



[For Immediate Release]



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

XINGDA'S REVENUE INCREASES 4.0% TO RMB2,817 MILLION IN 1H 2014

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CONSOLIDATION IN RADIAL TIRE CORD MARKET IS EXPECTED TO ACCELERATE XINGDA STRIVES TO CEMENT ITS LEADING POSITION

(Hong Kong, 28 August 2014) – **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 interim results for the six months ended 30 June 2014.

During the first half of 2014, the Group's revenue increased by 4.0% to RMB2,817.3 million (first half of 2013: RMB2,708.8 million), supported by an increasing demand for radial tire cord in both domestic and overseas markets. Gross profit decreased by 1.0% to RMB664.0 million (first half of 2013: RMB671.0 million). As a result of the decline in the average selling prices of the Group's products, gross profit margin dropped by 1.2 percentage points to 23.6% (first half of 2013: 24.8%). Profit attributable to owners of the Company decreased by 2.5% to RMB202.0 million (first half of 2013: RMB207.1 million). Basic earnings per share were RMB13.25 fen, representing a year-on-year decrease of 2.5%.

Mr. Liu Jinlan, Chairman of Xingda, said, “In the wake of the global economic recovery, accompanied by sustainable economic growth in the PRC, China's automobile and logistics industry maintained rapid growth which saw radial tires demand rebound from its low base in previous years. However, unexpected price competition started in the second quarter of 2014 has inevitably affected Xingda's profitability. With a good reputation and advanced technology, Xingda committed to enhancing its existing global customers and market share.”

Benefitting from China's supportive policy towards urbanization which stimulated demand for radial tire cords, Xingda's total sales volume enjoyed an improvement, rising by 10.9% to 290,600 tonnes in the first half of 2014. Radial tire cords, the Group's major product, registered a 10.6% increase to 251,400 tonnes while sales volume of bead wires grew by 14.4% to 37,300 tonnes. Radial tire cords and bead wires accounted for 86.5% and 12.8% of the total sales volume of the Group respectively (first half of 2013: 86.8% and 12.4%).

In view of the growing demand, Xingda has continued to boost its production capacity of radial tire cord. As at 30 June 2014, the annual production capacity of the Jiangsu factory increased from 520,000 tonnes to 550,000 tonnes. The annual production capacity of bead wire and sawing wire remained at 100,000 tonnes and 12,000 tonnes, respectively.

Mr. Liu concluded, “In the short run, Xingda is cautiously neutral about its outlook in the second half of 2014. In the long run, Xingda believes that the structural transformation in the radial tire cord industry will expedite market consolidation which will benefit Xingda as a leading global radial tire cord manufacturer. Xingda is committed to strengthening its unique competitive advantages and differentiating itself through high product quality. The Group resolves to continue to boost its capacity to satisfy the needs derived from market expansion, while conducting research and development and enhancing its product mix to cement its leading position in both domestic and overseas markets.”

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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 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 one of the largest manufacturers of radial tire cords in China. The Group has also expanded to solar power industry by producing sawing wire. The Group's customers include the China's top 10 radial tire manufacturers and the global renowned tire manufacturer. Xingda's headquarters and production base are located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

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