

2010 Annual Results Corporate Presentation



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

(HKEx stock code: 1899)



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Agenda

❖ Financial Review

❖ Business Overview

❖ Outlook & Strategies



Financial Review



Financial Highlights - Profitable Growth

<i>RMB million</i>	Year Ended		Growth
	31 December		
	2009	2010	
Revenue	3,864	5,430	+40.5%
Gross Profit	1,182	1,636	+38.4%
Gross Profit Margin	30.6%	30.1%	-0.5%pts
EBITDA	1,177	1,664	+41.4%
EBITDA Margin	30.5%	30.7%	+0.2%pts
Profit Attributable to Owners of the Company	548	792	+44.5%
Basic EPS (<i>RMB fen</i>)	39.50	55.49	+40.5%
Diluted EPS (<i>RMB fen</i>)	39.36	55.49	+41.0%
Profit Attributable to Owners of the Company BEFORE non-operating items	549	692	+26.0%

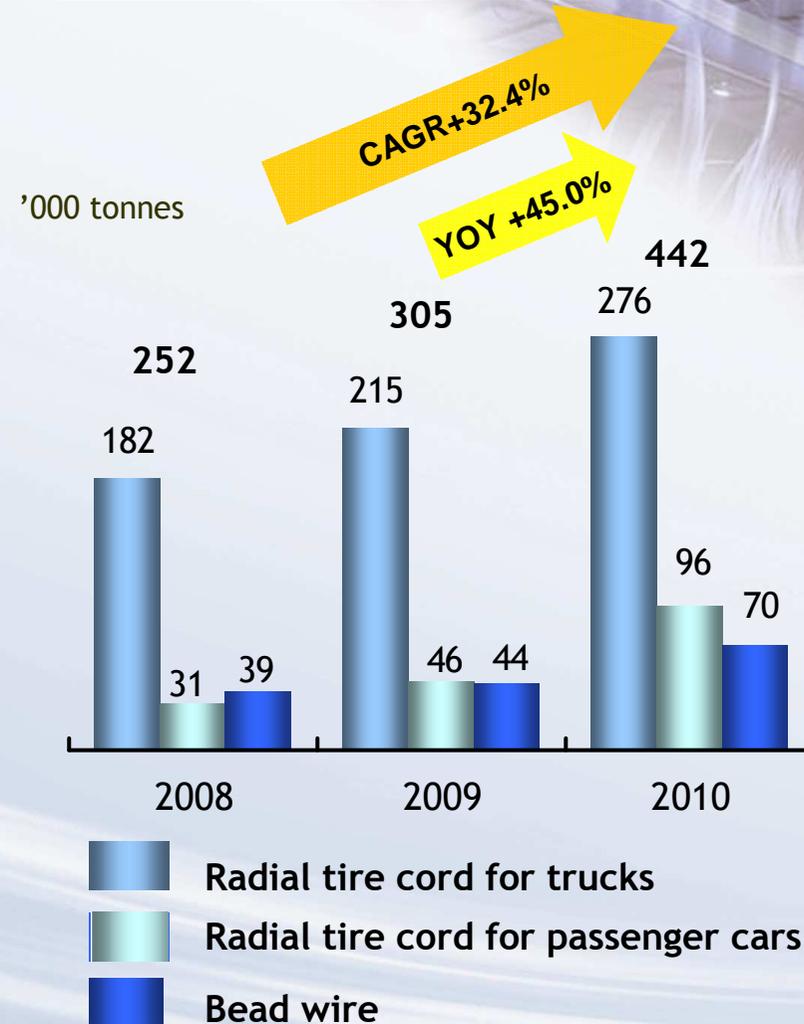


Financial Highlights - *Sustained Remarkable Growth*

Revenue



Sales Volume by Products

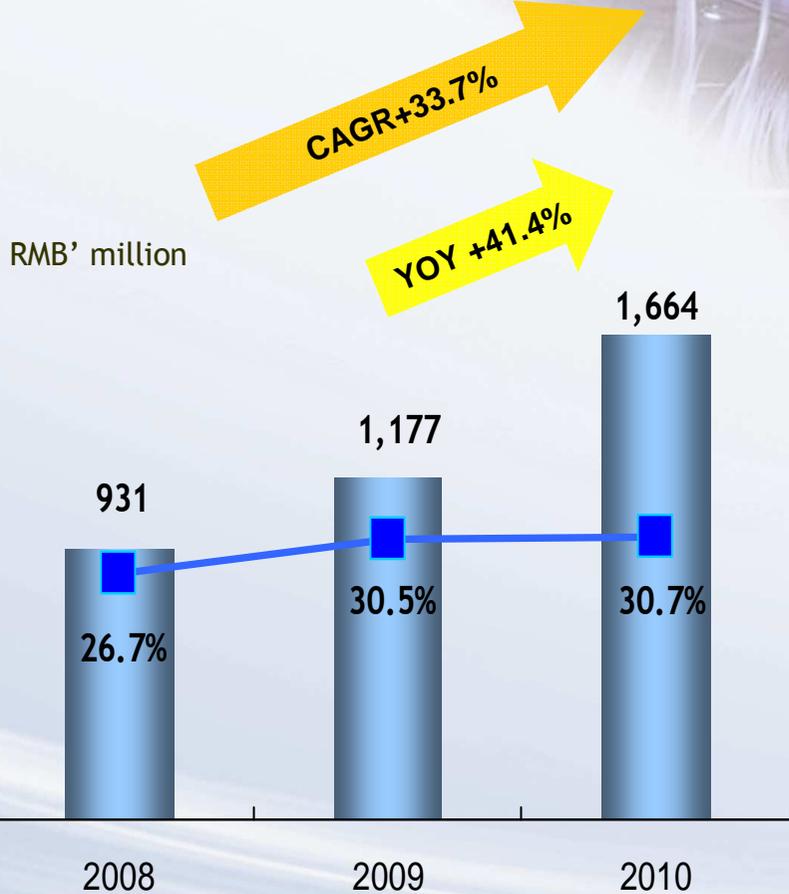


Financial Highlights - Strategic Product Mix Delivers Stable Margins

Gross Profit



EBITDA



Financial Highlights - Accelerated EPS Growth Enhances Shareholder Value

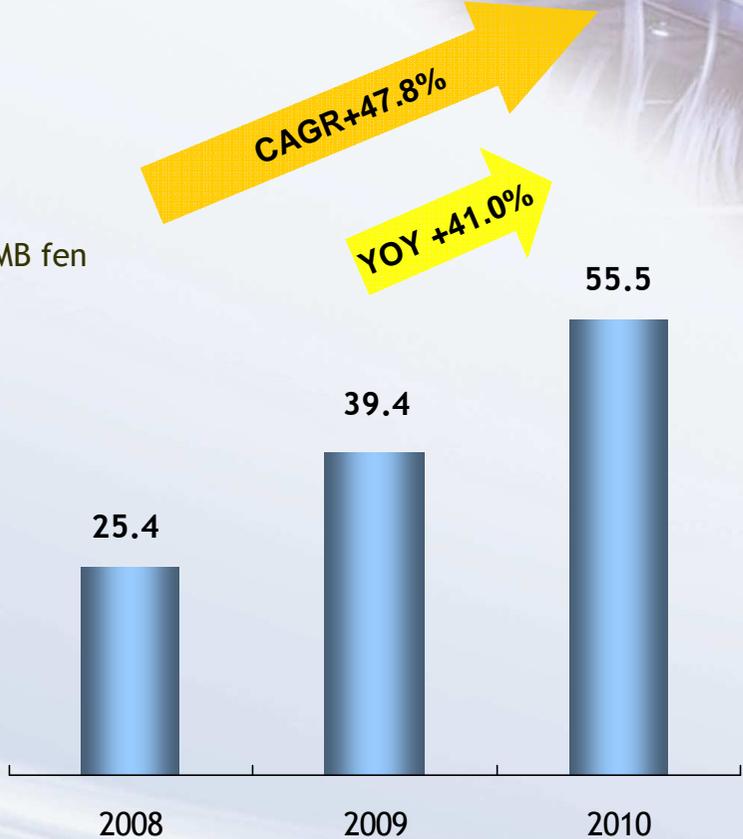
Net Profit (Adjusted)*

RMB' million



Diluted EPS

RMB fen

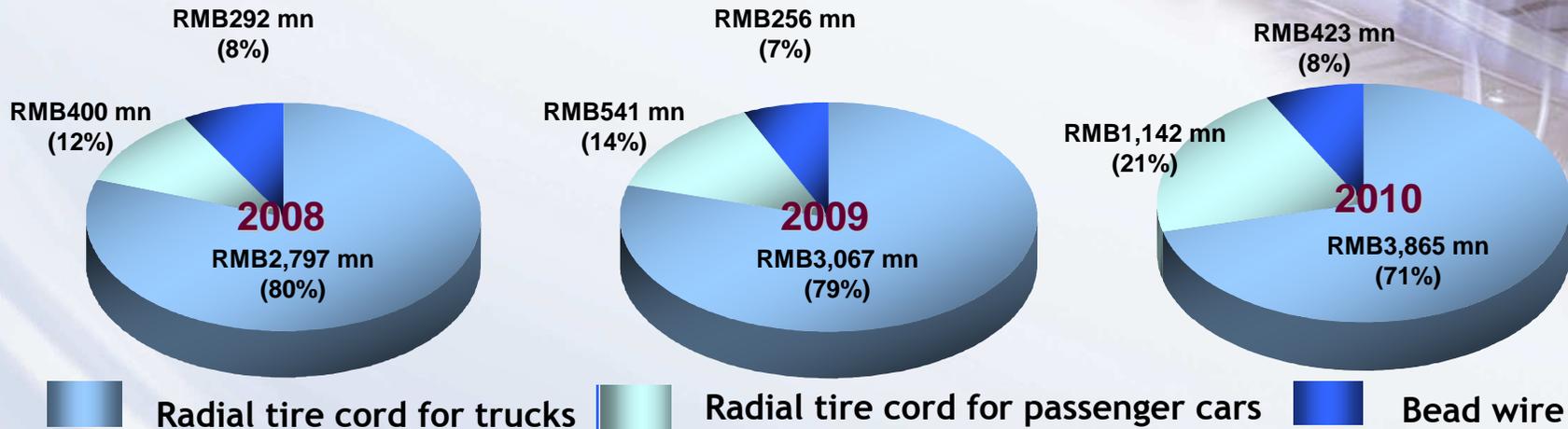


*Notes: Net Profit (Adjusted) is defined as net profit for the year before gain on disposal of investments, gain or loss on fair value adjustment on the convertible bonds and net exchange loss arising from non-operating activities.

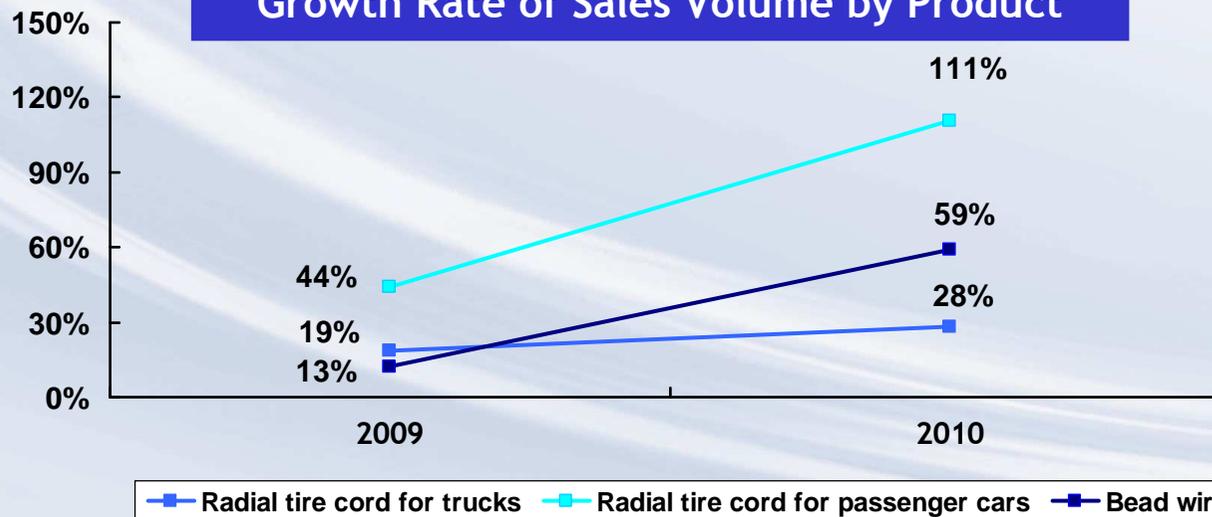


Financial Highlights - Outstanding Performance Boosted by Strong Organic Growth

Revenue by Product

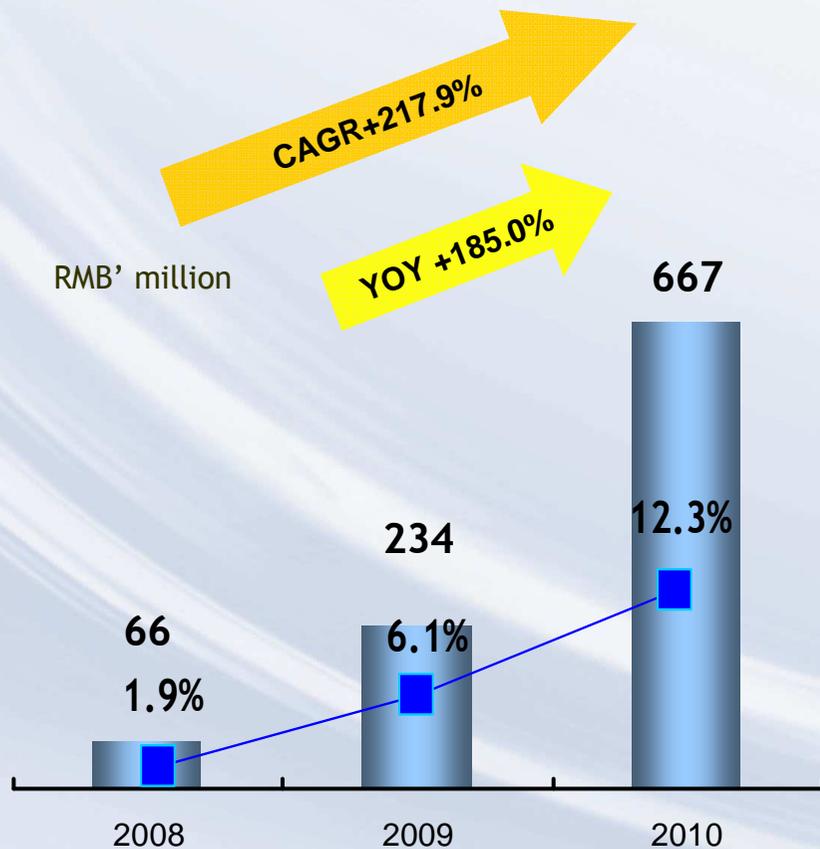


Growth Rate of Sales Volume by Product

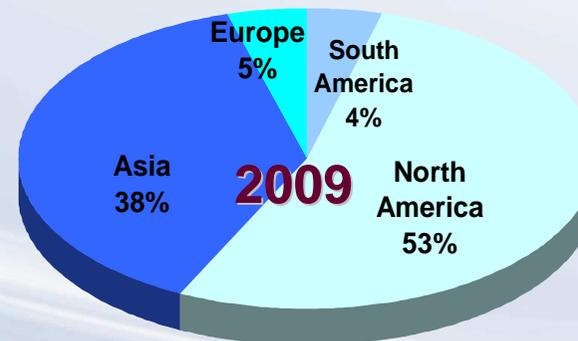
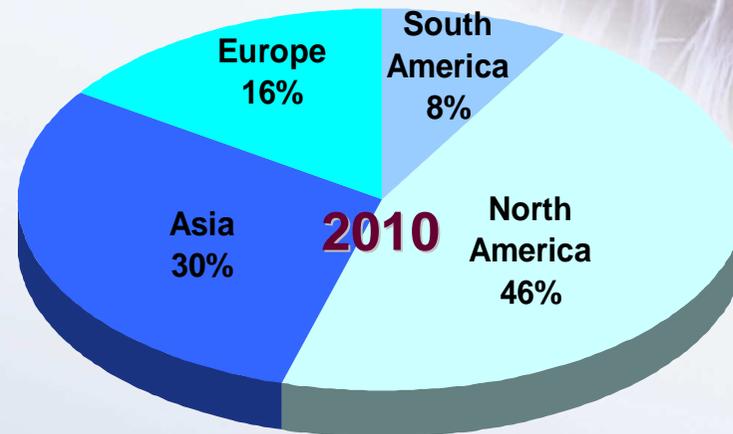


Financial Highlights - *Highly Competitive Products & Accreditation Received Drove Export Sales*

Export Sales



Export Sales by Locations



Cash Flow Summary

<i>RMB million</i>	Year Ended 31 December		
	2008	2009	2010
Net Operating Cash Inflow	623	618	977
Net Cash Used in CAPEX	(640)	(715)	(797)
Cash and Cash Equivalents at Year End	446	647	1,147



Key Ratios

<i>RMB' 000</i>	Year Ended 31 December		
	2008	2009	2010
Current Ratio (times)	1.5	1.5	2.0
Debtors' Turnover Days	78	92	89
Stock Turnover Days	73	59	43
Creditors' Turnover Days	33	52	31
Return on Capital Employed*	10.5%	11.4%	12.2%
Return on Equity*	13.5%	15.9%	14.9%
Dividend Payout Ratio	23.4%	22.3%	24.5%
Gearing Ratio (%)	21.3%	24.9%	17.5%
Net Debts to Equity Ratio (%)	24.7%	34.4%	5.8%



*Notes: Based on adjusted net profit which is defined as net profit for the year before gain on disposal of investments, gain or loss on fair value adjustment on the convertible bonds and net exchange loss arising from non-operating activities.

Capacity & Utilisation Expanding

❖ Production capacity

- ❖ Radial tire cords increased by 24.6% YOY to 430,000 tonnes

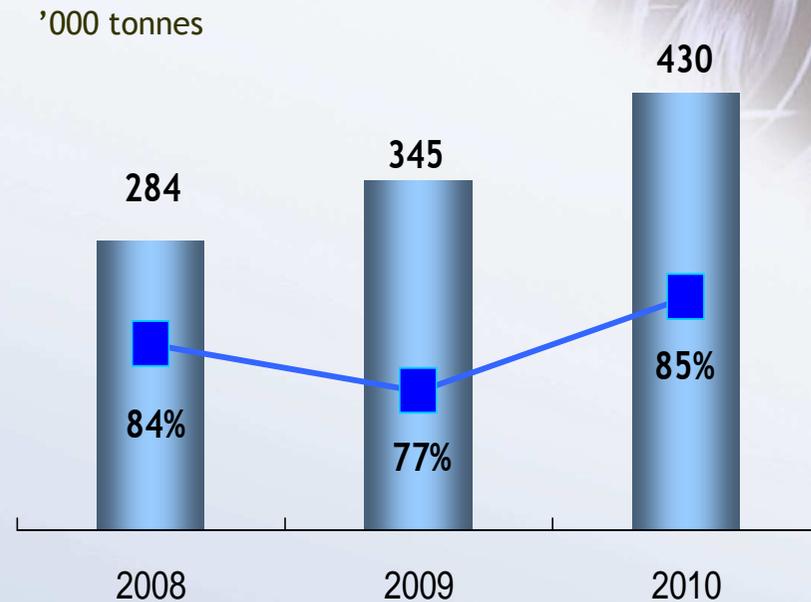
❖ Construction of first phase of No. 9 factory completed

- ❖ Increases production capacity by 85,000 tonnes

❖ Construction of entire No. 9 factory is expected to be completed before 2012

- ❖ Add capacity of about 80,000 tonnes per year
- ❖ Total capacity for radial tire cord is expected to exceed 500,000 tonnes

Radial Tire Cords
Capacity & Utilisation rate



Business Overview



Highlights - Strong Market and Financial Position

- ❖ Market leadership in China with about 1/3 market share for 6 years
- ❖ Revenue +40.5% to RMB5,430mn (2009: RMB3,864mn)
- ❖ Export sales +185.0% to RMB667mn (2009: RMB234mn)
- ❖ Commenced mass production for sawing wire in Dec 2010
- ❖ Gained RMB186.3mn from disposal of listed securities in Jan 2010
- ❖ Consistent Dividend policy
- ❖ Net cash on hand RMB1.1Bn



Our Competitive Advantages

- ❖ First tier tire cord manufacturer in China with reputation expanding overseas
- ❖ Oligopoly situation remain in China due to high entry barriers
- ❖ Strong pricing power and competitive cost structure attributable to strong margin profile
- ❖ Widely accredited by globally renowned tire manufacturers
- ❖ Strong R&D capability - New product of high margin
- ❖ Rational CAPEX fuelled production capacity & high utilisation rate



Outlook & Strategies



Sustainable Growth in China Market

- ❖ The “Twelfth Five-Year Plan” is expected to boost China’s economy
- ❖ Favourable government policies boost radialisation rate of trucks & passenger cars tire
- ❖ Infrastructure projects expanding along with rapid urbanisation stimulates demand on replacement market
- ❖ Robust automobile industry fuels OEM demand
- ❖ Migration of renowned overseas tire production base to China gives additional domestic demand



Ample Opportunities in Overseas Markets

- ❖ Accreditations received from renowned global tire manufacturers as a qualified supplier
- ❖ Higher selling prices for exported products
- ❖ Competitive cost structure with excellent quality enhances competitiveness
- ❖ Expanding market penetration with steadily expanding customer base and increasing orders



New Growth Driver - Sawing Wire

- ❖ Horizontal expansion to high-margin sawing wire business as growth driver
- ❖ Completed trial production in Feb 2010 with mass production commenced in Dec 2010
- ❖ Synergies achieved due to similarities in the production processes with radial tire cord
- ❖ Twelfth-Five-Year Plan gives solid support to renewable energy
- ❖ Enormous market opportunities in China's solar energy market



Future Strategies to Tap Huge Potential

- ❁ China market as main focus while actively expanding its global presence
- ❁ Rational CAPEX plan synchronised with market demand and the flourishing economy in China
- ❁ Continue to enhance R&D in existing & new products to maximise our domestic & overseas interests in promising industries

Open Forum

