

**XINGDA INTERNATIONAL HOLDINGS LIMITED**  
**興達國際控股有限公司****XINGDA'S REVENUE FOR FIRST HALF OF 2007**  
**UP 8.5% TO RMB1,253 MILLION**

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**CONTINUED TO LEAD THE PRC'S RADIAL TIRE CORD MARKET****Financial Highlights:**

- ◆ Continued to be the leading manufacturer of radial tire cords in the PRC
- ◆ Total sales volume recorded year-on-year increase of 20.4% to 105,700 tonnes
- ◆ Completion of the Phase I of No. 8 Factory boosted production capacity for radial tire cords by 12.4% to 218,200 tonnes compared with the year end of 2006
- ◆ Established a joint venture company to expand business and enlarge profit base
- ◆ Developed 18 new types of radial tire cords and 7 new types of bead wires

(Hong Kong, 5 September 2007) – Xingda International Holdings Limited (“Xingda” or “the Group”) (Stock Code : 1899), the largest manufacturer of radial tire cords in China, today announced its interim results for the six months ended 30 June 2007.

During the period under review, the Group's sales volume grew steadily having reached a 8.5% year-on-year growth on turnover reaching RMB1,253 million. Facing keen market competition during the period, selling prices of the Group's radial tire cords were inevitably lowered to maintain the market share in the domestic market, which eroded the Group's gross profit margin. Nevertheless, the Group has actively strengthened cost control on raw materials which partially offset the adverse effect brought by the price drop of radial tire cords, thus, the gross profit was decreased by 6.7% to RMB313 million compared to the same period of last year. Profit attributable to equity holders of the company for the period ended 30 June 2007 amounted to RMB41 million, representing a decrease of 66.8% compared with the first half of 2006. The board of directors does not recommend payment of interim dividend for the six months ended 30 June 2007.

Without having considered loss resulting from the fair value adjustment on the convertible bonds and exchange difference arising from non-operating activities, the profit attributable to equity holders of the company would be RMB130 million, being a decrease of 11.1% compared with the same period of last year.

Mr Liu Jinlan, Chairman of Xingda, said, “During the first half of 2007, the Group maintained its market leading position and continued to be the largest manufacturer of radial tire cords in China. In June 2007, Xingda established a joint venture company, Jiangsu Xingda Special Cord Co., Ltd. focusing on manufacture and distribution of radial tire cords and bead wires. With the support of Jiangsu Xingda Steel Tyre Cord Co. Ltd's production facilities and technicians, we believe that the joint venture will bring economic benefits to the Group and will allow Xingda to capture more profits in the long run.”

During the first half of 2007, the total sales volume of the Group has a 20.4% growth from the six months ended 30 June 2006 to 105,700 tonnes for the six months ended 30 June 2007. The Group focused its sales on higher-margin product, radial tire cords, with its sales volume recorded year-on-year increment of 17.9% to 88,500 tonnes accounting for 83.7% of the Group's total sales volume. The sales volume of bead wires increased by 35.8% to 17,500 tonnes, accounting for 16.3% of the Group's total sales volume.

During the period, sales volume of radial tire cords for passenger car increased significantly by 30.8% to 16,900 tonnes when compared to the corresponding period in 2006. Sales volume of radial tire cords for truck increased 15.2% to 71,600 tonnes. The sales volume of radial tire cords for passenger car and for truck accounted for 19.1% and 80.9% of the Group's total radial tire cord sales volume respectively.

With the completion of the Phase I of the Group's No. 8 Factory, production capacity of radial tire cords reached 218,200 tonnes by the end of 30 June 2007, representing an increase of 12.4% compared with the production capacity as at the end of 2006. Furthermore, in the first half of 2007, the Group successfully developed 18 new types of radial tire cords and 7 new types of bead wires. As at the end of June 2007, the Group offered a wide range of products including 64 types of radial tire cords and 25 types of bead wires to the customers.

Leveraging on the rapid growth of automobile industry in China, the Group will further fasten the expansion pace of its No. 8 Factory to boost annual production capacity of high performance radial tire cords by 30,000 to 40,000 tonnes yearly in the coming four years. At the same time, the Group will continue to explore opportunities in both local and overseas market, aiming at becoming approved suppliers of more PRC's and global renowned tire manufacturers.

Mr Liu concluded, "Xingda will continue to source a higher portion local steel wire rods and will further look for long term contracts with major suppliers to secure an even more stable price of steel wire rods. Looking forward, the Group will continue to execute its organic expansion and acquisition strategies to speed up Xingda's growth. We are confident in the future development of Xingda and believe that the Group will further consolidate its leading position in domestic market and increase the share in global market, moving ever closer to be one of the global largest radial tire cords suppliers."

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

Established in 1994, Xingda 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 the largest manufacturer of radial tire cords in China. Xingda's customers include the China's top 10 radial tire manufacturers and the global renowned tire manufacturer Goodyear. Xingda's headquarters and production base located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

#### **Media enquiries:**

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

Karen Hung	Tel: 2864 4854	<a href="mailto:karen.hung@sprg.com.hk">karen.hung@sprg.com.hk</a>
Winnie Lau	Tel: 2864 4876	<a href="mailto:winnie.lau@sprg.com.hk">winnie.lau@sprg.com.hk</a>
Helen Wang	Tel: 2114 4963	<a href="mailto:helen.wang@sprg.com.hk">helen.wang@sprg.com.hk</a>

Fax: 2527 1271