and cash		1,307,064	835,591
		<b>11,959,428</b>	<b>12,400,751</b>
<b>CURRENT LIABILITIES</b>			
Trade, bills and other payables	11	4,813,436	5,175,964
Contract liabilities		71,480	93,711
Tax liabilities		86,124	79,667
Dividend payable		39,226	3
Borrowings - due within one year		6,927,244	6,815,194
Lease liabilities		277	271
Obligations arising from repurchase of shares		—	229,111
		<b>11,937,787</b>	<b>12,393,921</b>
<b>NET CURRENT ASSETS</b>		<b>21,641</b>	<b>6,830</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,990,527</b>	<b>9,987,600</b>

		As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
	<i>NOTE</i>		
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		62,888	62,259
Borrowings - due after one year		1,004,470	970,420
Deferred income		254,644	268,281
Lease liabilities		255	395
		<hr/>	<hr/>
		1,322,257	1,301,355
		<hr/>	<hr/>
<b>NET ASSETS</b>		8,668,270	8,686,245
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Share capital	12	186,603	186,603
Share premium and other reserves		6,311,697	6,281,126
		<hr/>	<hr/>
Equity attributable to owners of the Company		6,498,300	6,467,729
Non-controlling interests		2,169,970	2,218,516
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		8,668,270	8,686,245
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,009,072</b>	<b>371,683</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(786,289)	(605,280)
Payment for acquiring financial assets at FVTPL	—	(49,542)
Payments for leasehold land	—	(461)
Placement of term deposits	(445,803)	(88,061)
Withdrawal of term deposits	1,200,010	309,000
Interest received	109,308	22,097
Receipts of assets-related government grants	—	5,500
Dividend received from financial assets at FVTPL	7,755	4,459
Proceeds on disposal of property, plant and equipment	3,651	—
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>88,632</b>	<b>(402,288)</b>
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	5,010,002	5,328,977
Proceeds from issuance of shares	—	306,346
Repayments of borrowings	(4,773,237)	(4,607,722)
Repurchase shares of a subsidiary from non-controlling interests	(407,461)	—
Dividend paid	(353,337)	(368,208)
Interest paid	(104,882)	(101,344)
Repayments of lease liabilities	(147)	(130)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(629,062)</b>	<b>557,919</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>468,642</b>	<b>527,314</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY,</b>	<b>835,591</b>	<b>570,801</b>
Effect of foreign exchange rate changes	2,831	(2,510)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE,</b>	<b>1,307,064</b>	<b>1,095,605</b>
represented by bank balances and cash	1,307,064	1,095,605

## NOTES:

### 1. BASIS OF PREPARATION

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

### 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

#### *Application of amendments to IFRS Accounting Standards*

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatory effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard 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

#### Disaggregation of revenue from contracts with customers

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Sales of products</b>		
Radial tire cords		
- For trucks	<b>3,145,841</b>	3,499,587
- For passenger cars	<b>1,774,738</b>	1,772,460
Bead wires	<b>356,455</b>	457,238
Hose wires and other wires	<b>387,233</b>	436,407
	<b>5,664,267</b>	6,165,692
<b>Timing of revenue recognition</b>		
A point in time	<b>5,664,267</b>	6,165,692

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

The Group's customers were mainly 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 is set out as below:



	<b>As at 30 June 2025 (unaudited) RMB'000</b>	<b>As at 31 December 2024 (audited) RMB'000</b>
The PRC	7,993,995	7,802,236
Thailand	1,344,443	1,273,429
	<hr/> <b>9,338,438</b> <hr/>	<hr/> <b>9,075,665</b> <hr/>

### Geographical information

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

	<b>Six months ended 30 June 2025 (unaudited) RMB'000</b>	<b>2024 (unaudited) RMB'000</b>
The PRC (country of domicile)	3,596,685	4,220,613
India	293,383	271,663
United States of America	234,799	135,176
Thailand	231,663	239,624
Brazil	210,233	169,362
Slovakia	129,775	118,605
Korea	105,856	93,782
Romania	102,542	82,540
Others	759,331	834,327
	<hr/> <b>5,664,267</b> <hr/>	<hr/> <b>6,165,692</b> <hr/>

“Others” included revenue from other various countries, each of which is individually less than 10% of the Group’s total revenue.

No customer contributes over 10% of the total revenue of the Group for the six months ended 30 June 2025 and 2024.

#### 4. OTHER GAINS AND LOSSES, NET

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net foreign exchange gain (loss)	<b>86,621</b>	(18,764)
Dividend income from financial assets at FVTPL	<b>8,250</b>	4,954
Gain on change in fair value of financial assets at FVTPL	<b>2,416</b>	14,436
Loss on written off and disposal of property, plant and equipment	<b>(47)</b>	(1,811)
	<b>97,240</b>	(1,185)

#### 5. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interests on:		
Bank borrowings	<b>104,099</b>	93,016
Bills receivable discounted	<b>1,963</b>	2,410
Lease liabilities	<b>13</b>	16
Imputed interest on obligations arising from repurchase of shares	<b>7,333</b>	8,000
	<b>113,408</b>	103,442
Less: amounts capitalised in the cost of qualifying assets	—	—
	<b>113,408</b>	103,442

No borrowing costs were capitalised during the six months ended 30 June 2025 and 2024.

## 6. INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current tax	<b>54,123</b>	76,356
Overprovision in prior years	<b>(12,004)</b>	(9,509)
Withholding tax	<b>31,017</b>	26,661
Deferred tax	<b>1,824</b>	(76)
	<hr/>	<hr/>
	<b>74,960</b>	93,432
	<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% except for Jiangsu Xingda as further described below.

Jiangsu Xingda is qualified as High-tech Enterprise and enjoyed preferential tax rate of 15% throughout the effective period of High-tech Enterprise Certificate during 2024 to 2026.

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 assessable profits was absorbed by its unrecognised tax loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: no assessable profits of the Group's subsidiary in Thailand incurred).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax exposure of group entities incorporated in other jurisdiction subject to Pillar Two income taxes rules are insignificant, as those group entities are with no assessment profits or the assessable profits are absorbed by the unused tax losses for the current period. The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

## 7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	<b>559,135</b>	562,398
Retirement benefits scheme contributions	<b>40,729</b>	41,163
Share-based payments	<b>1,101</b>	93
Total staff costs	<b>600,965</b>	603,654
Depreciation and amortisation		
- Property, plant and equipment	<b>461,738</b>	383,435
- Right-of-use assets	<b>7,802</b>	7,648
Total depreciation and amortisation	<b>469,540</b>	391,083

## 8. DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Dividend for ordinary shareholders of the Company recognised as distribution during the period:		
Final dividend in respect of the year ended 31 December 2024 - nil HK cents per share (2024: final dividend in respect of the year ended 31 December 2023 - 13.0 HK cents per share)	—	226,207
Special dividend - 15.0 HK cents per share (2024: nil HK cents per share)	<b>265,136</b>	—

During the current interim period, one-off special dividend of 15.0 HK cents per ordinary share in an aggregate amount of approximately RMB265,136,000 has been approved at the extraordinary general meeting held on 27 January 2025.

The board of directors has determined that no dividend will be paid for both interim periods.

## 9. 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	
	2025	2024
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Earnings		
Earnings for the period attributable to owners of the Company	198,921	192,159
	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,917,986	1,864,184
Effect of dilutive potential ordinary shares in respect of outstanding share awards	13,048	11,806
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,931,034	1,875,990

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

# 10. TRADE, BILLS AND OTHER RECEIVABLES

	As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
Trade receivables - goods	4,500,723	4,198,221
Less: Allowance for credit losses	(77,136)	(68,031)
	<u>4,423,587</u>	<u>4,130,190</u>
Bills receivables	2,729,695	3,270,094
Less: Allowance for credit losses	(1,950)	(1,950)
	<u>2,727,745</u>	<u>3,268,144</u>
	<u>7,151,332</u>	<u>7,398,334</u>
Advances to suppliers of raw materials	282,339	365,515
Prepayments for spool	19,392	15,955
Value-added tax receivable	147,279	180,720
Other receivables	66,625	23,289
Other prepayments	22,223	20,489
Less: Allowance for credit losses on other receivables	(5,262)	(5,262)
	<u>532,596</u>	<u>600,706</u>
	<u><u>7,683,928</u></u>	<u><u>7,999,040</u></u>

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 which approximated the revenue recognition date:

	As at <b>30 June</b> <b>2025</b> <b>(unaudited)</b> <b>RMB'000</b>	As at 31 December 2024 (audited) RMB'000
Trade receivables		
0 - 90 days	<b>2,800,894</b>	2,658,476
91 - 120 days	<b>521,159</b>	379,573
121 - 180 days	<b>385,805</b>	406,366
181 - 360 days	<b>598,498</b>	571,053
Over 360 days	<b>117,231</b>	114,722
	<hr/> <b>4,423,587</b> <hr/>	<hr/> 4,130,190 <hr/>
Bills receivables		
0 - 90 days	<b>263,901</b>	310,642
91 - 180 days	<b>1,119,685</b>	1,406,600
181 - 360 days	<b>1,343,288</b>	1,541,117
Over 360 days	<b>871</b>	9,785
	<hr/> <b>2,727,745</b> <hr/>	<hr/> 3,268,144 <hr/>

The Group has a policy of allowing an average credit period of 90 to 120 days to its trade customers and the Group allows domestic customers to pay bills or letter of credit to settle the trade receivables. Bills receivable and letter of credit received by the Group are with a maturity period of less than one year.

The basis of determining the inputs and assumptions and the estimation techniques for impairment assessment under expected credit loss model used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

During the current interim period, the Group has recognised impairment loss under expected credit loss model of RMB10,682,000 (for the six months ended 30 June 2024: recognised impairment loss under expected credit loss model of RMB5,897,000).

# 11. TRADE, BILLS AND OTHER PAYABLES

	As at 30 June 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
Trade payables	3,186,364	2,966,246
Bills payables (Note)	—	306,900
	<u>3,186,364</u>	<u>3,273,146</u>
Value-added tax payables and other tax payables	84,139	26,557
Accrued staff costs and pension	212,109	272,762
Payables for purchase of property, plant and equipment	1,097,935	1,375,595
Amount due to a related party	12,795	11,671
Accrued interest expenses	9,078	7,898
Accrued expenses	118,335	128,654
Other payable to a non-controlling shareholder	20,000	20,000
Others	72,681	59,681
	<u>1,627,072</u>	<u>1,902,818</u>
	<u><u>4,813,436</u></u>	<u><u>5,175,964</u></u>

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

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 2025 (unaudited) RMB'000	As at 31 December 2024 (audited) RMB'000
Trade payables		
0 - 90 days	1,927,391	1,512,488
91 - 180 days	857,084	1,017,814
181 - 360 days	272,970	379,137
Over 360 days	128,919	56,807
	<u>3,186,364</u>	<u>2,966,246</u>



Bills payables		
91 - 180 days	—	225,548
181 - 360 days	—	81,352
		<hr/>
	—	306,900
	<hr/>	<hr/>

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.

## 12. SHARE CAPITAL

	<u>Number of shares</u>		<u>Share capital</u>	
	<b>30 June</b>	31 December	<b>30 June</b>	31 December
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>'000</b>	<b>'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Authorised:				
3 billion ordinary shares of HK\$0.1 each	<b>3,000,000</b>	3,000,000	<b>301,410</b>	301,410
	<hr/>	<hr/>	<hr/>	<hr/>
Issued and fully paid:				
At beginning of period/year	<b>1,920,125</b>	1,662,445	<b>186,603</b>	163,218
Issuance of shares	—	257,680	—	23,385
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period/year	<b>1,920,125</b>	1,920,125	<b>186,603</b>	186,603
	<hr/>	<hr/>	<hr/>	<hr/>

As at 30 June 2025, included the issued and fully paid ordinary shares, 2,139,665 shares are held by trustee under share-award scheme (31 December 2024: 2,139,665 shares).

## 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 2025 (the "review period").

For the six months ended 30 June 2025, the Group recorded revenue of RMB5,664.3 million, representing a year-on-year decrease of 8.1% (first half of 2024: RMB6,165.7 million). Gross profit decreased by 7.2% year-on-year to RMB1,121.1 million (first half of 2024: RMB1,208.7 million) and gross profit margin grew by 0.2 percentage point compared to the same period last year to 19.8% (first half of 2024: 19.6%). Profit attributable to the owners of the Company increased by 3.5% year-on-year to RMB198.9 million (first half of 2024: RMB192.2 million). Basic earnings per share were RMB10.37 cents (first half of 2024: RMB10.31 cents). The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

In the first half of 2025, China's economy remained sustained and showed upward momentum. According to data from the National Bureau of Statistics, the Gross Domestic Product (GDP) increased by 5.3% year-on-year, showing steady improvement in production demand. Based on data released by the China Association of Automobile Manufacturers, in the first half of 2025, China's automobile production and sales reached 15.621 million units and 15.653 million units, respectively, with year-on-year increases of 12.5% and 11.4%. Additionally, according to statistics from the Ministry of Transport, from January to June 2025, the year-on-year growth rate of national highway freight volume reached 4.0%, indicating a steadily rising trend in highway freight volume, and various operational indicators continued to show improvement.

In terms of policy, in the first half of 2025, the Chinese government continued to comprehensively promote large-scale equipment renewal and trade-in programs for consumer goods, supported scrappage and renewal for aging commercial trucks, raised the subsidy standard for new energy city buses, and improved the subsidy standard for automobile replacement and renewal. However, due to the intensifying “involution” competition in the automotive industry, the development of both upstream and downstream of the automotive industry chain has been challenged. According to the statistics, the profit margin of the automobile industry has gradually declined from 5.7% in 2022 to 4.1% in April 2025. The price war in the automotive sector is weighing on the prices of upstream and downstream products, in turn squeezing profit margins of radial tire cord industry.

Meanwhile, according to data from the National Bureau of Statistics, China's rubber tire casing production decreased by 1.2% year-on-year in May 2025, which also led the first negative growth in China's total tire production since 2023. Growth in rubber tire casing production has been progressively narrowing. The replacement market for radial tires is expected to be affected by demand fluctuations in downstream markets in the short term.

New energy vehicles continuously drive the development of the radial tire cord industry. In the first half of 2025, the production and sales of new energy vehicles remained resilient. According to data from the National Bureau of Statistics, in the first half of 2025, China's value-added industrial output increased by 6.4% year-on-year, and the production of new energy vehicles increased by 36.2% year-on-year. According to the data of the China Association of Automobile Manufacturers, in the first half of 2025, the production and sales of new energy vehicles grew rapidly, reaching 6.968 million units and 6.937 million units, with year-on-year increases of 41.4% and 40.3%. In June 2025, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and three other departments jointly issued the Notice on Launching the 2025 New Energy Vehicle Promotion Campaign in Rural Areas, which will increase the penetration rate of new energy vehicles in Tier 3-5 cities in the coming years. As new energy vehicles expand into lower-tier markets, the radial tire cords industry is positioned for long-term gains.

In the second half of 2025, the global tire industry will be challenged by tariff policy adjustments and maneuvering, raising the downside risk for the global economy. Given that the US tariff policy is uncertain, China's export growth is under greater pressure. However, the domestic tire market is expected to maintain stable growth in the future due to the release of national policy effects and the rapid growth of new energy vehicles. Moreover, since multiple departments and industry associations have strengthened the supervision and management to the “involution” competition, it is believed that the automotive industry will welcome healthy and sustainable development, as well as the tire and radial tire cord will also embrace more opportunities for development.

## **BUSINESS REVIEW**

In the first half of 2025, domestic downstream market demand decreased and competition in the radial tire cords industry intensified, resulting in a decline in sales. The Group recorded total sales volume of 688,900 tonnes, down by 5.0% year-on-year, and that of radial tire cords declined by 2.8% year-on-year to 562,400 tonnes, accounting for 81.6% of the Group's total sales volume (first half of 2024: 79.8%). Sales volume of bead wires decreased by 17.3% to 68,600 tonnes, accounting for 10.0% of the Group's total sales volume (first half of 2024: 11.5%). As for hose wires and other wires, their total sales volume decreased by 8.5% to 57,900 tonnes, making up 8.4% of the Group's total sales volume (first half of 2024: 8.7%).

During the review period, the sales volume of the Group's radial tire cords for trucks decreased by 4.9% year-on-year to 367,400 tonnes. The decline was primarily driven by falling demand in the domestic downstream market and intense competition in the radial tire cords industry. Additionally, an increase in orders from overseas tire manufacturers contributed to the increased sales volume of the Group's radial tire cords for passenger cars, which saw a growth of 1.5% to 195,000 tonnes. The sales volume of radial tire cords for trucks and passenger cars accounted for 65.3% and 34.7% of the total sales volume of radial tire cords during the review period.

### Sales Volume

	Six months ended 30 June		Change
	2025 <i>Tonnes</i>	2024 <i>Tonnes</i>	
Radial tire cords	<b>562,400</b>	578,600	-2.8%
- <i>For trucks</i>	<b>367,400</b>	386,400	-4.9%
- <i>For passenger cars</i>	<b>195,000</b>	192,200	+1.5%
Bead wires	<b>68,600</b>	83,000	-17.3%
Hose wires and other wires	<b>57,900</b>	63,300	-8.5%
Total	<b>688,900</b>	724,900	-5.0%

In the China market, the sales volume of the Group's radial tire cords decreased by 8.1% to 381,800 tonnes during the review period (first half of 2024: 415,600 tonnes), primarily driven by reduced demand from domestic tire manufacturers and involution competition within the radial tire cord industry. As for overseas market demand, the growth momentum continued in this review period. The sales volume of radial tire cords increased by 10.8% to 180,600 tonnes (first half of 2024: 163,000 tonnes), mainly due to ongoing growth in overseas orders for radial tire cords. Domestic and overseas markets accounted for 67.9% and 32.1% of the Group's total sales volume, respectively, (first half of 2024: 71.8% and 28.2%).

As at 30 June 2025, the annual production capacity of radial tire cords increased to 1,317,000 tonnes. The annual production capacity of the Jiangsu and Shandong factories reached 890,000 tonnes and 348,000 tonnes, respectively, providing strong support for domestic sales. The annual production capacity of the Thailand plant reached 79,000 tonnes. The annual production capacity of bead wires reached 173,000 tonnes. The annual production capacity of hose wires and other wires reached 131,000 tonnes. During the review period, the overall utilization rate of the Group's factories decreased to 83.0% (first half of 2024: 95.7%), influenced by weakening demand in the domestic radial tire market.

	<b>30 June 2025 Production Capacity (Tonnes)</b>	<b>Six months ended 30 June 2025 Utilisation Rate</b>	<b>30 June 2024 Production Capacity (Tonnes)</b>	<b>Six months ended 30 June 2024 Utilisation Rate</b>
Radial tire cords	<b>1,317,000</b>	<b>83%*</b>	1,248,000	96%
Bead wires	<b>173,000</b>	<b>77%</b>	173,000	96%
Hose wires and other wires	<b>131,000</b>	<b>89%</b>	131,000	96%
Overall	<b>1,621,000</b>	<b>83%*</b>	1,552,000	96%

\* One of the Group's plants located in Jining City, Shandong Province is still in the early stage of production volume expansion as it was successfully launched in December 2024. The Jining plant has been planned with foresight, and the existing production capacity and utilized space are relatively abundant, providing sufficient flexibility for the recovery of market demand and order growth in the future. In the review period, the newly launched Jining plant was one of factors for the decrease in overall plant utilization rate. Excluding the capacity utilization of Jining plant, the Group's radial tire cord and overall utilization rate were adjusted as 85% and 85% respectively.

To bolster production capacity and enlarge its business footprint, the Group has continued to invest resources in strengthening product research and development, upgrading product technology, and creating customized radial tire cords to meet the diverse needs of customers. In the review period, the Group developed 10 new types of radial tire cords and 7 new types of bead wires, hose wires and other wires.

## FINANCIAL REVIEW

### Revenue

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

<i>RMB in million</i>	<b>Six months ended 30 June</b>				
	<b>2025</b>	<b>Proportion</b>	<b>2024</b>	<b>Proportion</b>	<b>Change</b>
		<b>(%)</b>		<b>(%)</b>	<b>(%)</b>
Radial tire cords	<b>4,920.6</b>	<b>87</b>	5,272.0	86	-6.7
- For trucks	<b>3,145.8</b>	<b>56</b>	3,499.6	57	-10.1
- For passenger cars	<b>1,774.8</b>	<b>31</b>	1,772.4	29	+0.1
Bead wires	<b>356.5</b>	<b>6</b>	457.3	7	-22.0
Hose wires and other wires	<b>387.2</b>	<b>7</b>	436.4	7	-11.3
Total	<b>5,664.3</b>	<b>100</b>	6,165.7	100	-8.1

During the review period, the Group's revenue decreased by RMB501.4 million or 8.1% year on year to RMB5,664.3 million (first half of 2024: RMB6,165.7 million), mainly due to the decrease in sales volume for the Group.

## **Gross profit and gross profit margin**

The Group's gross profit decreased by RMB87.6 million or 7.2% year-on-year to RMB1,121.1 million (first half of 2024: RMB1,208.7 million), primarily due to the decrease in revenue. Gross profit margin was 19.8% (first half of 2024: 19.6%), representing a year-on-year increase of 0.2 percentage point. The increase in gross profit margin was mainly due to the decrease in cost of sales under upgrading of production technology in the first half of 2025.

## **Other income**

Other income decreased by RMB51.4 million or 36.1% to RMB90.9 million (first half of 2024: RMB142.3 million), mainly due to a decrease in bank interest income.

## **Other expense**

Other expenses decreased by RMB2.4 million or 70.6% to RMB1.0 million (first half of 2024: RMB3.4 million), primarily due to the reduction in sundry income in the first half of 2025 and the corresponding decrease in costs of sundry income.

## **Government grants**

During the review period, government grants increased by RMB13.5 million or 264.7% to RMB18.6 million (first half of 2024: RMB 5.1 million), mainly due to an increase in government grants released from deferred income.

## **Distribution and selling expenses**

Distribution and selling expenses increased by RMB1.6 million or 0.3% to RMB506.0 million (first half of 2024: RMB504.4 million), mainly due to an increase in storage costs on a year-on-year basis.

## **Administrative expenses**

Administrative expenses decreased by RMB14.2 million or 6.9% to RMB192.6 million (first half of 2024: RMB206.8 million). It is mainly due to a decrease in repairs and maintenance cost .

### **Other gains and losses, net**

Other gains and losses, net decreased by RMB98.4 million or 8,200.0% from net loss of RMB1.2 million in the first half of 2024 to net gain of RMB97.2 million in the first half of 2025. This decrease was mainly due to the net foreign exchange gain of RMB86.6 million recorded in this review period whereas a net foreign exchange loss of RMB18.8 million recorded in the first half of 2024.

### **Impairment loss recognised under expected credit loss model, net**

Impairment loss recognised under the expected credit loss model increased by RMB4.8 million or 81.4% to RMB10.7 million in the first half of 2025 (first half of 2024: RMB5.9 million). This increase was mainly due to an increase in default rates which were used in the expected credit loss model in the first half of 2025.

### **Research and development expenditure**

Research and development expenditure decreased by RMB8.1 million or 5.3% to RMB146.0 million (first half of 2024: RMB154.1 million), mainly due to the decrease in the number of new products under development projects in the first half of 2025, so that the Group invested less resources in new product research and development.

### **Finance costs**

Finance costs increased by RMB10.0 million or 9.7% to RM113.4 million (first half of 2024: RMB103.4 million). The increase was primarily due to the year-on-year increase in average bank borrowing balances.

### **Income tax expense**

The Group's income tax expense decreased by RMB18.4 million or 19.7% to RMB75.0 million (first half of 2024: RMB93.4 million), with an effective tax rate of 20.9% (first half of 2024: 24.8%). During the review period, current tax was decreased by RMB22.3 million or 29.2% to RMB54.1 million due to the decrease in profit before tax (first half of 2024: RMB76.4 million). By using the current tax on calculating the effective tax rate, it would become 15.1% (first half of 2024: 20.3%). A decrease in an effective tax rate was mainly due to profit before tax of Xingda Steel Cord (Thailand) Company Limited for the six months ended 30 June 2025 was absorbed by its unrecognised tax loss and no provision for taxation has been made thereon.

## **Net profit**

Taking the factors mentioned above into account, the Group's net profit for the six months ended 30 June 2025 decreased by RMB0.1 million or 0.0% to RMB283.2 million (first half of 2024: RMB283.3 million).

## **LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE**

During the review period, there were no significant changes in the Group's funding and treasury policies. The principal source of liquidity and capital resources was the cash flow generated from operating and investing activities, whereas the principal usage of cash was for the acquisition of property, plant and equipment, repurchase shares of a subsidiary from non-controlling interests, payments of dividends, interest and income tax.

Bank balances and cash of the Group increased by RMB471.5 million or 56.4% from RMB835.6 million as at 31 December 2024 to RMB1,307.1 million as at 30 June 2025. The increase was mainly due to the cash that has been generated from operating activities of RMB1,009.1 million, investing activities of RMB88.6 million and the effect of foreign exchange rate changes of RMB2.9 million respectively, exceeding the cash used in financing activities of RMB629.1 million.

Borrowings increased by RMB146.1 million or 1.9% to RMB7,931.7 million as at 30 June 2025 from RMB7,785.6 million as at 31 December 2024. The bank borrowings carry interest at fixed rates from 1.06% to 3.50% (31 December 2024: 0.57% to 3.50%) and variable rates from 2.14% to 3.80% (31 December 2024: 2.28% to 3.80%). Borrowings of RMB6,927.2 million are repayable within one year from 30 June 2025 and the remaining borrowings of RMB1,004.5 million are repayable after one year from 30 June 2025.

As at 30 June 2025, the Group's current assets decreased by RMB441.4 million or 3.6% to RMB11,959.4 million (31 December 2024: RMB12,400.8 million). Current liabilities decreased by RMB456.1 million or 3.7% to RMB11,937.8 million (31 December 2024: RMB12,393.9 million). The Group's current ratio (being defined as current assets over current liabilities) maintained at 1.0 times (31 December 2024: 1.0 times). The gearing ratio (being defined as total debts to total assets) as at 30 June 2025 was 36.2% (31 December 2024: 34.8%).

## **FOREIGN EXCHANGE RISK**

The Group's sales and purchases were principally denominated in Renminbi, US dollars, Euros and Thai Baht.



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 2025, capital expenditure for property, plant and equipment amounted to RMB685.6 million (first half of 2024: RMB709.9 million).

## **CAPITAL COMMITMENTS**

As at 30 June 2025, the Group had made a capital commitment of approximately RMB461.4 million (31 December 2024: RMB134.5 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 and freehold land authorized but not contracted as at 30 June 2025 and 31 December 2024. 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 2025 and 31 December 2024 respectively.

## **PLEDGE OF ASSETS**

As at 30 June 2025, secured bank borrowings amounting to RMB1,246.6 million (31 December 2024: RMB2,393.8 million) were secured by term deposits and bills receivables of the Group amounting to RMB931.0 million and RMB247.6 million, respectively (31 December 2024: secured by term deposits, bills receivable and trade receivables amounting to RMB1,757.5 million, RMB301.5 million and RMB49.6 million, respectively).

## **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 deducting expenses, amounted to approximately HK\$71.4 million. In 2024, Xingda has subscribed another 6,100,000 shares of Prinx Chengshan at HK\$8.90 per share, for a total payment of approximately HK\$54.5 million after deducting expenses. The shares held by Xingda accounted for 2.8% of the entire issued shares of Prinx Chengshan as at 30 June 2025 and 31 December 2024. 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 FVTPL of RMB2.4 million was recorded during the six months ended 30 June 2025 (first half of 2024: gain of RMB14.4 million).

The fair value of the investment in Prinx Chengshan as at 30 June 2025 was RMB 125.6 million (31 December 2024: RMB123.1 million). The above mentioned investment accounted for 0.6% and 0.6% of the total assets value of the Group as at 30 June 2025 and 31 December 2024 respectively.

Save as disclosed above, the Group had no other significant investments as at 30 June 2025 and 31 December 2024 respectively.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 25 June 2025, Faith Maple International Ltd (“Faith Maple”), a wholly owned subsidiary of the Group, on the first part, entered into the capital reduction agreements (the “Capital Reduction Agreements”) with Jiangsu Xingda Steel Tyre Cord Co., Ltd\* (江蘇興達鋼簾線股份有限公司) (“Jiangsu Xingda”), on the second part, and Chengshan Group Co., Ltd\* (成山集團有限公司), Sailun Group Co., Ltd.\* (賽輪集團股份有限公司), Triangle Tyre Co., Ltd\* (三角輪胎股份有限公司), and Linglong Tire Co., Ltd.\* (玲瓏輪胎有限公司), respectively, on the third part (the “Investors”). Also on 25 June 2025, Faith Maple entered into a capital reduction agreement with and Dongying Rongju Investment Centre (Limited Partnership)\* (東營融聚投資中心(有限合伙)) (the “Dongying Capital Reduction Agreement”) (“Dongying”).

Pursuant to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, each of the Investors and Dongying withdrew from Jiangsu Xingda by way of capital reduction. Before the completion of the capital reduction, the total registered capital of Jiangsu Xingda is RMB2,862,262,865 divided into 2,862,262,865 shares. According to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, each share of Jiangsu Xingda is cancelled at approximately RMB2.69 per share.

After the completion of the said capital reduction, the shareholding of the Group in Jiangsu Xingda increased from approximately 70.32% to approximately 74.25%.

Please refer to the announcements of the Company dated 25 June 2025 and 4 July 2025 for further details.

Save as disclosed above, the Company had no material acquisitions and disposals in relation to its subsidiaries, associates and joint ventures for the six months ended 30 June 2025 and 30 June 2024 respectively.

## **HUMAN RESOURCES**

As of 30 June 2025, the Group had approximately 8,500 full time employees (31 December 2024: approximately 8,600). Total staff costs including directors' remuneration for the six months ended 30 June 2025 was RMB601.0 million (first half of 2024: RMB603.7 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, major operating subsidiaries including 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 2025, the amount of Union Fees contributed by the Labour Union of Jiangsu Xingda, Shandong Xingda and Taizhou Xingda was RMB9.0 million (first half of 2024: RMB10.4 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. In 2021, 665,471 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. For the year ended 31 December 2021, 102,000 Fourth Batch Shares were unvested and added to the Fifth Batch Shares. As at 30 June 2025, the balance of the Fifth Batch Shares were 2,139,665 shares.

As at 30 June 2025, all the First Batch Shares, the Second Batch Shares, the Third Batch Shares and the Fourth Batch Shares and one-third of the Fifth Batch Shares have been vested with selected employees. The remaining 2,139,665 Fifth Batch Shares are expected to be vested with selected employees not later than the end of year 2025.

## **PROSPECTS**

In the first half of 2025, despite the rapid changes in the international environment, China's economic growth momentum still remains resilient. In July, the National Bureau of Statistics of China indicated that it was optimistic for China's consumer market in the second half of the year, and subsidy policies to stimulate consumption have already been forthcoming.

The radial tire cord industry is expected to benefit from the healthy development of the consumer market and the vehicle industry. In July 2025, the Executive meeting of the State Council emphasized that it is necessary to strengthen the cost survey and price monitoring, improve the long-term mechanism for regulating competition, and enhance competitiveness through scientific and technological innovation and quality improvement in the vehicle industry. In addition, the National Development and Reform Commission (NDRC) solicited comments from the public on the Amendment to Pricing Law of the People's Republic of China (Consultation Paper), identifying the standard of low-priced dumping, as well as to regulate “involution” competition.

Meanwhile, the Group noticed that the hydropower project in the lower reaches of the Yarlung Zangbo River in Tibet was officially launched recently. As a significant national infrastructure project, this project will promote the expansion of demand for radial tire cords as an upstream industry through the industrial chain transmission effect. It is believed that the radial tire cords industry will benefit from long-term growth prospects since the “anti-involution” policy and the significant national infrastructure projects.

However, due to the uncertainties of geopolitics and international trade, the Group’s export growth is still under considerable pressure. China's Vehicle Inventory Alert Index (VIA) is slightly above boom-or-bust line, the vehicle industry is still facing challenges. Although beneficial policies have been coming out, the Group believes that the radial tire cords industry will take time to materialize benefits from the “anti-involution” policy. Therefore, the Group remains cautiously optimistic about the industry's short-term development.

Looking forward to the future, the Group will pay close attention to the changes in industry trends and domestic and overseas policies, adapt our strategy according to the general environment. At the same time, we will follow the green trend in the tire industry, optimize our global capacity layout, and continue to advance technological innovation and product upgrades. To continue the development focus for the whole year of 2025, we will commit ourselves to research and production of green products, providing high-quality solutions for customers.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

## **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 C1 of the Listing Rules throughout the six months ended 30 June 2025, except for the following:-

Code provision C.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 C3 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 2025.

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 2025.

## **REVIEW OF INTERIM FINANCIAL STATEMENTS**

The Audit Committee 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 2025.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND THE INTERIM REPORT**

This results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.irasia.com/listco/hk/xingda/index.htm](http://www.irasia.com/listco/hk/xingda/index.htm)). The Company's interim report for the six months ended 30 June 2025 will be dispatched to the shareholders of the Company and will be published on the above websites as and where appropriate in due course.

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

Shanghai, the PRC, 29 August 2025

*As at the date of this announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. HANG Youming, Mr. WANG Jin and Ms. WANG Yu, the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Ms. XU Chunhua and Ms. ZHANG Guoyun.*