



XINGDA

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XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(HKEx stock code: 1899)



2014 Annual Results Corporate Presentation

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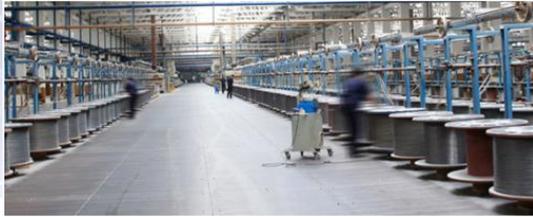
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Agenda

- ❖ **Financial Review**
- ❖ Business Overview
- ❖ Outlook & Strategies



Financial Highlights

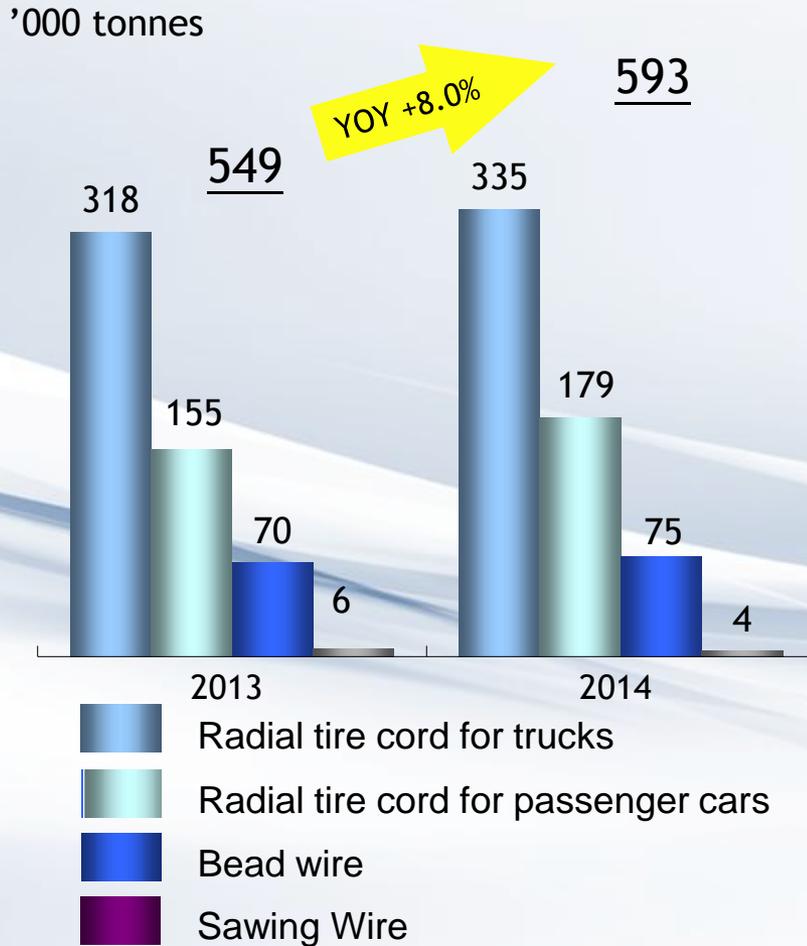
<i>RMB' million</i>	Year Ended		YOY Change
	31 December		
	<u>2013</u>	<u>2014</u>	
Revenue	5,585	5,595	+0.2%
Gross Profit	1,385	1,273	-8.1%
Gross Profit Margin	24.8%	22.8%	-2.0pts
EBITDA	1,233	1,066	-13.5%
EBITDA Margin	22.1%	19.1%	-3.0pts
Profit Attributable to Owners of the Company	415	328	-21.0%
Profit Attributable to Owners of the Company (adjusted)*	415	336	-18.9%
EPS (adjusted)* (<i>RMB fen</i>)	27.19	22.08	-18.8%
Dividend per share (<i>HK cent</i>)	16.0	13.0	-18.8%

*Note: Non-recurring items including deferred tax charge related to the provision of withholding tax and exchange difference arising from non-operating activities were excluded from calculation of these figures.



Financial Highlights

Sales Volume by Product



Revenue

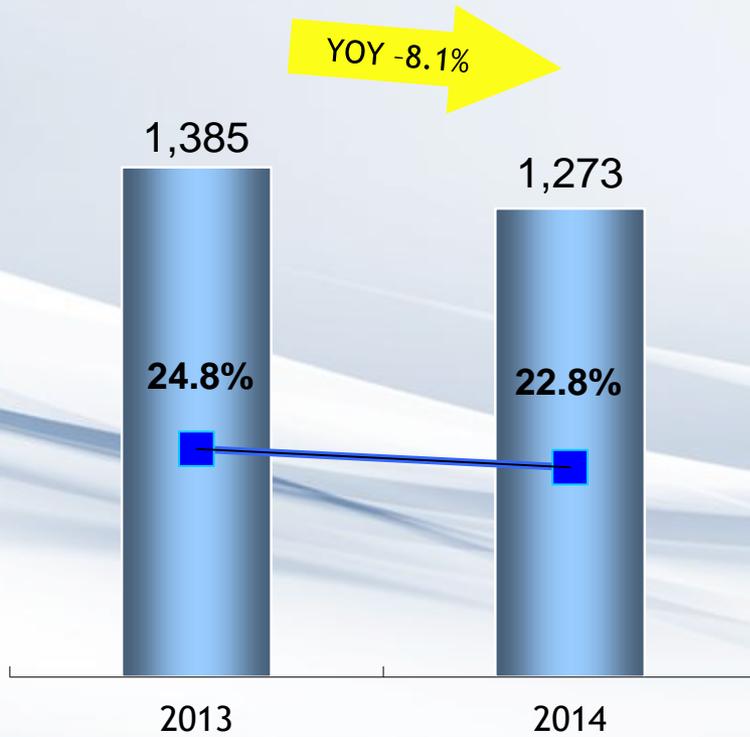




Financial Highlights

Gross Profit & Margin

RMB' million



EBITDA & Margin

RMB' million





Financial Highlights

Net Profit & Margin

RMB' million



EPS

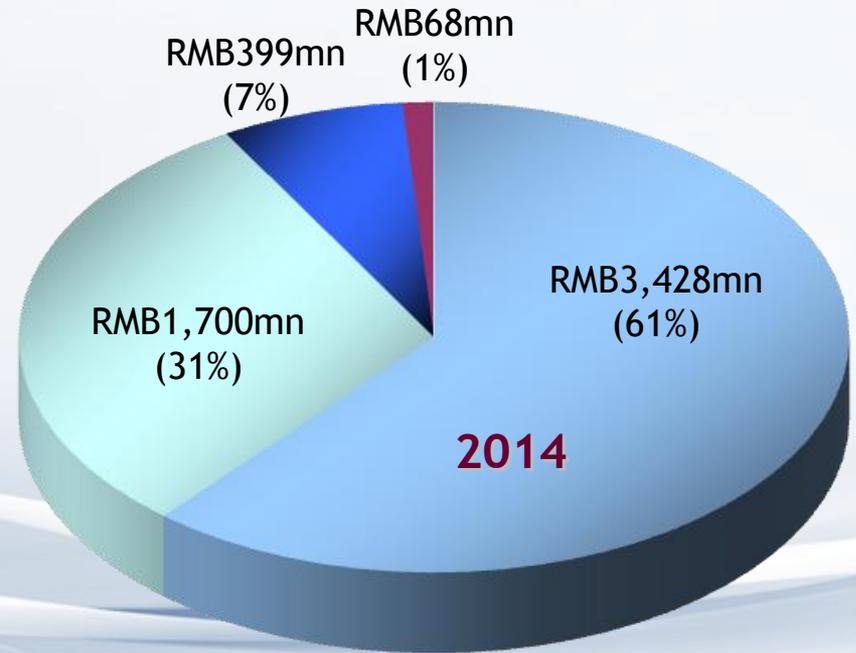
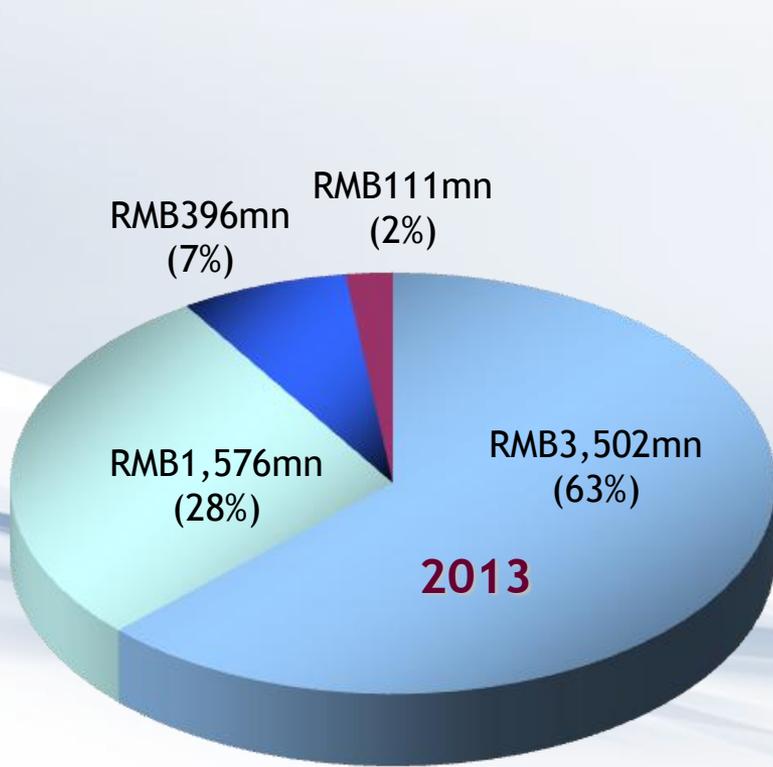
RMB fen





Financial Highlights

Revenue by Product



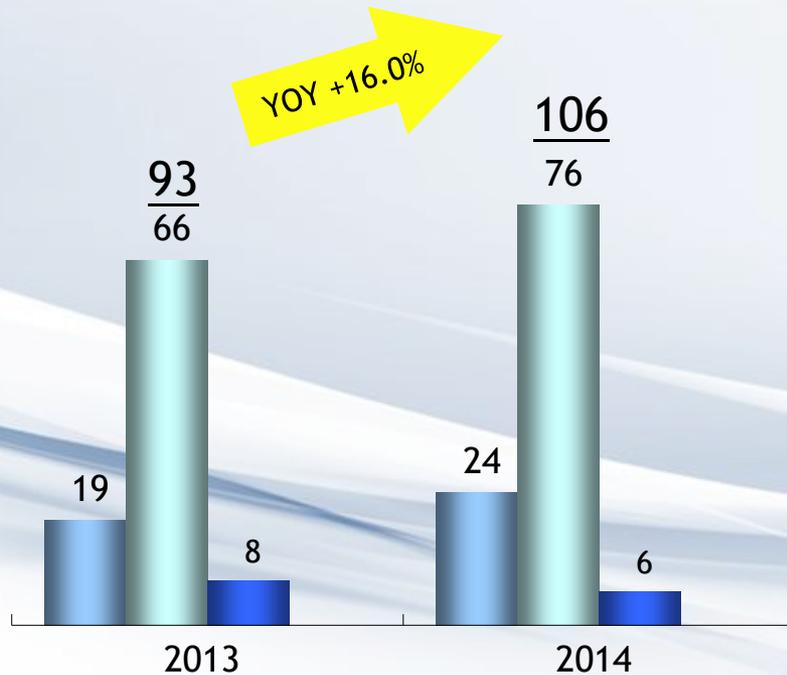
Radial tire cord for trucks Radial tire cord for passenger cars Bead wire Sawing wire



Financial Highlights

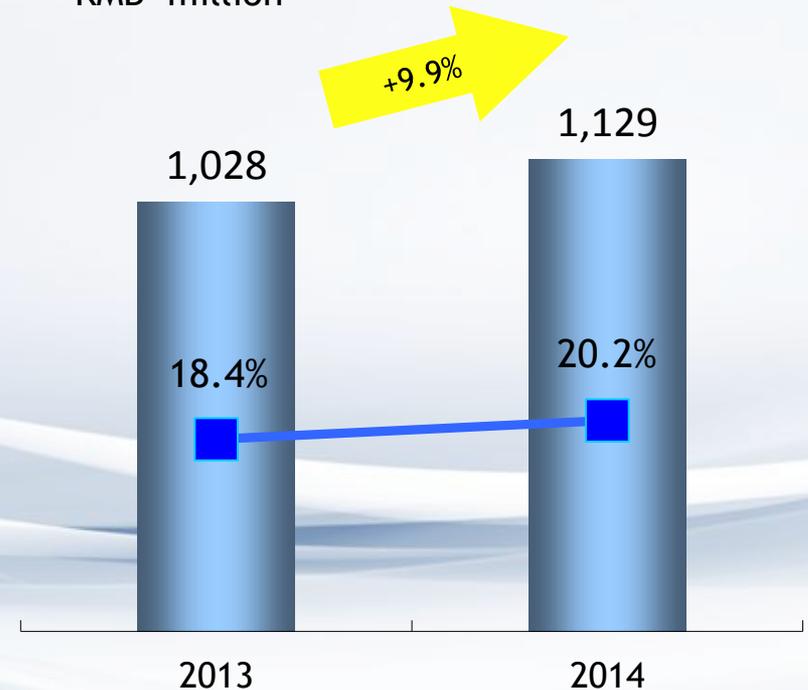
Export Sales Volume

'000 tonnes



Export Sales

RMB' million



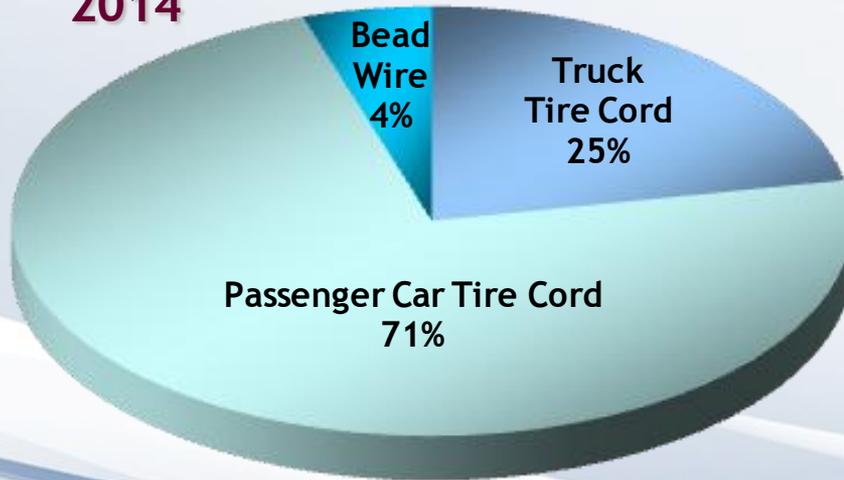
- Radial tire cord for trucks
- Radial tire cord for passenger cars
- Bead wire



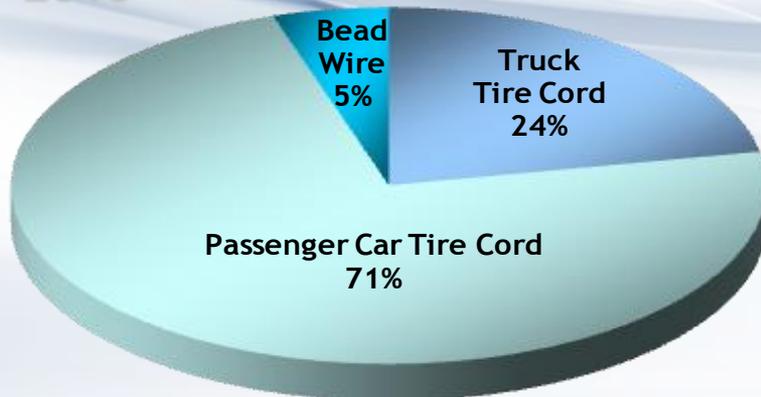
Financial Highlights

Export Sales by Product

2014

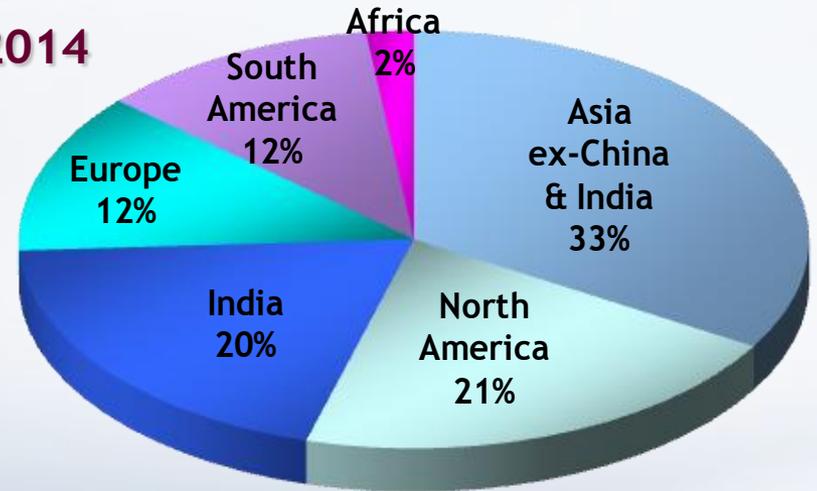


2013

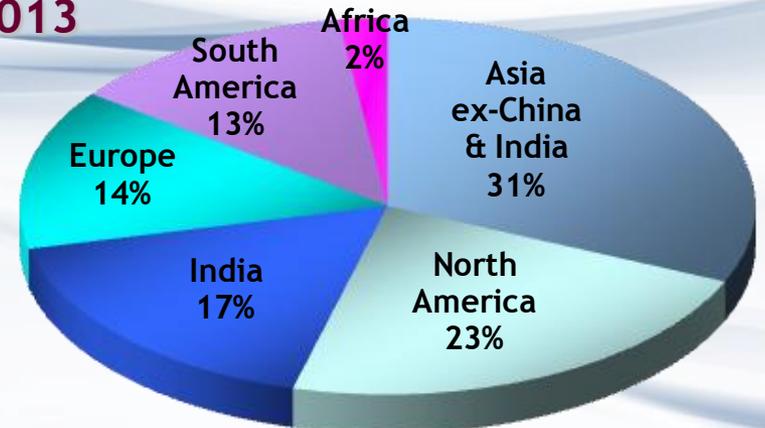


Export Sales by Location

2014



2013





Cash Flow (Extract)

<i>RMB' million</i>	Year Ended	
	31 December	
	2013	2014
Net Operating Cash Inflow	653	895
Cash Used in CAPEX	(313)	(355)
Payment of Dividend	(185)	(192)
Purchase of available-for-sale investment	-	(134)
Net Repayment of Bank Borrowings	(174)	(24)
Cash and Cash Equivalents at Year End	414	531



Key Ratios

For the Year Ended 31 December

	2013	2014
Current Ratio (times)	1.8	1.8
Debtors' Turnover Days	111	114
Stock Turnover Days	32	46
Creditors' Turnover Days	70	93
Return on Capital Employed	7.5%	5.9%
Return on Equity	8.3%	6.3%
Dividend Payout Ratio	46.2%	47.2%
Gearing Ratio	10.4%	8.1%
Net Debts to Equity Ratio	12.0%	5.5%



Capacity & Utilisation

❖ Production capacity

- ❖ Radial tire cords capacity - 560k mtpa (Increased 40k mtpa in 2014)
- ❖ Bead wire capacity - 100k mtpa (Unchanged since Q3 2011)
- ❖ Sawing wire capacity - 12k mtpa (Unchanged since Q3 2011)

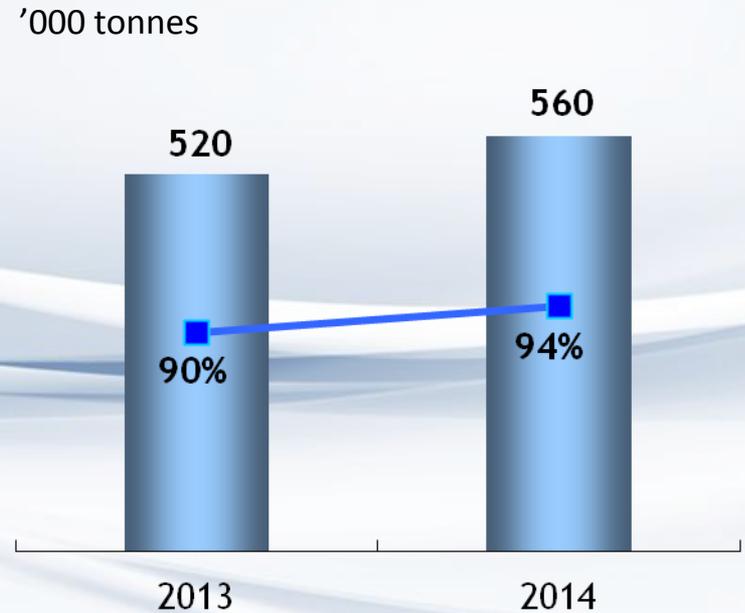
❖ Jiangsu Factory

- ❖ Increased radial tire cord capacity by 40k mtpa in 2014

❖ Shandong Factory

- ❖ Phase I 50k mtpa expansion commenced trial run in the first quarter of 2015

**Radial Tire Cords
Capacity & Utilisation Rate**





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Highlights for 2014

- ❖ Revenue +0.2% to RMB5,595mn
- ❖ Sales volume +8.0% to 593k tonnes (TBR +5.3%; PCR +15.0%)
- ❖ Export sales +9.9% to RMB1,129mn, accounted for 20.2% of total sales (2013: 18.4%)
- ❖ GP margin -2.0%pts to 22.8% due to the average selling price declines
- ❖ Profit attributable to the owners of the Company -21.0% to RMB328mn with EPS RMB21.51 fen
- ❖ Declared final dividend 13.0 HK cents (2013: 16.0 HK cents) with a payout ratio of 47.2% (2013: 46.2%)
- ❖ Utilization of radial tire cords facilities recorded historical high at 94% (2013: 90%)
- ❖ Net cash inflow from operating activities +RMB242mn to RMB895mn
- ❖ Net debts to equity ratio further reduced to 5.5% (FY 2013: 12.0%)



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China Market Outlook

- ❖ Cautiously neutral in the short run
- ❖ Well-prepared for intensified market competition in the radial tire cord industry
- ❖ Structural transformation in the radial tire cord industry will expedite market consolidation which will benefit Xingda in the long run
- ❖ Positive view on China market in the long run
- ❖ Driven by series of governmental policies including
 - ❖ “National Plan on New Urbanisation (2014-2020)”
 - ❖ “The 13th Five-Year Plan”
 - ❖ “One belt, one road” - New Silk Road Economic Belt



Steady Growth in Overseas Markets

- ❖ Xingda intends to execute its global sales strategy to extend its business presence
- ❖ Xingda will continue exploring potential business opportunities with international clients, leveraging its strong brand reputation and advanced technologies
- ❖ Expect to secure more overseas orders for truck radial tire cord which carries a higher profit margin than domestic sales



Future Strategies

❖ Differentiation

Strengthens our unique competitive advantages and differentiates ourselves through high product quality

❖ Strengthen R&D

Increase investments on research and development to enhance Xingda's core competency technology and to cement the Group's market leading position

❖ Raise efficiency

Continues to implement a greater scope of automation and upgrade production lines to enhance production efficiency

❖ Demand-driven expansion

Continues to boost our capacity aiming to satisfy the needs derived from market expansion



Open Forum