



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED
縱橫財經公關顧問(中國)有限公司

[For Immediate Release]



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

XINGDA ANNOUNCES 2011 INTERIM RESULTS

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REVENUE GREW 10.5% TO RMB2,805 MILLION ADJUSTED PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY REACHED RMB314 MILLION

(Hong Kong, 25 August 2011) – Xingda International Holdings Limited (“Xingda” or “the Group”) (Stock Code:1899.HK), one of the leading manufacturer of radial tire cords in China, today announced its unaudited interim results for the six months ended 30 June 2011.

During the first half of 2011, the Group’s revenue increased by 10.5% to RMB2,805 million while gross profit decreased to RMB758 million. Gross profit margin dipped to 27.0% due to softened domestic demand and change in sales mix. Since December 2010, the Group commenced mass production of a new product, sawing wires, which started to generate revenue during the period. Profit attributable to owners of the Company decreased to approximately RMB251 million. Adjusted profit attributable to owners of the Company decreased 14.2% to RMB314 million. Basic earnings per share was RMB16.47 fen,. The Board does not recommend payment of an interim dividend for the six months ended 30 June 2011.

Mr Liu Jinlan, Chairman of Xingda, said, “To tackle domestic inflation caused by excess liquidity, China adopted various monetary tightening measures to moderate the economic growth in addition to the inflation. Consequently, the demand for truck tires was inevitably weakened as more modest economic expansion reduces growth in industry and transportation requirements. However, with our solid client base and favourable recognition built over the years, Xingda has been able to maintain stable results during the period under review.”

During the first half of 2011, the Group’s total sales volume reached 226,600 tonnes, representing a year-on-year increase of 10.5%. The sales volume of radial tire cords, the Group’s key product, rose by 10.3% to 191,200 tonnes, while the sales volume of bead wires was up by 5.7% to 33,400 tonnes. Sales from sawing wires, which only began mass production by the Group in December 2010, accounted for around 0.9% of Xingda’s total sales volume.

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The sales volume of radial tire cords for trucks, decreased by 4.5% to 128,600 tonnes. Moreover, the high and stable quality of its radial tire cords for passenger cars, which are also competitively priced, was well received by the overseas market, leading to a rise in sales volume of 61.8% to 62,600 tonnes. Radial tire cords for trucks and passenger cars accounted for 67.3% and 32.7% of the Group's total sales volume of radial tire cords respectively.

By entering a new business sector, the Group commenced mass production of sawing wires in December 2010, and, after securing new clients, the new product subsequently provided revenue contributions during the review period. The inclusion of renewable energy as one of seven key emerging industries within the Twelfth Five-Year Plan is expected to generate huge demand from the solar industry where the wires are used to cut polysilicon ingots into wafers, thus the Group sees ample opportunities for further development of the product.

China market remained the main source of business for Xingda, and accounted for 83% of total sales in the first half of 2011. At the same time, the Group continued to record impressive growth from the export market, which accounted for 17% of the Group's total sales.

During the period, the cost of steel wire rods rose slightly, and accounted for 59.2% of total cost of sales (first half of 2010: 55.8%). To lower costs and enhance profit margin, the Group sought to increase sourcing and use of domestic steel wire rods, as well as bulk purchases to benefit from purchase discounts.

Construction of the Group's No. 9 factory has continued according to schedule. In addition, the Group intends to build a new factory in China's Shandong Province with a planned production capacity of 100,000 tonnes for radial tire cord, much of which will be used to manufacture truck tire cord. The construction of Shandong factory is to be in parallel with the expansion of No. 9 factory. As a result, the total production capacity for radial tire cords of the Group is expected to exceed 600,000 tonnes by 2012, reaching 700,000 tonnes by 2013.

The macroeconomic environment of China appears to be more stable in the second half of the year. The acceleration of urbanization, and infrastructure construction in the middle and western region of China offers great demand for logistics support demand which in turn brings about a robust replacement demand for truck tires. Meanwhile, the inclusion of renewable energy as one of seven key emerging industries within the Twelfth Five-Year Plan is expected to generate huge demand from the solar power industry. Xingda is making good progress in expanding its clientele and will continue to place efforts toward increasing sales orders for sawing wires. Xingda sees sawing wires as an important growth driver in the years ahead and should continue to benefit from economies of scale and greater cost efficiency.

Mr. Liu concluded, "The Group is cautiously optimistic about the future of the market and will remain prudent, closely monitoring industry trends and making adjustments when deemed necessary. Exploiting its competitive advantage, ample experience and reputation built over the years, Xingda is also continuing with its overseas expansion drive. Looking ahead, the Group intends to adhere to its strategic development plan in order to fortify its leading position in China as well as reinforce its global presence, aiming to become the world's largest tire cord manufacturer. Through this strategy, Xingda would be able to deliver still greater returns to its shareholders."

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of the backbone material of radial tires including radial tire cords that support the tire wall and bead wires that connect the tire to the wheel-rim. The Group commenced mass production of sawing wires since December 2010. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established a solid foothold in China and is one of the largest manufacturers of radial tire cords in China. 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.

Media enquiries:

Strategic Financial Relations (China) Limited

Winnie Lau	Tel: 2864 4876	winnie.lau@sprg.com.hk
Janice Au	Tel: 2864 4874	janice.au@sprg.com.hk
Shirley Chan	Tel: 2114 4962	shirley.chan@sprg.com.hk

Fax: 2527 1271