

[For Immediate Release]



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

XINGDA ANNOUNCES 2012 INTERIM RESULTS

* * *

MAINTAINS INDUSTRY LEADERSHIP IN CHINA STRENGTHENS Foothold IN OVERSEAS MARKETS

(Hong Kong, 23 August 2012) – **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 unaudited interim results for the six months ended 30 June 2012.

As one of the leading manufacturers in the industry with a strong customer base, Xingda has demonstrated its ability to mitigate the negative impact of the economic downturn by leveraging its competitive advantages. During the first half of 2012, the Group’s has leveraged its competitive advantages to mitigate the negative impact caused by the economic downturn. The Group’s revenue decreased slightly by 1.5% to RMB2,763.7 million while gross profit and gross profit margin declined to RMB568.0 million and 20.6% respectively. Profit attributable to owners of the Company dropped by 40.5% to approximately RMB149.3 million. The Board does not recommend payment of an interim dividend for the six months ended 30 June 2012.

Mr. Liu Jinlan, Chairman of Xingda, said, “Due to the unresolved Eurozone debt crisis and global market tensions, related pressure on the Chinese economy was reflected in the slowdown of GDP growth and a sluggish export market. The operating environment of the domestic radial tire cord industry was inevitably affected. Although the demand for truck tire cords remained weak in the first half of 2012 in China, the Group was able to maintain a moderate growth on sales volume for truck tire cord products. To overcome the challenges, we have strived to step up our cost control measures to reduce costs so as to ease margin contraction. Leveraging our solid relationship with renowned customers and excellent brand portfolio, the Group was able to maintain its leading position in the industry.”

For the period ended 30 June 2012, the Group’s total sales volume reached 242,700 tonnes, a year-on-year increase of 7.1%. Due to the moderate growth in domestic market together with strong export growth, the sales volume of radial tire cords for trucks, the major product to the Group, rose by 4.9% to 134,900 tonnes; while the sales volume of radial tire cord for passenger cars, the second major product to the Group surged 14.2% to 71,500 tonnes which was contributed by the growing export sales and the expanding replacement market in China. During the period, radial tire cords for trucks and passenger cars accounted for 65.4% and 34.6% of the Group’s total sales volume of radial tire cords respectively (first half of 2011: 67.3% and 32.7%). The sales volume of bead wires was down by 2.5% to 32,600 tonnes. The two products accounted for 85.1% and 13.4% of the Group’s total sales volume respectively (first half of 2011: 84.4% and 14.7%). The sales volume of sawing wires was 3,700 tonnes, accounted for 1.5% of Xingda’s total sales volume (first half of 2011: 0.9%).

~ More ~

Due to the slowdown in road freight activities, fixed-asset investments, property development and infrastructure construction, the truck manufacturers and aftermarket's demand for truck tires was weakened. However, as a first-tier player in the industry, the Group has been able to leverage its relationship with renowned customers and maintained a stable performance in the domestic market, accounting for 80.8% of the Group's total sales. As a good return for the Group's continued efforts in the development of the overseas market, export sales accounted for a rising proportion of the Group's total sales at 19.2% (first half of 2011: 17.3%).

In response to changing market demand, Xingda suspended the capacity expansion in Jiangsu plant during the period under review by. The construction of the Shandong plant was proceeding at a slower pace and was expected to commence operation in 2013. As at 30 June 2012, the Group had an annual capacity for radial tire cord, sawing wire and bead wire of 500,000 tonnes, 12,000 tonnes and 100,000 tonnes, respectively. The overall utilisation rate and the utilisation rate of radial tire cords reached 80.6% and 84.0% respectively in the first half of 2012 (first half of 2011: 74.0% and 76.4%, respectively).

Mr. Liu concluded, "The Chinese Government has adopted various measures including but not limited to reducing interest rates, accelerating infrastructure projects and monetary easing to support economic growth. We are cautiously optimistic about a gradual rebound of economic activities in the future. Xingda will leverage its competitive advantage of a strong financial position while enhancing its cost structure. The Group will closely monitor its capacity expansion plan to achieve a higher utilisation rate and implement a greater scope of automation to enhance production efficiency. Moreover, the Group will strive to maintain its leadership in the industry by solidifying its relationships with existing clients, and strengthening its brand to attract more overseas business, thereby aiming to achieve sustained growth."

~ End ~

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