



[For Immediate Release]



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

XINGDA'S REVENUE REACHED RMB5,595 MILLION IN 2014

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CONTINUOUSLY EXPAND BUSINESS PRESENCE THROUGH INDUSTRY CONSOLIDATION HEALTHY CAPITAL POSITION FACILITATES SUCCESS DESPITE INTENSE COMPETITION

(Hong Kong, 26 March 2015) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturer of radial tire cords, today announced its annual audited results for the year ended 31 December 2014.

In 2014, the Group's revenue increased by 0.2% to RMB5,595 million (2013: RMB5,585 million), supported by the growth of sales of radial tire cord for passenger cars in both domestic and overseas markets. Due to the Group's strategic reduction of the average selling price of radial tire cord in response to the increasingly competitive market conditions, gross profit decreased by 8.1% to RMB1,273 million (2013: RMB1,385 million), gross profit margin dropped by 2.0 percentage points to 22.8% (2013: 24.8%). Profit attributable to owners of the Company was RMB328 million (2013: RMB415 million). Basic earnings per share were RMB21.51 fen. The Board has recommended the payment of a final dividend of 13.0 HK cents per share for the year ended 31 December 2014.

Mr. Liu Jinlan, Chairman of Xingda, said, “Since the second quarter of 2014, competition in the radial tire cord industry has intensified. Facing such a complicated and changing market, the management has proactively adjusted sales prices through penetrating insight gained after years of closely monitoring the situation. Through a combination of strict cost controls and measures to enhance operating efficiency, we have mitigated the adverse effects of stronger industry competition.”

In this relatively unfavourable economic environment, Xingda's management has made concerted efforts to maintain its leading market position. Hence, Xingda managed to record moderate growth of 8.0% in its total sales volume to 592,600 tonnes in 2014. Radial tire cords, the Group's major product, registered a 8.5% increase to 513,900 tonnes while sales volume of bead wires grew by 8.4% to 75,200 tonnes. Radial tire cords and bead wires accounted for 86.7% and 12.7% of the total sales volume of the Group respectively (2013: 86.3% and 12.7%).

During the year under review, radial tire cord for trucks remained as the Group's primary product. Against the favourable backdrop of China's ongoing construction projects and burgeoning logistics expansion in 2014, the sales volume of radial tire cord for trucks registered an increase of 5.3% to 335,300 tonnes. At the same time, driven by the growing replacement demand of the domestic automobile tire market together with the new orders from overseas customers, sales of radial tire cord for passenger cars reached 178,600 tonnes, up 15.0% from the previous year. Sales of radial tire cord for trucks and passenger cars represented around 65.2% and 34.8%, respectively, of the Group's total sales volume of radial tire cord products (2013: 67.2% and 32.8%).

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In 2014, with the robust demand from its automobile market, China still remains as the Group's key revenue generator. As a result, a healthy increase of 6.6% was recorded in the Group's domestic sales volume of radial tire cord to 414,200 tonnes (2013: 388,600 tonnes), representing 80.6% of its total sales volume for this product (2013: 82.0%). Meanwhile, the Group's global business also enjoyed steady growth. Internationally, sales to Asia (except China) region registered the best performance, and sales to North America region ranked second. The export sales volume of its radial tire cord increased 17.2% to 99,700 tonnes (2013: 85,100 tonnes), which accounted for 19.4% of the Group's total sales volume of radial tire cord in 2014 (2013: 18.0%).

As at the end of 2014, the annual production capacity of the Jiangsu factory has increased from 520,000 tonnes to 560,000 tonnes. Meanwhile, the trial production of the new Shandong plant with an annual production capacity of 50,000 tonnes in Phase One has begun in the first quarter of 2015. This expansion raises the Group's annual production capacity of radial tire cord to 610,000 tonnes in 2015 upon commencement of the full operation of the Shandong plant. The annual production capacity of bead wire and sawing wire remains at 100,000 tonnes and 12,000 tonnes, respectively. With a cautious expansion plan for its Jiangsu factory, the Group has continued to maintain a high overall utilisation rate of 90% (2013: 86%).

Mr. Liu concluded, "We will continue to face intense competition in the industry in the short term and encounter price pressure at the same time. In the long run, the competitive situation should facilitate the rational use of resources and positively affect the radial tire cord industry as well as benefit Xingda in expanding its market reach throughout China. Moreover, the Group strongly believes that its substantial capital advantages including its sound financial position, lower gearing ratio and healthy cash flow are critical to its efforts to overcome the adverse conditions. In the future, Xingda intends to execute its global sales strategy in order to extend its business presence, step up its research and development efforts and enrich its product mix, while striving to maintain its domestic market share, explore new markets overseas and maintain its steady growth."

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About Xingda International Holdings Limited

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

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