



[For Immediate Release]



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

## XINGDA 2015 ANNUAL NET PROFIT REACHES RMB173.8 MILLION

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### ADJUSTS ITS GLOBAL MARKET STRATEGIES XINGDA STRIVES TO DEVELOP THE OVERSEAS MARKET

(Hong Kong, 22 March 2016) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturers of radial tire cords, today announced its audited annual results for the year ended 31 December 2015.

Due to China’s sluggish economy and intense competition within the industry, the Group’s revenue declined to RMB4,736.9 million during the year under review, representing a year-on-year decrease of 15.3%. Downward pressure on the price of radial tire cords dragged down gross profit to RMB850.2 million. Taking into account a gain of approximately RMB 131,644,000 resulting from the disposal of 30,000,000 A shares of Guizhou Tyre Co., Ltd. (stock code: 000589.SZ) by Jiangsu Xingda Steel Type Cord Co., Ltd., a subsidiary of the Group, profit attributable to owners of the Company was RMB173.8 million. Basic earnings per share were RMB11.57 fen.

**Mr. Liu Jinlan, Chairman of Xingda**, said, “As the economic infrastructure of China underwent a thorough overhaul in 2015, the entire industry was inevitably affected. Under such circumstances, Xingda sought to protect its solid financial position in order to convert obstacles into opportunities. During the year, the Group maintained a steady cash flow and a low gearing ratio. The Group also closely monitored its accounts in order to adapt to the ever-changing financial market.”

In 2015, Xingda’s total sales volume declined by 2.0% to 580,800 tonnes. The sales volume of radial tire cords dropped by 2.5% to 501,100 tonnes, accounting for 86.3% of the total sales volume. Whilst, the sales volume of bead wires and other wires increased by 1.3% to 79,700 tonnes, representing 13.7% of the total sales volume.

During the year, the sales volume of radial tire cords for trucks registered a decrease of 9.3% to 304,000 tonnes. This drop was mainly attributable to the weaker demand within the truck industry seen both in new orders and replacement demand as a result of China’s slower economic growth. The sales volume of radial tire cord for passenger cars rose 10.4% to 197,100 tonnes, due to the Group’s efforts in adjusting its global market strategies and developing the overseas passenger cars market, which has in turn increased the contribution of the overseas market to the sales of radial tire cords for passenger cars. Sales of radial tire cords for trucks and passenger cars represented 60.7% and 39.3% of the Group’s total sales volume of radial tire cord products respectively.

The slowdown in China’s economic growth has caused the domestic sales volume of radial tire cords to drop by 7.0% to 385,100 tonnes, representing 76.9% of the Group’s total sales volume for this product. Nonetheless, the Group’s global business continued to show stable growth and maintained healthy momentum. Stable growth is continued to be seen in overseas orders from countries such as India, Germany, Korea and the United States of America. The export sales volume of the Group’s radial tire cords increased to 116,000 tonnes, accounting for 23.1% of the Group’s total sales volume of radial tire cords.

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The Group's new Shandong plant commenced operation in the second quarter of 2015, boosting its total annual production capacity of radial tire cords to 610,000 tonnes. The annual production capacity of its Jiangsu factory and phase one of the Shandong Plant is 560,000 tonnes and 50,000 tonnes respectively. As for bead wires and other wires, the annual production capacity was 112,000 tonnes.

**Mr. Liu** concluded, "Looking ahead, China's economy is expected to experience a challenging and lengthy adjustment phase, and the radial tire cord industry is expected to remain competitive. However, as more small and medium-sized players in this industry with insufficient capacity begin to shut down due to prohibitive operating costs, the downward spiral of radial tire cord prices will likely stop. It is believed that a new industry landscape will emerge afterwards. Xingda will continue to leverage its strong production capacity and abundant capital to overcome the tumultuous environment, minimize negative external impacts, and seize emerging opportunities once consolidation concludes."

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#### **About Xingda International Holdings Limited**

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

#### **Media enquiries:**

##### **Strategic Financial Relations (China) Limited**

Ms. Winnie Lau

Tel: 2864 4876

[winnie.lau@sprg.com.hk](mailto:winnie.lau@sprg.com.hk)

Ms. Angel Li

Tel: 2114 4954

[angel.li@sprg.com.hk](mailto:angel.li@sprg.com.hk)

Ms. Iris Chen

Tel: 2864 4893

[iris.chen@sprg.com.hk](mailto:iris.chen@sprg.com.hk)

Fax: 2527 1271