

[For Immediate Release]



XINGDA INTERNATIONAL HOLDINGS LIMITED
興達國際控股有限公司

XINGDA ANNOUNCES 2012 ANNUAL RESULTS

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**ACHIEVES EXPORTS SALES GROWTH
PROPOSED DIVIDEND PAYOUT RATIO REACHED 98.2%
SHARING OF SUCCESS WITH SHAREHOLDERS**

Financial Highlights:

<i>(RMB Million)</i>	2012	2011	Changes
Revenue	5,247	5,551	-5.5%
Gross profit	1,070	1,298	-17.6%
Profit attributable to owners of the Company	189	418	-54.8%
Adjusted profit attributable to owners of the Company (note)	244	436	-44.1%
Adjusted earnings per share (RMB fen)	15.97	28.56	-44.1%
Proposed final dividend per share (HK cents)	15	20	-25%
Dividend payout ratio	98.2%	59.1%	+39.1ppt

Note: It is defined as profit attributable to owners of the Company excluding deferred tax charge related to the provision of withholding tax and exchange difference arising from non-operating activities.

(Hong Kong, 26 March 2013) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), a global leading manufacturer of radial tire cords, today announced its annual audited results for the year ended 31 December 2012.

In 2012, the continuous sluggishness in the global economy has led to a slowdown in domestic industrial activities, which in turn, has weakened the demand for domestic truck tires and passenger car tires. The Group’s revenue decreased by 5.5% to RMB5,247 million while gross profit dropped by 17.6% to RMB1,070 million. During the year, the Group’s adjusted profit attributable to shareholders decreased by 44.1% to RMB244 million. The Board of Directors has proposed a final dividend of 15 HK cents per share (2011: 20 HK cents per share). The dividend payout ratio increased substantially from 59.1% in 2011 to 98.2% in 2012.

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Mr. Liu Jinlan, Chairman of Xingda, said, “In 2012, the drastic global economic downturn had taken a toll on China’s economy, which inevitably undermined domestic demand for radial tire cords. Facing the challenging operating environment, we were dedicated to minimize the risks from weakening global economy because of our continuous efforts to diversify our businesses geographically.”

Due to the growing export sales brought about by a gradually expanding global client base, the Group’s total sales volume in 2012 increased by 4.2% to 474,900 tonnes. During the year, the sales volume of radial tire cords increased by 5.7% to 405,400 tonnes, accounting for 85.4% of the Group’s total sales volume (2011: 84.1%). Sales volume of bead wires declined by 6.3% to 64,000 tonnes, occupying 13.5% of the total sales volume (2011: 15.0%) of the Group, whereas the sales volume of sawing wire increased by 41.0% to 5,500 tonnes, representing 1.1% of the Group’s total sales volume (2011: 0.9%).

Despite a decline in earnings brought about by weaker external environment, the Group was committed to strengthen its financial position with improvement in its cash flow from operating activities and debt ratio. Net cash generated from operating activities increased to RMB1,163 million (2011:RMB 459 million), while net debt to equity ratio dropped to 13.9% (2011: 23.1%).

During the year, Xingda continued to streamline its production operations at its existing facilities. In view of the softened demand, the Group has deferred the expansion plan in its Jiangsu plant and slowed down the construction work at its Shandong plant since the third quarter of 2011. By the end of 2012, the Group’s annual production capacity for radial tire cords, bead wire and sawing wire remained at 500,000 tonnes, 100,000 tonnes and 12,000 tonnes, respectively.

Mr. Liu concluded, “Since August 2012, we have seen a gradual rebound in truck sales in China, driven by the strong pickup of investment in real estate and infrastructure. We believe that the recovery will continue in 2013, given the growing optimism about the global economy. At the same time, China’s push for urbanization will continue to drive domestic economic growth for the longer term, which we believe will help unleash the enormous potential in the domestic radial tire cord market for both trucks and passenger cars. Going forward, the Group will continue our efforts to expand our product offerings and to enhance our production efficiency as well as to broaden our sales network in order to drive earnings growth. Meanwhile, we will adopt a reasonable pricing strategy and carry out strict cost reduction measures to increase profit margin.”

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of backbone material of radial tire including radial tire cords that support the tire wall and bead wires that connect the tire to the wheel-rim. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established solid foothold in China and is one of the largest manufacturers of radial tire cords in China. The Group has also expanded to solar power industry by producing sawing wire. The Group's customers include the China's top 10 radial tire manufacturers and the global renowned tire manufacturer. Xingda's headquarters and production base are located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

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