2026
INTERIM REPORT

XINGDA
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 : 1899)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LIU Jinlan *(Chairman)*
Mr. LIU Xiang
Mr. HANG Youming
Mr. WANG Jin
Mr. SHEN Aiguo (appointed on 5 June 2026)
Ms. WANG Yu (resigned on 16 April 2026)

Independent Non-executive Directors

Mr. KOO Fook Sun, Louis
Ms. ZHANG Guoyun
Ms. LEUNG Ho Ming, Alison (appointed on 5 June 2026)
Ms. XU Chunhua (resigned on 8 April 2026)

AUDIT COMMITTEE

Mr. KOO Fook Sun, Louis *(Chairman)*
Ms. ZHANG Guoyun
Ms. LEUNG Ho Ming, Alison (appointed on 5 June 2026)
Ms. XU Chunhua (ceased to be a member on 8 April 2026)

REMUNERATION AND MANAGEMENT DEVELOPMENT COMMITTEE

Mr. KOO Fook Sun, Louis *(Chairman)*
Ms. ZHANG Guoyun

NOMINATION COMMITTEE

Mr. LIU Jinlan *(Chairman)*
Mr. KOO Fook Sun, Louis
Ms. LEUNG Ho Ming, Alison (appointed on 5 June 2026)
Ms. XU Chunhua (ceased to be a member on 8 April 2026)

COMPANY SECRETARY

Mr. CHENG Kam Ho, *CPA*

AUTHORISED REPRESENTATIVES

Mr. WANG Jin
Mr. CHENG Kam Ho

LEGAL ADVISORS

As to Hong Kong Law:
Patrick Mak & Tse
Solicitors

AUDITORS

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

INVESTOR RELATIONS

Ever Bloom (HK) Communications Consultants Group Limited
10/F., 80 Gloucester Road
Wan Chai
Hong Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE

6th Floor, No. 20, Lane 599
Yunling Road (East)
Putuo District
Shanghai 200062
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit S03, 7/F, Low block
Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China
China Construction Bank
Bank of China (Hong Kong) Limited
Industrial Bank Co., Ltd. Hong Kong Branch

SHARE REGISTRARS AND TRANSFER OFFICES

Principal:

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586,
Gardenia Court, Camana Bay, Grand Cayman,
KY1-1100, Cayman Islands

Hong Kong Branch:

Boardroom Share Registrars (HK) Limited
2103B, 21/F., 148 Electric Road
North Point
Hong Kong

STOCK CODE

01899

WEBSITE

www.irasia.com/listco/hk/xingda/index.htm

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change
	RMB in million	*RMB in million*	
OPERATING RESULTS			
Revenue	**5,778.5**	5,664.3	+2.0%
Gross profit	**1,122.6**	1,121.1	+0.1%
EBITDA[(1)]	**662.6**	941.1	-29.6%
Profit for the period	**81.3**	283.2	-71.3%
Profit attributable to owners of the Company	**65.0**	198.9	-67.3%
Earnings per share – basic (RMB cents)	**3.39**	10.37	-67.3%
Earnings per share – diluted (RMB cents)	**3.37**	10.30	-67.3%

	30.6.2026	31.12.2025	Change
	RMB in million	*RMB in million*	
FINANCIAL POSITION			
Total assets	**21,016.2**	21,193.7	-0.8%
Total liabilities	**12,754.3**	12,325.8	+3.5%
Net assets	**8,261.9**	8,867.9	-6.8%
Equity attributable to owners of the Company	**6,217.7**	6,647.1	-6.5%

	Six months ended 30 June	
	2026	2025
KEY RATIOS		
Gross profit margin [(2)]	**19.4%**	19.8%
EBITDA margin [(3)]	**11.5%**	16.6%
Return on equity [(4)]	**1.0%**	3.1%

	30.6.2026	31.12.2025
Current ratio [(5)]	**1.0**	1.1
Gearing ratio [(6)]	**37.2%**	35.0%
Net debts to equity ratio [(7)]	**106.5%**	94.3%

Notes:

(1) It is arrived at profit for the period before finance costs, income tax expense, depreciation and amortization.

(2) Gross profit divided by revenue.

(3) EBITDA divided by revenue.

(4) Profit for the period attributable to owners of the Company divided by equity attributable to owners of the Company.

(5) Current assets divided by current liabilities.

(6) Total debts (borrowings) divided by total assets.

(7) Total debts (borrowings) less cash and bank balances divided by equity attributable to owners of the Company.

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 2026 (the "review period").

For the six months ended 30 June 2026, the Group recorded revenue of RMB5,778.5 million, representing a year-on-year increase of 2.0% (first half of 2025: RMB5,664.3 million). Gross profit increased by 0.1% year-on-year to RMB1,122.6 million (first half of 2025: RMB1,121.1 million) and gross profit margin dropped by 0.4 percentage point compared to the same period last year to 19.4% (first half of 2025: 19.8%). Profit attributable to the owners of the Company decreased by 67.3% year-on-year to RMB65.0 million (first half of 2025: RMB198.9 million). Basic earnings per share were RMB3.39 cents (first half of 2025: RMB10.37 cents). The Board of Directors did not recommend any interim dividend for the six months ended 30 June 2026.

INDUSTRY OVERVIEW

In the first half of 2026, the Chinese economy demonstrated resilience against a complex domestic and international environment. According to data from the National Bureau of Statistics, the Gross Domestic Product (GDP) increased by 5.0% in the first quarter and 4.3% in the second quarter, reflecting a trend of quarterly deceleration in growth. In terms of consumption, total retail sales of consumer goods increased by only 1.3% year-on-year, with retail sales of goods growing by merely 1.1% in the first half, indicating insufficient momentum on the consumption side and a still-weak domestic demand recovery.

In terms of policy, during the first half of 2026, large-scale equipment renewal and trade-in programs for consumer goods continued to be optimized. The RMB200 billion of ultra-long special treasury bonds for "renewal and trade-in programs" has been fully allocated. "Renewal and trade-in programs" has cumulatively driven RMB1.1 trillion in goods sales, of which 3.707 million vehicles were traded under the program. However, since the second quarter, consumption momentum has visibly weakened due to the overdraft effect of the program and insufficient consumer confidence. In May 2026, total retail sales of consumer goods declined by 0.6% year-on-year, marking the first monthly negative growth since December 2022. The contradiction between "strong supply and weak demand" remains particularly apparent. Major consumer goods including automobile remain under persistent pressure, and the radial tire cords industry has also been affected by demand fluctuations.

The automotive industry, as the core downstream sector for radial tire cords, exhibited a marked divergence between"weak domestic demand and robust exports"in the first half. According to data from the China Association of Automobile Manufacturers, China's automobile production and sales in the first half of 2026 reached 14.993 million and 15.017 million units respectively, representing year-on-year declines of 4% and 4.1%. Although domestic demand showed weak recovery, automotive exports still grew beyond expectations. In June, monthly vehicle exports exceeded the one-million mark for the first time, reaching 1.037 million units, a year-on-year surge of 75.1%. For the first half, vehicle exports reached 5.096 million units, a 65.3% increase year-on-year, with new energy vehicle exports accounting for 2.355 million units, representing over 46% of total vehicle exports and serving as a key driver of export growth.

INDUSTRY OVERVIEW – *CONTINUED*

The tire industry, as the direct downstream sector for radial tire cords, exhibited two distinct trends in the first half, characterized by "steady growth in production" and "increasing volumes but falling prices in export." According to data from the National Bureau of Statistics, the production of rubber tires reached 607.362 million in the first half, representing a year-on-year increase of 2.0%. The data from China Customs shows that rubber tire exports reached 4.94 million tonnes in the same period, up 4.9% year-on-year. However, the export revenue decreased by 1% year-on-year to RMB82.6 billion, presenting a classic case of "Volume-Price Divergence". Specifically, automotive tire exports reached 4.1379 million tonnes, growing by 3.3% while the export revenue fell by 3.1% to RMB66.5 billion, representing a more noticeable decline. The domestic tire industry is now confronting the critical reality of intense price competition.

Although the competitiveness of Chinese vehicle exports in overseas markets continues to strengthen, geopolitical tensions escalated during the first half, with exchange rate and international shipping costs impacting export profit. Prices of non-ferrous metals such as copper and zinc, as well as energy sources including natural gas, have risen significantly due to commodity market volatility. The cost factors for radial tire cords have increased simultaneously, narrowing profit margins.

In the second half of 2026, the global economy will face growth pressures. Bank of China Research Institute believes that foreign trade exports and domestic policies will be the main drivers of China's economic recovery. As the effects of domestic growth-stabilizing policies continue to materialize, exports maintain relatively high prosperity, and domestic demand gradually repairs, China's macroeconomy is expected to show a gradual recovery, laying a solid foundation for the 15th Five-Year Plan. For the radial tire cords industry, in July, the State Council formally issued the"Action Plan for Carbon Peaking During the 15th Five-Year Plan Period", setting a target for new energy vehicle stock to reach 30% by 2030, with new energy commercial transport vehicles accounting for 25% of stock. Driven by the"15th Five-Year Plan", new energy vehicles will continue to drive the positive development and long-term growth of the automotive sector and radial tire cords sector.

BUSINESS REVIEW

In the first half of 2026, a boost in domestic downstream market demand, resulting in an increase in sales volume. The Group's total sales volume grew by 7.4% year-on-year to 739,600 tonnes (first half of 2025: 688,900); the sales volume of radial tire cords increased by 7.9% year-on-year to 607,100 tonnes (first half of 2025: 562,400), accounting for 82.1% of the Group's total sales volume (first half of 2025: 81.6%); the sales volume of bead wires increased by 6.7% to 73,200 tonnes (first half of 2025: 68,600), representing 9.9% of the Group's total sales volume (first half of 2025: 10.0%). The sales volume of hose wires and other wires increased by 2.4% to 59,300 tonnes (first half of 2025: 57,900), making up 8.0% of the Group's total sales volume (first half of 2025: 8.4%).

During the review period, the sales volume of radial tire cords for trucks increased by 11.5% year-on-year to 409,600 tonnes (first half of 2025: 367,400), driven by greater demands from the domestic downstream market. Additionally, an increase in orders from domestic tire manufacturers outweighed the drop in sales volume of overseas market which contributed to an overall increase in sales volume of radial tire cords for passenger cars, which saw a growth of 1.3% to 197,500 tonnes (first half of 2025: 195,000). The sales volume of radial tire cords for trucks and passenger cars accounted for 67.5% and 32.5% respectively of the total sales volume of radial tire cords during the review period.

BUSINESS REVIEW – *CONTINUED*

Sales Volume

	Six months ended 30 June		
	2026	2025	Change
	Tonnes	*Tonnes*	
Radial tire cords	**607,100**	562,400	+7.9%
– *For trucks*	***409,600***	*367,400*	*+11.5%*
– *For passenger cars*	***197,500***	*195,000*	*+1.3%*
Bead wires	**73,200**	68,600	+6.7%
Hose wires and other wires	**59,300**	57,900	+2.4%
Total	**739,600**	688,900	+7.4%

In the China market, the sales volume of the Group's radial tire cords increased by 13.4% to 433,100 tonnes during the review period (first half of 2025: 381,800 tonnes), primarily driven by increased demand from domestic tire manufacturers. The competition of the overseas radial tire cord market led to a slight decrease in overseas market sales orders in this review period. Accordingly, the sales volume of radial tire cords decreased by 3.7% to 174,000 tonnes (first half of 2025: 180,600 tonnes) in the overseas market. The domestic and overseas markets accounted for 71.3% and 28.7% of the Group's total sales volume, respectively, (first half of 2025: 67.9% and 32.1%).

As at 30 June 2026, the Group's annual production capacity of radial tire cords increased to 1,338,000 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 increased to 100,000 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 increased to 90.4% (first half of 2025: 83.0%), influenced by the uptrend demand in the domestic radial tire market.

BUSINESS REVIEW – *CONTINUED*

Sales Volume – *CONTINUED*

	30 June 2026 Production Capacity *(Tonnes)*	**Six months ended 30 June 2026 Utilisation Rate**	30 June 2025 Production Capacity *(Tonnes)*	Six months ended 30 June 2025 Utilisation Rate
Radial tire cords	**1,338,000**	**91%**	1,317,000	83%
Bead wires	**173,000**	**82%**	173,000	77%
Hose wires and other wires	**131,000**	**96%**	131,000	89%
Overall	**1,642,000**	**90%**	1,621,000	83%

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. During the review period, the Group developed 15 new types of radial tire cords and 7 new types of bead wires and other wires.

FINANCIAL REVIEW

Revenue

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

	Six months ended 30 June				
RMB in million	**2026**	**Proportion *(%)***	2025	Proportion *(%)*	Change *(%)*
Radial tire cords	**5,016.7**	**87**	4,920.6	87	+2.0
– *For trucks*	***3,339.2***	***58***	*3,145.8*	*56*	*+6.1*
– *For passenger cars*	***1,677.5***	***29***	*1,774.8*	*31*	*-5.5*
Bead wires	**392.4**	**7**	356.5	6	+10.1
Hose wires and other wires	**369.4**	**6**	387.2	7	-4.6
Total	**5,778.5**	**100**	5,664.3	100	+2.0

During the review period, the Group's revenue increased by RMB114.2 million or 2.0% year-on-year to RMB5,778.5 million (first half of 2025: RMB5,664.3 million), mainly due to an increase in domestic sales volume for the Group.

FINANCIAL REVIEW – *CONTINUED*

Gross profit and gross profit margin

The Group's gross profit increased by RMB1.5 million or 0.1% year-on-year to RMB1,122.6 million (first half of 2025: RMB1,121.1 million), with gross profit margin at 19.4% (first half of 2025: 19.8%), 0.4 percentage point lower year-on-year mainly to the decrease in average selling price of the products particularly of overseas market which was relatively weakened in the first half of 2026.

Other income

Other income decreased by RMB33.2 million or 36.5% to RMB57.7 million (first half of 2025: RMB90.9 million), mainly due to a decrease in bank interest income. It was primarily due to the year-on-year decrease in average term deposits balances and the downward adjustment of bank deposit interest rates.

Other expense

Other expenses increased by RMB0.9 million or 88.9% to RMB1.9 million (first half of 2025: RMB1.0 million), primarily due to the increase in sundry income in the review period and the corresponding increase in costs of sundry income.

Government grants

During the review period, government grants decreased by RMB5.0 million or 26.9% to RMB13.6 million (first half of 2025: RMB18.6 million), mainly due to a decrease in unconditional government grants.

Distribution and selling expenses

Distribution and selling expenses increased by RMB17.7 million or 3.5% to RMB523.7 million (first half of 2025: RMB506.0 million), mainly due to higher transportation costs under increasing shipment fees on a year-on-year basis.

Administrative expenses

Administrative expenses decreased by RMB3.7 million or 1.9% to RMB188.9 million (first half of 2025: RMB192.6 million). It is mainly due to a drop of staff costs.

Other gains and losses, net

Other gains and losses, net increased by RMB235.6 million or 242.3% from net gain of RMB97.2 million in the first half of 2025 to net loss of RMB138.4 million in the first half of 2026. This increase was mainly due to a turnaround from a net foreign exchange gain in first half of 2025 to a net foreign exchange loss in the first half of 2026, primarily due to the fluctuations in foreign exchange rates.

FINANCIAL REVIEW – *CONTINUED*

Impairment loss on financial assets

Impairment loss on financial assets increased by RMB0.1 million or 1.2% to RMB10.8 million in the first half of 2026 (first half of 2025: RMB10.7 million). This increase was mainly due an increase in trade receivables as at 30 June 2026 when compared to the amount of trade receivables as at 31 December 2025.

Research and development expenditure

Research and development expenditure increased by RMB5.5 million or 3.8% to RMB151.5 million (first half of 2025: RMB146.0 million), mainly due to an increase in the number of new products under development projects in the first half of 2026, so that the Group allocated more resources in new product research and development.

Finance costs

Finance costs decreased by RMB27.9 million or 24.6% to RMB85.5 million (first half of 2025: RMB113.4 million). The decrease was primarily due to the decline in the effective interest rates of borrowings in the first half of 2026.

Income tax expense

The Group's income tax expense decreased by RMB63.1 million or 84.1% to RMB11.9 million (first half of 2025: RMB75.0 million), with an effective tax rate of 12.8% (first half of 2025: 20.9%). During the review period, current tax was decreased by RMB19.7 million or 36.4% to RMB34.4 million due to the decrease in profit before tax (first half of 2025: RMB54.1 million). By using the current tax on calculating the effective tax rate, it would become 36.9% (first half of 2025: 15.1%). An increase 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, but Xingda Steel Cord (Thailand) Company Limited recorded a net foreign exchange loss which led to a net loss was incurred for this review period.

Net profit

Taking the factors mentioned above into account, the Group's net profit for the six months ended 30 June 2026 decreased by RMB201.9 million or 71.3% to RMB81.3 million (first half of 2025: RMB283.2 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, whereas the principal usage of cash was for the acquisition of property, plant and equipment, repayments of bank borrowings and payments of dividends, interest and income tax.

As at 30 June 2026, the Group's bank balances and cash increased by RMB44.6 million or 3.9% from RMB1,155.2 million as at 31 December 2025 to RMB1,199.8 million. The increase was mainly due to the cash that generated from operating activities of RMB313.6 million and investing activities of RMB7.6 million respectively exceeding the cash used for financing activities of RMB263.2 million, and a decrease in cash due to foreign exchange rate changes of RMB13.4 million.

As at 30 June 2026, the Group's borrowings amounted to RMB7,820.5 million, representing an increase of RMB399.7 million or 5.4% from RMB7,420.8 million as at 31 December 2025. The fixed interest rates on the borrowings ranged from 0.65% to 3.30% (31 December 2025: 0.55% to 3.00%), while the floating interest rates ranged from 2.14% to 3.40% (31 December 2025: 2.04% to 3.55%). Borrowings of RMB5,859.2 million are due for repayment within one year from 30 June 2026 and the remaining borrowings of RMB1,961.3 million are due for repayment after one year from 30 June 2026.

As at 30 June 2026, the Group's current assets decreased by RMB456.9 million or 4.1% to RMB10,773.8 million (31 December 2025: RMB11,230.7 million), while current liabilities increased by RMB82.7 million or 0.8% to RMB10,557.0 million (31 December 2025: RMB10,474.3 million). The Group's current ratio (being defined as current assets divided by current liabilities) dropped to 1.0 times (31 December 2025: 1.1 times). As at 30 June 2026, the Group's gearing ratio (being defined as total borrowings to total assets) was 37.2% (31 December 2025: 35.0%).

FOREIGN EXCHANGE RISK

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

The Group exposed to foreign currency risk for translating monetary assets and liabilities denominated in currencies other than Renminbi under the fluctuation of exchange rates movement and 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 2026, the Group's capital expenditure on property, plant and equipment amounted to RMB357.2 million (first half of 2025: RMB685.6 million).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had made a capital commitment of approximately RMB925.4 million (31 December 2025: RMB72.5 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 authorised but not contracted as at 30 June 2026 and 31 December 2025. 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 2026 and 31 December 2025.

PLEDGE OF ASSETS

As at 30 June 2026, secured bank borrowings amounting to RMB807.8 million (31 December 2025: RMB991.6 million) were secured by term deposits and bills receivable of the Group amounting to RMB449.2 million and RMB301.2 million, respectively (31 December 2025: secured by term deposits and bills receivable amounting to RMB636.9 million and RMB251.6 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. In 2025, Xingda disposed 3,000,000 shares of Prinx Chengshan at HK$7.60 per share, for a total sale proceeds of approximately HK$22.7 million after deducting expenses. The shares held by Xingda accounted for 2.4% and 2.4% of the entire issued shares of Prinx Chengshan as at 30 June 2026 and 31 December 2025 respectively. 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 loss on change in fair value of financial assets at FVTPL of RMB15.9 million was recorded during the six months ended 30 June 2026 (first half of 2025: gain of RMB2.4 million). For the six months ended 30 June 2026, the dividend income received from Prinx Chengshan was RMB6.6 million (first half of 2025: RMB8.3 million).

The fair value of the investment in Prinx Chengshan as at 30 June 2026 was RMB90.5 million (31 December 2025: RMB106.3 million). The above mentioned investment accounted for 0.4% and 0.5% of the total assets value of the Group as at 30 June 2026 and 31 December 2025 respectively.

Save as disclosed above, the Group had no other significant investments as at 30 June 2026 and 31 December 2025 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(有限合夥)) (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 2026 and 30 June 2025 respectively.

HUMAN RESOURCES

As of 30 June 2026, the Group had approximately 8,500 full time employees (31 December 2025: approximately 8,300). Total staff costs including directors' remuneration for the six months ended 30 June 2026 was RMB598.0 million (first half of 2025: RMB601.0 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 2026, the amount of Union Fees contributed by the Labour Union of Jiangsu Xingda, Shandong Xingda and Taizhou Xingda was RMB8.7 million (first half of 2025: RMB9.0 million).

HUMAN RESOURCES – *CONTINUED*

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. In the first half of 2026, 10,000,000 shares of the Company were purchased by the trustee on the public market and 3,009,335 shares were added to the Fifth Batch Shares and the remaining 6,990,665 shares were added to the Sixth Batch Shares (the "Sixth Batch Shares").As at 30 June 2026, the total balance of the Fifth Batch Shares and Sixth Batch Shares were 12,139,665 shares.

As at 30 June 2026, 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. One-third of Fifth Batch Shares are expected to be vested with selected employees not later than the end of the first quarter of 2027.

PROSPECTS

In the first half of 2026, despite a challenging and complex external environment, the Chinese economy remained generally stable and demonstrated strong resilience. In July, the State Council formally approved the "Plan for Expanding Consumption During the 15th Five-Year Plan Period", providing policy support for the expansion and upgrading of goods consumption. Consumption is expected to recover moderately in the second half of 2026.

China Association of Automobile Manufacturers (CAAM) also anticipates that the "Renewal and trade-in programs" will continue to be implemented in an orderly manner. CAAM has jointly compiled "Rules for Calculating Whole Vehicle Costs in China's Automotive Industry" with 18 leading domestic automotive manufacturers. On the one hand, the policy is expected to stimulate growth on the consumer side. On the other hand, the self-discipline of price competition and the advancement of high-quality development in the automotive industry will support the overall profit margins of the radial tire cords industry. However, there is a lag in the transmission of policy benefits to the real economy, and the strength of domestic demand recovery in the short term should not be overly optimistic.

In terms of exports, the automotive and tire exports performed strongly in the first half, becoming the main driver of industry growth. However, the ongoing impact of geopolitical risks throughout the year, combined with seasonal production halts due to high temperatures and short-term pressure for the renminbi to rise, have reduced export margins. The Group maintains a neutral and cautious stance towards the industry in the short term.

Operationally, facing the capacity release by peers and "involution" competition within the industry, the Group will focus on maintaining a healthy and stable utilization rate, as well as continuing to implement internal technical improvements, new product research and development, and fixed asset upgrades to enhance production efficiency, thereby strengthening the Group's core competitiveness and risk resilience amid fierce market competition.

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 2026, we will commit ourselves to research and production of green products, providing high-quality solutions for customers, and seizing long-term development opportunities within the structural transformation.

INTERIM DIVIDEND

The board of directors of the Company does not recommend the payment of interim dividend for the six months ended 30 June 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules ("Model Code"), were as follows:

(1) Long positions in shares, underlying shares and debentures of the Company

Name of Directors	**Capacity**	**Number of ordinary shares**	**Approximate percentage of issued share capital of the Company as at 30 June 2026** *(Note 5)*
Liu Jinlan *(Notes 1 & 2)*	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	64.00%
Liu Xiang *(Notes 1 & 3)*	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	64.00%
Hang Youming *(Notes 1 & 4)*	Beneficial owner, interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO *(Note 3)*	1,228,792,546	64.00%
Wang Jin *(Note 6)*	Beneficial owner	1,245,000	0.07%
Shen Aiguo *(Note 7)*	Beneficial owner	2,840,000	0.15%
Koo Fook Sun, Louis *(Note 8)*	Beneficial owner	727,824	0.04%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – *CONTINUED*

(1) Long positions in shares, underlying shares and debentures of the Company – *CONTINUED*

Notes:

1. Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming ("Five Parties") entered into an agreement dated 29 August 2005 (as supplemented by supplemental agreements dated 15 November 2005 and 29 November 2022) in relation to the beneficial interests in Great Trade Limited, In-Plus Limited, Perfect Sino Limited, Power Aim Limited and Wise Creative Limited (the "Five BVI Companies") (the "Five Parties' Agreement"). Pursuant to the Five Parties' Agreement, (i) the interests and rights of the Five BVI Companies and the interests and rights in the Shares held by the Five Parties through the Five BVI Companies are held by the Five Parties for their own benefit and for the benefit of the other members ("ESC Members") of 江蘇興達鋼簾線股份有限公司職工持股會 (Employee Shareholding Committee of Jiangsu Xingda Steel Tyre Cord Co., Ltd.*) (the "Employee Shareholding Committee") from time to time (including the Five Parties as at the date of this report) with reference to the proportion set out in the Five Parties' Agreement and as amended from time to time; and (ii) to the extent any Shares were acquired by any of the Five Parties and/or the Five BVI Companies using the funds provided by such member of the Five Parties on or after 30 August 2005, such acquired Shares (together with all rights and benefits accruing and attaching thereto) shall be for the benefit of such member of the Five Parties only.

   On 29 November 2022, the Five BVI Companies, the Five Parties, Widen Success Holdings Limited ("Widen Success") and Mr. Liu Tao entered into an agreement (the "AIC Agreement"), pursuant to which the parties agreed, confirmed and acknowledged that in respect of all the Shares held by the Five BVI Companies, the Five Parties, Widen Success and Mr. Liu Tao from time to time, whether for their own benefit or for the benefit of the other ESC Members, they shall reach a consensus before voting on any of the matters to be resolved at the general meetings of the Company and shall vote unanimously on the resolutions proposed at the general meetings of the Company. Mr. Liu Tao further agreed and confirmed that he shall agree with Mr. Liu Jinlan when reaching a consensus among the Five Parties and himself. The AIC Agreement took effect on 10 March 2023, being the final settlement date for the conditional voluntary cash partial offer made by CLSA Limited on behalf of the joint offerors to the qualifying shareholders to acquire a maximum of 80,000,000 offer shares of the Company as disclosed in the composite document dated 27 January 2023 jointly issued by the relevant joint offerors and the Company.

   On 24 September 2024, Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Mr. Liu Tao, Great Trade Limited, In-Plus Limited, Wise Creative Limited and Widen Success entered into a deed (the "2024 Concert Parties Deed"), pursuant to which, the parties confirmed they are and will be acting in concert in the control and management of the Group, including in the exercise of their voting rights in any meetings of the Company.

2. Mr. Liu Jinlan held 49,039,275 Shares in his own name as at 30 June 2026. Mr. Liu Jinlan held as to 100% of the issued share capital of Great Trade Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties' Agreement. As at 30 June 2026, Great Trade Limited held 687,779,843 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Jinlan was deemed to be interested in the Shares held by Great Trade Limited. Mr. Liu Jinlan was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Liu Jinlan is a grantee under the share award scheme of the Company adopted on 4 September 2009 ("Share Award Scheme"). Upon fulfilment of the relevant vesting conditions and assuming all shares of the Company ("Shares") awarded under the Share Award Scheme ("Award Shares") granted to him are vested in full, Mr. Liu Jinlan will become interested in a further 5,425,000 Shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – *CONTINUED*

(1) Long positions in shares, underlying shares and debentures of the Company – *CONTINUED*

Notes: - continued

3. Mr. Liu Xiang held 20,023,868 Shares in his own name as at 30 June 2026. Mr. Liu Xiang held as to 100% of the issued share capital of In-Plus Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties' Agreement. As at 30 June 2026, In-Plus Limited held 256,526,280 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Xiang was deemed to be interested in the Shares held by In-Plus Limited. Mr. Liu Xiang was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Liu Xiang is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Liu Xiang will become interested in a further 2,675,000 Shares.

4. Mr. Hang Youming held 10,000,001 Shares in his own name as at 30 June 2026. Mr. Hang Youming held as to 100% of the issued share capital of Wise Creative Limited for his own benefit and for the benefit of other ESC Members according to the terms of the Five Parties' Agreement. As at 30 June 2026, Wise Creative Limited held 189,148,279 Shares in the Company. For the purpose of Part XV of the SFO, Mr. Hang Youming was deemed to be interested in the shares held by Wise Creative Limited. Mr. Hang Youming was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 above for details. Further, Mr. Hang Youming is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Hang Youming will become interested in a further 2,675,000 Shares.

5. The percentages disclosed above were based on the total number of issued shares of the Company as at 30 June 2026, i.e. 1,920,125,199 shares.

6. Mr. Wang Jin held 920,000 Shares in his own name as at 30 June 2026 and is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Wang will become interested in a further 325,000 Shares.

7. Mr. Shen Aiguo held 2,190,000 Shares in his own name as at 30 June 2026 and is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Shen will become interested in a further 650,000 Shares.

8. Mr. Koo Fook Sun, Louis held 510,824 Shares in his own name as at 30 June 2026 and is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Koo Fook Sun, Louis will become interested in a further 217,000 Shares.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES – *CONTINUED*

(2) Long position in shares and underlying shares of the associated corporation of the Company

Name of Directors	Capacity	Associated corporation	Number of ordinary shares in associated corporation	Approximate percentage of registered capital of the associated corporation as at 30 June 2026
Liu Jinlan	Interest of controlled corporation *(Note 1)*	Jiangsu Xingda Steel Tyre Cord Co., Ltd.	114,499,998	4.22%
Liu Xiang	Interest of controlled corporation *(Note 2)*	Jiangsu Xingda Steel Tyre Cord Co., Ltd.	72,000,000	2.66%

Notes:

1. Liu Jinlan is the general partner of 泰州金澤企業管理合夥企業(有限合夥) (Taizhou Jinze Corporate Management Partnership Corporation (Limited Partnership)*) which held 99,000,000 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2026. Further, Liu Jinlan held 80% of the equity interest in 上海上麒升投資有限公司 (Shanghai Shang Qi Sheng Investment Co., Ltd.) which in turn held 76% of the equity interest in 興化市興達綉園酒店有限公司 (Xinghua Xingda Xiuyuan Hotel Co., Ltd.) which held 15,499,998 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2026.

2. Liu Xiang is the general partner of 泰州業祥企業管理合夥企業(有限合夥) (Taizhou Yexiang Corporate Management Partnership Corporation (Limited Partnership)*) which held 72,000,000 shares of Jiangsu Xingda Steel Tyre Cord Co., Ltd. as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors, the chief executives of the Company and their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company in accordance with section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors and Chief Executive's interests and short positions in shares, underlying shares and debentures" above and for the share award scheme adopted by the Company, at no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of an acquisition of shares or underlying shares in, or debentures of, the Company or any other body corporate. Details of movements of the shares granted under the share award scheme for the year ended 30 June 2026 are set out in note 20 to the condensed consolidated financial statements.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at 30 June 2026, the interests and short positions of the persons (other than the Directors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions and short positions in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of ordinary shares	Long position/ Short position	Approximate percentage of issued share capital of the Company as at 30 June 2026 *(note 3)*
Great Trade Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
In-Plus Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Wise Creative Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Widen Success Holdings Limited	Beneficial owner, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO	1,228,792,546	Long position	64.00%
Liu Tao	Interest of a controlled corporation, a concert party to an agreement to buy shares described in s.317(1)(a) of the SFO *(note 1)*	1,228,792,546	Long position	64.00%
Zhao Yue	Interest of controlled corporation *(note 2)*	121,496,916	Long position	6.33%
Always Blooming Holdings Limited	Interests of controlled corporations *(note 2)*	121,496,916	Long position	6.33%
Super Auspicious Inc.	Beneficial owner *(note 2)*	121,496,916	Long position	6.33%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO – *CONTINUED*

Long positions and short positions in shares and underlying shares of the Company – *CONTINUED*

Notes:

1. Mr. Liu Tao held as to 100% of the issued share capital of Widen Success Limited. As at 30 June 2026, Widen Success Limited held 5,500,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Tao was deemed to be interested in the shares held by Widen Success Limited. Mr. Liu Jinlan was also a party to the 2024 Concert Parties Deed and was deemed to be interested in the shares in which the other parties to the 2024 Concert Parties Deed were interested for the purpose of Part XV of the SFO. Please refer to Note 1 under the section headed "Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures–(1) Long positions in shares, underlying shares and debentures of the Company" above for details.

2. Zhao Yue held 100.00% of Always Blooming Holdings Limited which in turn owned 70.00% of the issued share capital of Super Auspicious Inc. For the purpose of Part XV of the SFO, Zhao Yue and Always Blooming Holdings Limited are deemed to be interested in the shares of the Company held by Super Auspicious Inc.

3. The percentages disclosed above were based on the total number of issued shares of the Company as at 30 June 2026, i.e. 1,920,125,199 shares.

Save as aforesaid and as disclosed in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, the Company has not been notified of any interest or short position in the shares or underlying shares of the Company as at 30 June 2026 which are required to be recorded in the register maintained under section 336 of the SFO.

DEED OF NON-COMPETITION

To the best knowledge of the Board, since Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Perfect Sino Limited and Power Aim Limited have given termination notice that they would cease to be parties acting in concert with Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Mr. Liu Tao, Great Trade Limited, In-Plus Limited, Wise Creative Limited and Widen Success Limited, as disclosed in the announcement of the Company dated 7 January 2024, and Mr. Tao Jinxiang and Mr. Zhang Yuxiao resigned on 8 June 2023 and 28 May 2024 respectively, Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Perfect Sino Limited and Power Aim Limited are no longer bound by the Non-competition Deed as Covenantors. The Company has received the declaration for the six months ended 30 June 2026 from Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Great Trade Limited, In-Plus Limited and Wise Creative Limited (together as a controlling shareholder) in respect of their respective compliance with the terms of the Non-competition Deed.

The existing directors have confirmed that they have not engaged in any business which competes or is likely to compete with the business of the Group, and the Directors are not aware that any of the Covenantors or their respective associates has engaged in any business which competes or is likely to compete with the business of the Group.

The independent non-executive Directors have reviewed the annual declaration and are not aware that any of the Covenantors or their respective associates has engaged in any business which competes or is likely to compete with the business of the Group.

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 2026, except for the followings:–

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.

Following the resignation of Ms. Xu Chunhua as an independent non-executive Director on 8 April 2026, the Board only had two independent non-executive Directors. As a result of the foregoing, the Company was not in compliance with (i) Rule 3.10(1) of the Listing Rules, which stipulates that the Board must include at least three independent non-executive directors; (ii) Rule 3.10A of the Listing Rules, which stipulates that the number of independent non-executive directors shall represent at least one-third of the Board; (iii) Rule 3.21 of the Listing Rules, which stipulates that the audit committee must comprise a minimum of three members; and (iv) Rule 3.27A of the Listing Rules, which stipulates that the nomination committee must comprise a majority of independent non-executive directors. Ms. Leung Ho Ming, Alison was appointed as an independent non-executive Director on 5 June 2026. Following the appointment of Ms. Leung Ho Ming, Alison, the Company has been in compliance with Rule 3.10(1), Rule 3.10A, Rule 3.21 and Rule 3.27A of the Listing Rules.

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 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 2026.

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.

SHARE AWARD SCHEME

Purpose and Participants of the Scheme

On 4 September 2009 ("Adoption Date"), the Board resolved to adopt the share award scheme ("Scheme") to encourage and retain employee(s) selected by the Remuneration Committee (as defined below) (after taking into consideration recommendations and suggestions made by the Chairman) and approved by the Board pursuant to the rules relating to the Scheme ("Scheme Rules") and employee(s) selected by the trustee(s) ("Trustee") for the time being of the trust(s) declared in the trust deed ("Trust Deed") after having taken into consideration recommendations made by the Chairman, considered and consented to by the Remuneration Committee and approved by the Board pursuant to the Scheme Rules for participation in the Scheme ("Selected Employees") to work with the Group and to provide incentive for them to achieve performance goals with a view to achieving the objectives of increasing the value of the Group and aligning the interests of Selected Employees directly to the shareholders of the Company through ownership of Shares. Pursuant to the Scheme, Shares will be purchased by the Trustee in the market out of cash contributed by the Company and be held in trust for the relevant Selected Employees until such Shares are vested in the relevant Selected Employees in accordance with the provisions of the Scheme.

For the six months ended 30 June 2026, the participants of the Scheme include all of the existing executive Directors, namely Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Hang Youming, Mr. Wang Jin and Mr. Shen Aiguo and one of the independent non-executive Directors, namely Mr. Koo Fook Sun Louis, the senior management personnel, and core technical personnel and key management personnel of the Company and its subsidiaries who provide a significant impact on the Group's overall operation and development.

As at the date of this report, the total number of Company's shares awards had been granted but not yet vested under the Scheme was approximately 16,099,667, representing 0.8% of the total issued shares of the Company.

According to the Scheme Rules, subject to terms of the Scheme Rules and the approval of the Board, the Remuneration Committee may, from time to time after taking into consideration recommendations and suggestions made by the chairman of the Board, at its discretion and subject to such terms and conditions as it may think fit, among other things (i) determine the aggregate number of awarded shares to be granted to all the Selected Employees in respect of each relevant financial year; and (ii) determine the number of awarded shares to be granted to each of the Selected Employees in respect of each relevant financial year out of the aggregate number of awarded shares to be granted in respect of such financial year as referred to in paragraph (i) above, and such awarded shares so granted to each Selected Employee shall constitute all or part of the annual remuneration (in whatever kind(s) or form(s)) in respect of the relevant financial year payable to such Selected Employee as contemplated under his employment agreement or service agreement with the relevant member of the Group, provided always that no award shall be made to any Selected Employee in respect of any financial year unless the Earnings Per Share (as defined below) of the Company for such financial year is a positive figure or unless such other condition(s) (if any) as determined or approved by the Board from time to time shall have been satisfied or unless otherwise determined by the Board."Earnings Per Share" of the Company in respect of a financial year shall mean (i) the profit attributable to equity holders of the Company for that financial year divided by (ii) the weighted average number of ordinary shares of the Company in issue during that financial year.

SHARE AWARD SCHEME – *CONTINUED*

Purpose and Participants of the Scheme – *CONTINUED*

Upon receiving the letter of grant from the Company setting out the number of shares awarded to him/her and relevant terms and conditions, the Selected Employee may accept the award by delivering to the Company a duly completed form of acceptance within the acceptance period specified in the said letter of grant, failing which such Selected Employee shall not become entitled to any Shares pursuant to that Award.

Vesting

Save for a Lapse or a Partial Lapse (each as defined in the announcement of the Company dated 18 September 2009 (the"Announcement") and subject to the section headed "Vesting Limit" below, unless otherwise determined by the Board at its discretion, the awarded shares held by the Trustee upon the Trust and which are referable to a Selected Employee shall be vested in that Selected Employee at no consideration on the date falling on the first anniversary of the relevant Reference Date (as defined in the Announcement)(or, if such date is not a business day, the business day immediately following such date) or at such times and in such manner as determined by the Remuneration Committee and approved by the Board from time to time, provided that such Selected Employee remains at all times after the relevant Reference Date and on the relevant Vesting Date(s) an Employee and that such Selected Employee has, as of the relevant Vesting Date(s), achieved the key performance indicator (if any) as specified in the letter of grant or as determined by the Remuneration Committee and approved by the Board and satisfied all the conditions as specified in the letter of grant or otherwise required by the Company under the Scheme. The date on which the awarded shares are to be vested is referred to as a "Vesting Date".

Vesting Limit

The total number of awarded shares to be vested in all Selected Employees in respect of each financial year shall not exceed 5 million Shares.

Unless otherwise determined by the Remuneration Committee and approved by the Board, the number of awarded shares to be granted to the Selected Employees in respect of each financial year shall be subject to the following ratio:

Executive Directors	60% ("Ratio A")
Non-executive Directors	10% ("Ratio B")
Other Employees (excluding the executive Directors and non-executive Directors)	30% ("Ratio C")

provided that in the event that any non-executive Director (including any independent non-executive Director) has notified the Company of his/her intention not to participate in the Scheme in respect of any financial year(s), (i) Ratio B in respect of any relevant Financial Year shall be reduced to such percentage and Ratio C in respect of such year shall be increased to such percentage as determined by the Remuneration Committee and approved by the Board from time to time, and (ii) Ratio A in respect such year shall remain at 60%, unless otherwise determined by the Remuneration Committee and approved by the Board.

SHARE AWARD SCHEME – *CONTINUED*

Vesting Limit – *CONTINUED*

The Scheme does not constitute a share option scheme and no new share of the Company will be granted under the Scheme accordingly. Instead, the vesting periods of the awards under the Scheme are stated in the table of the movements in the number of awarded shares outstanding during the first half of 2026 which are set out in the note 20 to the condensed consolidated financial statements.

For the six months ended 30 June 2026, no amount was payable on application or acceptance of award.

As at the date of this report, the vesting periods for different batches of granted and unvested restricted shares were different, ranging from 22 August 2019 to 31 March 2030.

Remaining life of the Scheme

Subject to terms of the Scheme Rules, the Scheme shall be valid and effective for a period commencing on the Adoption Date and ending on the date to be determined by the Board from time to time, after which no further award will be made but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to any awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

For details of the Scheme, please refer to the announcement of the Company dated 18 September 2009.

The table below sets out details of share awards granted to various participants/categories of participants under the Scheme:

SHARE AWARD SCHEME – *CONTINUED*

Remaining life of the Scheme – *CONTINUED*

Grantee/Category	Grant date	Vesting period	Unvested awards as at 1 January 2026	Granted during the six months ended 30 June 2026	Vested during the six months ended 30 June 2026	Forfeited during the six months ended 30 June 2026	Lapsed during the six months ended 30 June 2026	Cancelled during the six months ended 30 June 2026	Unvested awards as at 30 June 2026
Directors									
– Liu Jinlan	22 August 2019[1]	22 August 2019 to 31 December 2027	1,600,000	–	–	–	–	–	1,600,000
– Liu Jinlan	30 November 2021[2]	30 November 2021 to 31 March 2030	3,825,000	–	–	–	–	–	3,825,000
– Liu Xiang	22 August 2019[1]	22 August 2019 to 31 December 2027	800,000	–	–	–	–	–	800,000
– Liu Xiang	30 November 2021[2]	30 November 2021 to 31 March 2030	1,875,000	–	–	–	–	–	1,875,000
– Hang Youming	22 August 2019[1]	22 August 2019 to 31 December 2027	800,000	–	–	–	–	–	800,000
– Hang Youming	30 November 2021[2]	30 November 2021 to 31 March 2030	1,875,000	–	–	–	–	–	1,875,000
– Wang Jin	22 August 2019[1]	22 August 2019 to 31 December 2027	100,000	–	–	–	–	–	100,000
– Wang Jin	30 November 2021[2]	30 November 2021 to 31 March 2030	225,000	–	–	–	–	–	225,000
– Shen Aiguo	22 August 2019[1]	22 August 2019 to 31 December 2027	200,000	–	–	–	–	–	200,000
– Shen Aiguo	30 November 2021[2]	30 November 2021 to 31 March 2030	450,000	–	–	–	–	–	450,000
– Koo Fook Sun, Louis	22 August 2019[1]	22 August 2019 to 31 December 2027	67,000	–	–	–	–	–	67,000
– Koo Fook Sun, Louis	30 November 2021[2]	30 November 2021 to 31 March 2030	150,000	–	–	–	–	–	150,000
The five highest paid individuals during the financial year									
(three out of five include Directors listed above) in aggregate	22 August 2019[1]	22 August 2019 to 31 December 2027	3,200,000	–	–	–	–	–	3,200,000
(three out of five include Directors listed above) in aggregate	30 November 2021[2]	30 November 2021 to 31 March 2030	7,575,000	–	–	–	–	–	7,575,000
Other grantees (employees) in aggregate	22 August 2019[1]	22 August 2019 to 31 December 2027	1,582,000	–	–	–	–	–	1,582,000
	30 November 2021[2]	30 November 2021 to 31 March 2030	2,700,000	–	–	–	–	–	2,700,000

Notes:

(1) The closing price of Shares immediately before the grant date of 22 August 2019 (i.e. 21 August 2019) was HK$2.03 per share. The fair value of the awarded shares as at 22 August 2019 was HK$1.25-1.37 per share, based on different vesting periods.

(2) The closing price of Shares immediately before the grant date of 30 November 2021 (i.e. 29 November 2021) was HK$1.64 per share. The fair value of the awarded shares as at 30 November 2021 was HK$1.00-1.15 per share, based on different vesting periods.

(3) No awards were vested during the six months ended 30 June 2026.

SHARE AWARD SCHEME – *CONTINUED*

Voting power of the Trustee

According to the terms of the Trust Deed, notwithstanding that the Trustee is the legal registered holder of the Shares awarded and held upon trust pursuant to the Trust Deed, the Trustee shall not exercise the voting rights attached to such Shares.

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 2026.

USE OF PROCEEDS

The net proceeds from the Company's offering of new shares at its listing on the Main Board of the Stock Exchange and the subscription arrangement completed in February 2024 were all utilized as at 30 June 2026.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, namely Mr. Koo Fook Sun, Louis, Ms. Zhang Guoyun and Ms. Leung Ho Ming, Alison. The chairman of the Audit Committee is Mr. Koo Fook Sun, Louis.

The Audit Committee of the Company 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 2026.

By Order of the Board
XINGDA INTERNATIONAL HOLDINGS LIMITED

Liu Jinlan
Chairman

Shanghai, the PRC, 31 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
XINGDA INTERNATIONAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Xingda International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 28 to 54, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	NOTES	**2026**	2025
		(unaudited)	(unaudited)
		RMB'000	*RMB'000*
Revenue	4	**5,778,460**	5,664,267
Cost of sales		**(4,655,833)**	(4,543,157)
Gross profit		**1,122,627**	1,121,110
Other income	5	**57,731**	90,887
Other expense	5	**(1,927)**	(1,020)
Government grants	6	**13,589**	18,597
Distribution and selling expenses		**(523,738)**	(505,965)
Administrative expenses		**(188,903)**	(192,616)
Other gains and losses, net	7	**(138,414)**	97,240
Impairment loss on financial assets		**(10,808)**	(10,682)
Research and development expenditure		**(151,464)**	(145,966)
Finance costs	8	**(85,483)**	(113,408)
Profit before tax		**93,210**	358,177
Income tax expense	9	**(11,915)**	(74,960)
Profit for the period	10	**81,295**	283,217
Other comprehensive (expense) income item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**(72,012)**	21,284
Total comprehensive income for the period		**9,283**	304,501
Profit for the period attributable to:			
Owners of the Company		**64,973**	198,921
Non-controlling interests		**16,322**	84,296
		81,295	283,217
Total comprehensive income for the period attributable to:			
Owners of the Company		**11,528**	213,898
Non-controlling interests		**(2,245)**	90,603
		9,283	304,501
Earnings per share	12		
– Basic (RMB cents)		**3.39**	10.37
– Diluted (RMB cents)		**3.37**	10.30

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	As at 30 June 2026 (unaudited) RMB'000	As at 31 December 2025 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**7,854,667**	8,080,406
Right-of-use assets		**632,985**	641,305
Freehold land		**174,793**	190,433
Investment properties	13	**97,000**	97,000
Term deposits		**1,248,406**	759,199
Deferred tax assets	14	**163,191**	150,349
Prepayments for acquisition of property, plant and equipment		**63,262**	34,578
Other prepayments		**8,110**	9,707
		10,242,414	9,962,977
CURRENT ASSETS			
Inventories		**1,423,088**	1,316,066
Financial assets at fair value through profit or loss ("FVTPL")	24	**90,452**	106,332
Trade, bills and other receivables	15	**7,840,608**	7,590,471
Tax recoverable		**752**	3,876
Term deposits		**219,080**	1,058,740
Bank balances and cash		**1,199,792**	1,155,232
		10,773,772	11,230,717
CURRENT LIABILITIES			
Trade, bills and other payables	16	**4,555,695**	4,432,789
Contract liabilities		**48,481**	50,627
Tax liabilities		**54,080**	75,187
Dividend payable		**13,284**	23,226
Borrowings	17	**5,859,240**	5,892,198
Deferred income	18	**26,004**	–
Lease liabilities		**237**	270
		10,557,021	10,474,297
NET CURRENT ASSETS		**216,751**	756,420
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,459,165**	10,719,397

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	As at 30 June 2026 (unaudited) RMB'000	As at 31 December 2025 (audited) RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	**31,382**	81,071
Borrowings	17	**1,961,280**	1,528,635
Deferred income	18	**204,625**	241,644
Lease liabilities		**18**	125
		2,197,305	1,851,475
NET ASSETS		**8,261,860**	8,867,922
CAPITAL AND RESERVES			
Share capital	19	**186,603**	186,603
Share premium and other reserves		**6,031,106**	6,460,457
Equity attributable to owners of the Company		**6,217,709**	6,647,060
Non-controlling interests		**2,044,151**	2,220,862
TOTAL EQUITY		**8,261,860**	8,867,922

The condensed consolidated financial statements on pages 28 to 54 were approved and authorised for issue by the Board of Directors on 31 August 2026 and are signed on its behalf by:

Liu Jinlan	**Wang Jin**
DIRECTOR	*DIRECTOR*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company												
	Share capital *RMB'000*	Share premium *RMB'000*	Special reserve *RMB'000* *(Note a)*	Capital contribution reserve *RMB'000* *(Note b)*	Statutory common reserve *RMB'000* *(Note c)*	Capital redemption reserve *RMB'000*	Translation reserve *RMB'000*	Retained profits *RMB'000*	Shares held under share-award scheme *RMB'000*	Share-based payment reserve *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2025 (audited)	186,603	282,961	434,179	(130,150)	1,080,501	9,700	(33,681)	4,634,100	(3,540)	7,056	6,467,729	2,218,516	8,686,245
Profit for the period	–	–	–	–	–	–	–	198,921	–	–	198,921	84,296	283,217
Other comprehensive income for the period	–	–	–	–	–	–	14,977	–	–	–	14,977	6,307	21,284
Total comprehensive income for the period	–	–	–	–	–	–	14,977	198,921	–	–	213,898	90,603	304,501
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	240,000	240,000
Dividend recognised as distribution *(note 11)*	–	–	–	–	–	–	–	(265,136)	–	–	(265,136)	–	(265,136)
Dividend to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(114,924)	(114,924)
Repurchase of non-controlling interests shares	–	–	3,803	–	–	–	–	–	–	–	3,803	(187,320)	(183,517)
Effect of exercise of put option	–	–	76,905	–	–	–	–	–	–	–	76,905	(76,905)	–
Recognition of equity-settled share-based payment *(note 20)*	–	–	–	–	–	–	–	–	–	1,101	1,101	–	1,101
At 30 June 2025 (unaudited)	186,603	282,961	514,887	(130,150)	1,080,501	9,700	(18,704)	4,567,885	(3,540)	8,157	6,498,300	2,169,970	8,668,270
At 1 January 2026 (audited)	186,603	282,961	514,887	(130,150)	1,126,680	9,700	(12,520)	4,663,193	(3,540)	9,246	6,647,060	2,220,862	8,867,922
Profit for the period	–	–	–	–	–	–	–	64,973	–	–	64,973	16,322	81,295
Other comprehensive expenses for the period	–	–	–	–	–	–	(53,445)	–	–	–	(53,445)	(18,567)	(72,012)
Total comprehensive (expense) income for the period	–	–	–	–	–	–	(53,445)	64,973	–	–	11,528	(2,245)	9,283
Dividend recognised as distribution *(note 11)*	–	–	–	–	–	–	–	(430,948)	–	–	(430,948)	–	(430,948)
Dividend to non-controlling interests of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(174,466)	(174,466)
Repurchase of shares *(note 19)*	–	–	–	–	–	–	–	–	(10,441)	–	(10,441)	–	(10,441)
Recognition of equity-settled share-based payment *(note 20)*	–	–	–	–	–	–	–	–	–	510	510	–	510
At 30 June 2026 (unaudited)	**186,603**	**282,961**	**514,887**	**(130,150)**	**1,126,680**	**9,700**	**(65,965)**	**4,297,218**	**(13,981)**	**9,756**	**6,217,709**	**2,044,151**	**8,261,860**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

Notes:

(a) Special reserve represents impact on equity attributable to owners of the Company arising from several group reorganisation activities in previous years, and during the period ended 30 June 2025, the Group's shareholding in Jiangsu Xingda increased from 70.32% to 74.25% resulting from below activities: (i) as set out in note 8, Jiangsu Xingda settled strategic investors' put option granted by the Group in 2020, and reduced and deregistered relevant RMB83.3 million capital of Jiangsu Xingda; (ii) pursuant to agreement entered into between a non-controlling shareholder and Jiangsu Xingda in June 2025, Jiangsu Xingda reduced and deregistered RMB68.3 million capital held by the non-controlling shareholder with RMB183.5 million payment by Jiangsu Xingda.

(b) Capital contribution reserve represents deemed distribution to shareholders for the acquisition of equity interest in Jiangsu Xingda and contribution received from shareholders in previous years.

(c) According to the Articles of Association of the group entities incorporated in the People's Republic of China (the "PRC"), 10% of the profit after tax are required to transfer to statutory common reserve until the reserve reaches 50% of the registered capital.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
NET CASH FROM OPERATING ACTIVITIES	**313,626**	1,009,072
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(474,679)**	(786,289)
Placement of term deposits	**(545,857)**	(445,803)
Withdrawal of term deposits	**845,108**	1,200,010
Interest received	**71,145**	109,308
Receipts of assets-related government grants	**2,000**	–
Dividend received from financial assets at FVTPL	**–**	7,755
Repayment from a shareholder	**98,921**	–
Proceeds on disposal of property, plant and equipment	**10,964**	3,651
NET CASH FROM INVESTING ACTIVITIES	**7,602**	88,632
FINANCING ACTIVITIES		
New borrowings raised	**4,040,831**	5,010,002
Repayments of borrowings	**(3,590,469)**	(4,773,237)
Dividend paid	**(615,356)**	(353,337)
Interest paid	**(87,648)**	(104,882)
Repurchase of shares	**(10,441)**	–
Repayments of lease liabilities	**(147)**	(147)
Consideration paid to settle the obligations arising from repurchase of shares	**–**	(223,944)
Repurchase shares of a subsidiary from non-controlling interests	**–**	(183,517)
NET CASH USED IN FINANCING ACTIVITIES	**(263,230)**	(629,062)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**57,998**	468,642
CASH AND CASH EQUIVALENTS AT 1 JANUARY,	**1,155,232**	835,591
Effect of foreign exchange rate changes	**(13,438)**	2,831
CASH AND CASH EQUIVALENTS AT 30 JUNE,	**1,199,792**	1,307,064
represented by bank balances and cash	**1,199,792**	1,307,064

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

Xingda International Holdings Limited is a limited company incorporated in the Cayman Islands with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of its business is Xinghua City, Jiangsu Province, the PRC.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of radial tire cords, bead wires and other wires.

2. 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.

3. 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 change in 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 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

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 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

3. ACCOUNTING POLICIES – *CONTINUED*

Application of amendments to IFRS Accounting Standards – *CONTINUED*

The application of the amendments to IFRS Accounting Standards 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.

4. 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:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Sales of products		
Radial Tire Cords		
– For trucks	**3,339,160**	3,145,841
– For passenger cars	**1,677,480**	1,774,738
Bead wires	**392,442**	356,455
Hose wires and other wires	**369,378**	387,233
	5,778,460	5,664,267

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Timing of revenue recognition		
A point in time	**5,778,460**	5,664,267

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.

4. REVENUE AND SEGMENT INFORMATION – *CONTINUED*

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:

	As at 30 June 2026 (unaudited) ***RMB'000***	As at 31 December 2025 (audited) *RMB'000*
The PRC	**7,581,477**	7,693,702
Thailand	**1,249,340**	1,359,727
	8,830,817	9,053,429

4. REVENUE AND SEGMENT INFORMATION – *CONTINUED*

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.

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
The PRC (country of domicile)	**3,902,910**	3,596,685
India	**281,146**	293,383
United States of America	**260,657**	234,799
Thailand	**211,026**	231,663
Brazil	**131,986**	210,233
Slovakia	**118,020**	129,775
Korea	**83,852**	105,856
Turkey	**70,848**	58,611
Romania	**68,414**	102,542
Others	**649,601**	700,720
	5,778,460	5,664,267

"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 2026 and 2025.

5. OTHER INCOME AND OTHER EXPENSE

Other income

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Sales of scrap materials	**26,926**	24,215
Interest income	**22,974**	58,033
Rental income from investment properties	**1,371**	1,673
Sundry income	**3,402**	2,219
Others	**3,058**	4,747
	57,731	90,887

Other expense

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Expense of sundry income	**1,927**	1,020

6. GOVERNMENT GRANTS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Unconditional government grants *(Note)*	**574**	4,960
Released from deferred income *(note 18)*	**13,015**	13,637
	13,589	18,597

Note: The amount mainly represents government grants received from the local governments relevant to the Group's operations and business development. The grant is unconditional at the date the amount was received by the Group and was recognised as income during the six months ended 30 June 2026 and 2025.

7. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Net foreign exchange (loss) gain	**(128,659)**	86,621
(Loss) gain on change in fair value of financial assets at FVTPL	**(15,880)**	2,416
Loss on written off and disposal of property, plant and equipment	**(429)**	(47)
Dividend income from financial assets at FVTPL	**6,554**	8,250
	(138,414)	97,240

8. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Interests on:		
Bank borrowings	**84,027**	104,099
Bills receivable discounted	**1,449**	1,963
Lease liabilities	**7**	13
Imputed interest on obligations arising from repurchase of shares *(Note)*	**–**	7,333
	85,483	113,408

No borrowing costs were capitalised during the six months ended 30 June 2026 and 2025.

Note: On 16 December 2020, Jiangsu Xingda, the Company's non-wholly owned subsidiary, entered into capital increase agreements with strategic investors containing a share repurchase arrangement granted to the Investors at a repurchase consideration as investment principal plus 8% imputed interest per annum. During the period ended 30 June 2025, the investors exercised the repurchase option and respective obligations were derecognised in full as at 30 June 2025.

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Current tax	**34,430**	54,123
Overprovision in prior years	**(10,958)**	(12,004)
Withholding tax	**50,974**	31,017
Deferred tax	**(62,531)**	1,824
	11,915	74,960

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.

9. INCOME TAX EXPENSE – *CONTINUED*

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

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

The Group is operating in certain jurisdictions (i.e., Thailand, Luxembourg and Hong Kong) where the Global Anti-Base Erosion Rules (the "Pillar Two Rules") are in effect. However, based on management's best estimate and after considering certain adjustments required under the Pillar Two Rules, the Group's estimated (i) effective tax rate in Hong Kong exceeds 15%, (ii) group entity in Thailand applied safe harbour provisions during this interim period, and (iii) group entity in Luxembourg is not with assessment profit during this interim period and is not significantly exposed to top-up tax under Pillar Two Rules. Accordingly, the management of the Group did not recognise any top-up tax under the Pillar Two Rules during the period ended 30 June 2026.

10. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	**546,239**	559,135
Retirement benefits scheme contributions	**51,282**	40,729
Share-based payments	**510**	1,101
Total staff costs	**598,031**	600,965
Depreciation and amortisation		
– Property, plant and equipment	**475,606**	461,738
– Right-of-use assets	**8,320**	7,802
Total depreciation and amortisation	**483,926**	469,540

11. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Special dividend – 25.0 HK cents per share (2025: 15.0 HK cents per share)	**430,948**	265,136

During the current interim period, one-off special dividend of 25.0 HK cents (2025: a one-off special dividend of 15.0 HK cents) per ordinary share in an aggregate amount of approximately RMB430,948,000 (2025: RMB265,136,000) has been approved at the extraordinary general meeting held on 20 January 2026 (2025: at the extraordinary general meeting of the Company held on 27 January 2025).

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

12. 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	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Earnings		
Earnings for the period attributable to owners of the Company	**64,973**	198,921

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,915,665**	1,917,986
Effect of dilutive potential ordinary shares in respect of outstanding share awards	**12,928**	13,048
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,928,593**	1,931,034

The weighted average number of ordinary shares shown above to calculate basic and dilutive earnings per share has been arrived at after deducting shares held by share award scheme trust as set out in note 19. Besides, effect of dilutive potential ordinary shares in respect of outstanding share awards as set out in note 20 is also accounted for to calculate dilutive earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Property, plant and equipment

During the current interim period, the Group consumed approximately RMB357,218,000 (for the six months ended 30 June 2025: RMB685,639,000) mainly on the construction of its manufacturing plants in the PRC and Thailand and the acquisition of other plant, machinery and equipment in order to upgrade the Group's manufacturing capabilities.

During the current interim period, the Group mainly disposed and wrote off certain machineries amounting to RMB11,393,000 (for the six months ended 30 June 2025: RMB3,698,000) with proceeds of RMB10,964,000 (for the six months ended 30 June 2025: RMB3,651,000), resulting in a loss on written off and disposal of RMB429,000 (for the six months ended 30 June 2025: RMB47,000).

Investment properties

The fair value of investment properties at 30 June 2026 was assessed by the management by reference to the market situation and valuation model formulated by the external independent qualified valuer engaged by the Group in preparing the Group's consolidated financial statements for the year ended 31 December 2025, revisited and determined the appropriate assumptions and inputs for valuing the investment properties under the investment approach. In the opinion of the management, the aggregate carrying amounts of the Group's investment properties in Shanghai, the PRC, as at the end of the current interim period does not differ significantly from their estimated fair value. Consequently, no gain or loss on fair value changes has been recognised in the current interim period.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 3
	RMB'000
Office premises located in Shanghai	97,000

There were no transfers into or out of Level 3 during the periods.

14. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Deferred tax assets	**163,191**	150,349
Deferred tax liabilities	**(31,382)**	(81,071)
	131,809	69,278

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior periods:

	Impairment loss recognised on property, plant and equipment	Unrealised gain from property, plant and equipment transferred between group entities	Deferred income	Differences between accounting depreciation and tax depreciation	Allowance for credit losses	Fair value change on investment properties	Fair value adjustment arising from acquisition of subsidiary	Undistributed profits of a subsidiary	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	14,198	64,518	58,139	(9,546)	13,494	(18,328)	(2,878)	(50,319)	–	69,278
Effect of change in tax rate recognised in profit or loss	–	947	2,272	–	7,373	–	–	–	–	10,592
(Charge) credit to profit or loss	(636)	(3,173)	(2,754)	(214)	791	(489)	73	50,319	8,022	51,939
At 30 June 2026	**13,562**	**62,292**	**57,657**	**(9,760)**	**21,658**	**(18,817)**	**(2,805)**	**–**	**8,022**	**131,809**

At the end of the reporting period, the Group has unused tax losses of approximately RMB227,737,000 (31 December 2025: RMB164,290,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB40,109,000 of such losses and no deferred tax asset has been recognised in respect of the remaining approximately RMB187,628,000 due to the unpredictability of future profit streams (31 December 2025: no deferred tax asset was recognised of such RMB164,290,000 losses due to the unpredictability of future profit streams).

15. TRADE, BILLS AND OTHER RECEIVABLES

	As at 30 June 2026 (unaudited) *RMB'000*	As at 31 December 2025 (audited) *RMB'000*
Trade receivables – goods	**4,565,991**	4,349,288
Less: Allowance for credit losses	**(79,085)**	(76,129)
	4,486,906	4,273,159
Bills receivables	**3,117,154**	2,921,337
Less: Allowance for credit losses	**(1,950)**	(1,950)
	3,115,204	2,919,387
	7,602,110	7,192,546
Advances to suppliers of raw materials	**24,859**	33,968
Prepayments for spool	**20,232**	19,125
Value-added tax receivable	**142,071**	203,454
Other receivables	**47,583**	33,347
Less: Allowance for credit losses on other receivables	**(13,114)**	(5,262)
Other prepayments	**16,867**	12,872
Amount due from a shareholder *(Note)*	**–**	100,421
	238,498	397,925
	7,840,608	7,590,471

Note: On 13 November 2025, Great Trade Limited, one of the controlling shareholders of the Group, borrowed Hong Kong Dollars ("HKD") 110 million loan from the Group, that is unsecured, matured within one year and at interest of 8% per annum. During the period ended 30 June 2026, interest income amounting to RMB2,161,000 was recognised as "other income" as set out in note 5. In April 2026, the loan was repaid by Great Trade Limited of HKD110 million (equivalent to RMB98,921,000) as well as the interest accrual.

15. TRADE, BILLS AND OTHER RECEIVABLES – *CONTINUED*

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 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Trade receivables		
0 – 90 days	**2,909,747**	2,796,567
91 – 120 days	**472,661**	446,873
121 – 180 days	**350,471**	315,408
181 – 360 days	**631,792**	580,629
Over 360 days	**122,235**	133,682
	4,486,906	4,273,159

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Bills receivables		
0 – 90 days	**252,994**	268,263
91 – 180 days	**1,333,638**	1,339,037
181 – 360 days	**1,482,799**	1,291,220
Over 360 days	**45,773**	20,867
	3,115,204	2,919,387

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.

15. TRADE, BILLS AND OTHER RECEIVABLES – *CONTINUED*

As at 30 June 2026, total bills received amounting to RMB2,695,556,000 (31 December 2025: RMB2,823,516,000) are held by the Group for future settlement of trade receivables, and were further discounted/endorsed by the Group. The Group continues to recognise their full carrying amounts at the end of the reporting period. 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 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

During the current interim period, the Group has recognised impairment loss under expected credit loss model of RMB10,808,000 (for the six months ended 30 June 2025: RMB10,682,000).

16. TRADE, BILLS AND OTHER PAYABLES

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Trade payables	**2,951,394**	2,708,701
Bills payables *(Note)*	**507,545**	486,900
	3,458,939	3,195,601
Value-added tax payables and other tax payables	**38,671**	36,284
Accrued staff costs and pension	**188,073**	276,327
Payables for purchase of property, plant and equipment	**664,838**	753,618
Amount due to a related party	**8,740**	9,622
Accrued expenses	**135,765**	105,937
Other payable to a non-controlling shareholder	**20**	20
Others	**60,649**	55,380
	1,096,756	1,237,188
	4,555,695	4,432,789

16. TRADE, BILLS AND OTHER PAYABLES – *CONTINUED*

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise the obligation to suppliers on the condensed consolidated financial statements as the Group is obliged to make payments to the relevant banks 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 by the Group 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 2026 (unaudited) ***RMB'000***	As at 31 December 2025 (audited) *RMB'000*
Trade payables		
0 – 90 days	**1,916,478**	1,809,357
91 – 180 days	**763,280**	642,617
181 – 360 days	**191,599**	188,300
Over 360 days	**80,037**	68,427
	2,951,394	2,708,701
Bills payables		
91 – 180 days	**507,545**	486,900

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.

17. BORROWINGS

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Bank borrowings	**7,820,520**	7,420,833
Secured	**807,806**	991,614
Unsecured	**7,012,714**	6,429,219
	7,820,520	7,420,833

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
	RMB'000	*RMB'000*
Analysed for reporting purposes as:		
Current	**5,859,240**	5,892,198
Non-current	**1,961,280**	1,528,635
	7,820,520	7,420,833

The Group entered into supplier finance arrangements with banks for electricity payments, which banks pay grid suppliers of the amounts owed by the Group. The Group's obligations to suppliers are legally extinguished on settlement dates by the relevant banks and the Group shall settle with banks within 180 to 365 days as extension beyond the original electricity invoices due dates. The supplier finance arrangements are considered and disclosed as short-term bank borrowings, amounting to RMB268,738,000 as at 30 June 2026 (31 December 2025: RMB283,006,000), charging fixed interest rates ranging from 1.25% to 1.40% per annum (31 December 2025: 1.25% to 1.63%).

During the current interim period, the Group obtained new bank borrowings, including abovementioned supplier finance arrangements, amounting to RMB4,237,363,000 (for the six months ended 30 June 2025: RMB5,220,802,000), proceeds of which were used as working capital. The Group also settled bank borrowings amounting to RMB3,837,676,000 (for the six months ended 30 June 2025: RMB5,074,702,000).

17. BORROWINGS – *CONTINUED*

The Group's variable-rate bank borrowings carry interests ranging from 0.76% below to 0.2825% above the 1-year Loan Prime Rate (31 December 2025: from 0.96% below to 0.2825% above the 1-year Loan Prime Rate).

The borrowings carry interest at market rates. The range of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	As at 30 June 2026	As at 31 December 2025
Effective interest rates:		
Fixed-rate borrowings	**0.65% – 3.30%**	0.55% – 3.00%
Variable-rate borrowings	**2.14% – 3.40%**	2.04% – 3.55%

As at 30 June 2026, secured bank borrowings amounting to RMB807,806,000 (31 December 2025: RMB991,614,000) were secured by the Group's RMB449,236,000 term deposits (31 December 2025: RMB636,905,000) and RMB301,158,000 bills receivables (31 December 2025: RMB251,608,000), respectively.

18. DEFERRED INCOME

	As at 30 June 2026 (unaudited) *RMB'000*	As at 31 December 2025 (audited) *RMB'000*
Government grants	**230,629**	241,644
Analysed for reporting purposes as:		
Current	**26,004**	–
Non-current	**204,625**	241,644

During the current interim period, RMB2,000,000 government grant received (for the six months ended 30 June 2025: Nil) to support the Group's industrial projects and technology improvements and RMB13,015,000 (for the six months ended 30 June 2025: RMB13,637,000) deferred income was amortised to profit or loss as set out in note 6. As at 30 June 2026, deferred income amounting to RMB230,629,000 (31 December 2025: RMB241,644,000) remained to be amortised

19. SHARE CAPITAL

	Number of shares		Share capital	
	30 June 2026	31 December 2025	**30 June 2026**	31 December 2025
	'000	*'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
Authorised:				
3 billion ordinary shares of HK$0.1 each	**3,000,000**	3,000,000	**301,410**	301,410
Issued and fully paid:				
At beginning and end of period/year	**1,920,125**	1,920,125	**186,603**	186,603

During the current interim period, the Company instructed a trustee to repurchase 10,000,000 ordinary shares from the second market for share-award scheme purpose with consideration of RMB10,441,000. As at 30 June 2026, included the issued and fully paid ordinary shares, 12,139,665 shares are held by trustee under share-award scheme (31 December 2025: 2,139,665 shares).

20. SHARE-BASED PAYMENT

The Company's share-award scheme (the "Scheme"), was adopted pursuant to a resolution passed on 4 September 2009 for the primary purpose of providing incentives to the participants of the Scheme (the "Participants") including the directors and certain employees of the Group. A trustee, as an independent third party, was appointed by the Company for the administration of the Scheme.

The following table discloses number of awarded shares outstanding during the current interim period as follows:

	Number of awarded shares		
	Awarded shares granted in 2019 *(Note a)*	Awarded shares granted in 2021 *(Note b)*	Total
Outstanding as at 1 January 2025 and 2026 (audited), and 30 June 2025 and 2026 (unaudited)	**4,999,667**	**11,100,000**	**16,099,667**

Notes:

(a) The awarded shares granted in 2019 would be vested in tranches since the year of 2022.

(b) The awarded shares granted in 2021 would be vested in tranches since the year of 2025.

The Group recognised the total expenses of approximately RMB510,000 for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB1,101,000) in relation to shares granted under the Scheme by the Company.

21. CAPITAL COMMITMENTS

	As at 30 June 2026 (unaudited) *RMB'000*	As at 31 December 2025 (audited) *RMB'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	**925,433**	72,485

22. RELATED PARTY TRANSACTIONS

During the period, the Group entered into significant transactions with related parties as follows:

Name of related party	Nature of transaction	Six months ended 30 June 2026 (unaudited) *RMB'000*	Six months ended 30 June 2025 (unaudited) *RMB'000*
Xingda Xiu Yuan *(Note i)*	Services fee for hotel and catering services	**8,606**	**11,249**
	Provision of utilities	**77**	**176**
	Dividend declared and paid	**3,875**	**2,325**
Great Trade Limited *(Note ii)*	Interest income	**2,161**	**1,235**

Notes:

(i) Xingda Xiu Yuan is a limited company controlled by a director of the Company and also a non-controlling interest of the Group.

(ii) Great Trade Limited is one of the controlling shareholders of the Company and interest income is arising from other receivable from Great Trade Limited as set out in note 15.

23. RELATED PARTY TRANSACTIONS – *CONTINUED*

Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Short-term benefits	**19,253**	20,724
Post-employment benefits	**253**	255
Share-based payments	**510**	1,101
	20,016	22,080

The remuneration of directors and key management is determined by the Remuneration and Management Development Committee having regard to the performance of individuals and market trends.

24. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The Group's financial assets, representing listed equity securities in Hong Kong Market, are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets

	Fair value as at				
	30 June 2026	31 December 2025	**Fair value hierarchy**	**Valuation technique and key inputs**	**Relationship of unobservable inputs to fair value**
	RMB'000	*RMB'000*			
	(unaudited)	(audited)			
Financial assets at FVTPL	**90,452**	106,332	Level 1	Quoted price in active market	N/A

Note: There were no transfers between level 1 to level 2 during the six months ended 30 June 2026 and 2025.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their corresponding fair values.