



XINGDA

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XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(HKEx stock code: 1899)

2015 Annual Results Corporate Presentation

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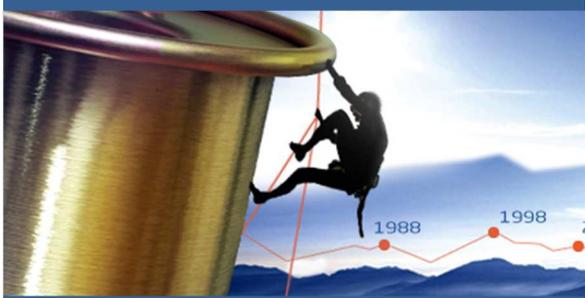
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Agenda

❖ Financial Review

❖ Business Overview

❖ Outlook & Strategies



Financial Highlights

<i>RMB' million</i>	Year Ended		YOY Change
	31 December		
	<u>2014</u>	<u>2015</u>	
Revenue	5,595	4,737	-15.3%
Gross Profit	1,273	850	-33.2%
Gross Profit Margin	22.8%	17.9%	-4.9pts
EBITDA(adjusted)*	1,071	692	-35.4%
EBITDA Margin (adjusted)*	19.1%	14.6%	-4.5pts
Profit Attributable to Owners of the Company	328	174	-47.0%
EPS (<i>RMB fen</i>)	21.51	11.57	-46.2%
Profit Attributable to Owners of the Company (adjusted)*	336	113	-66.4%
EPS (adjusted)* (<i>RMB fen</i>)	22.08	7.52	-65.9%
Dividend per share (<i>HK cent</i>)	13.0	10.0	-23.1%

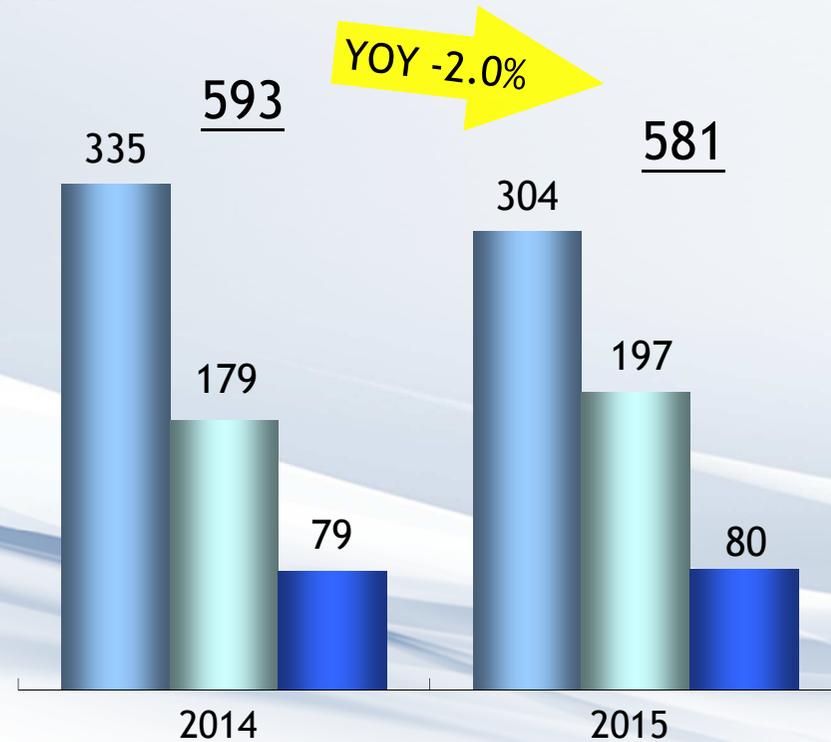
**Note: Non-recurring items including gain on disposal of available-for-sale investment, deferred tax charge related to the provision of withholding tax and exchange difference arising from non-operating activities were excluded from calculation of these figures.*



Financial Highlights

Sales Volume by Product

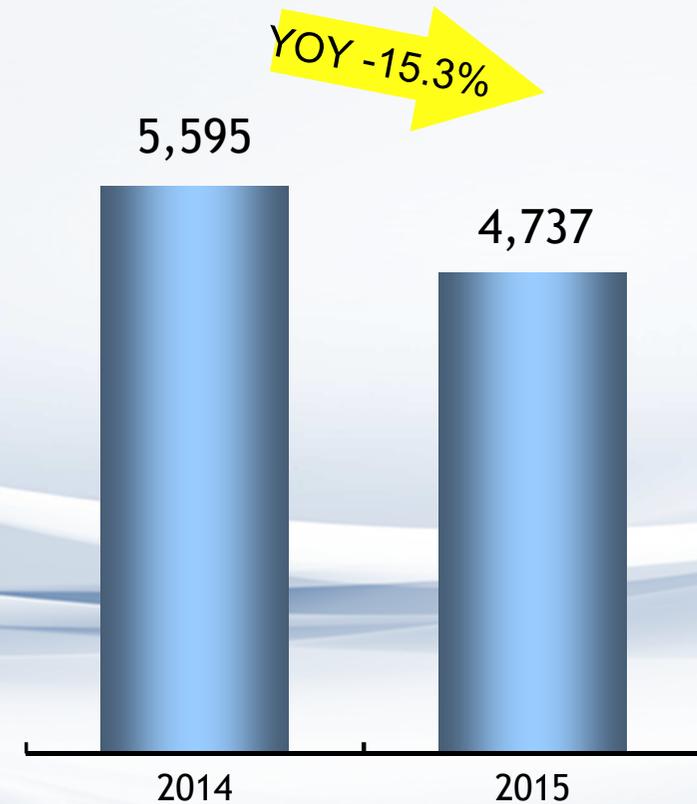
'000 tonnes



- Radial tire cord for trucks
- Radial tire cord for passenger cars
- Bead wires and other wires

Revenue

RMB' million

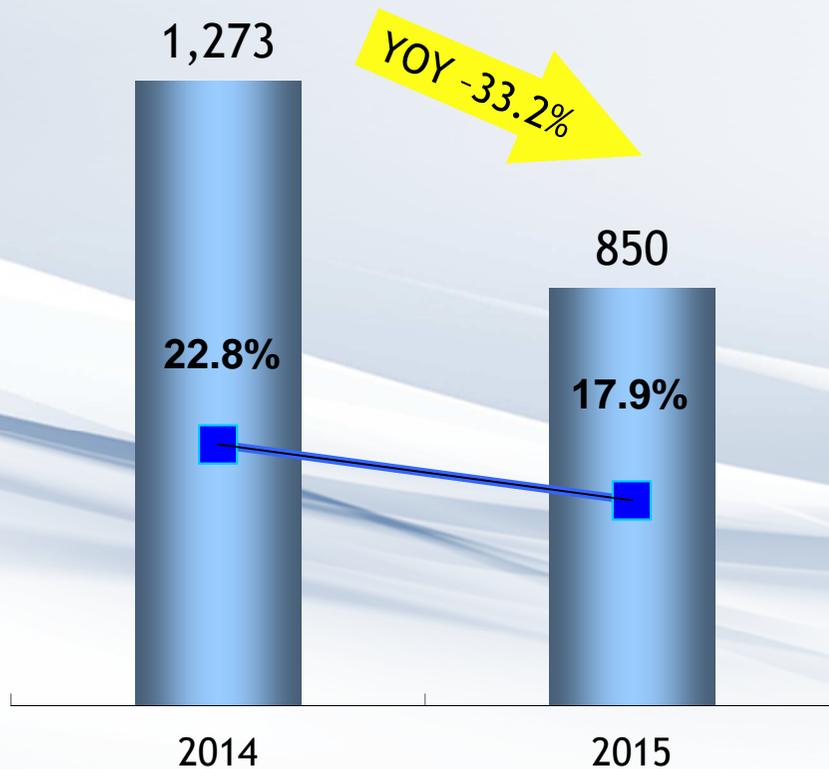




Financial Highlights

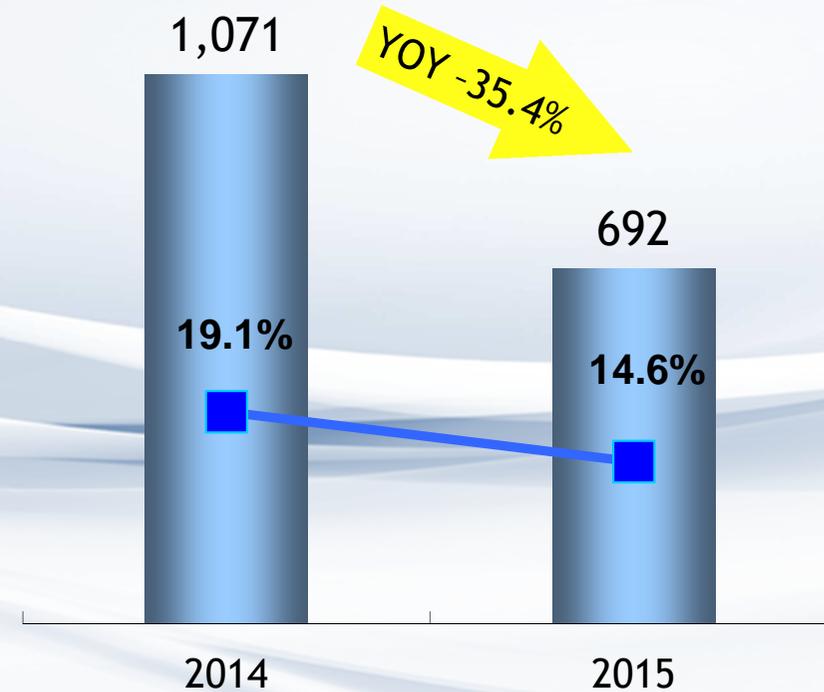
Gross Profit & Margin

RMB' million



EBITDA & Margin(adjusted)*

RMB' million



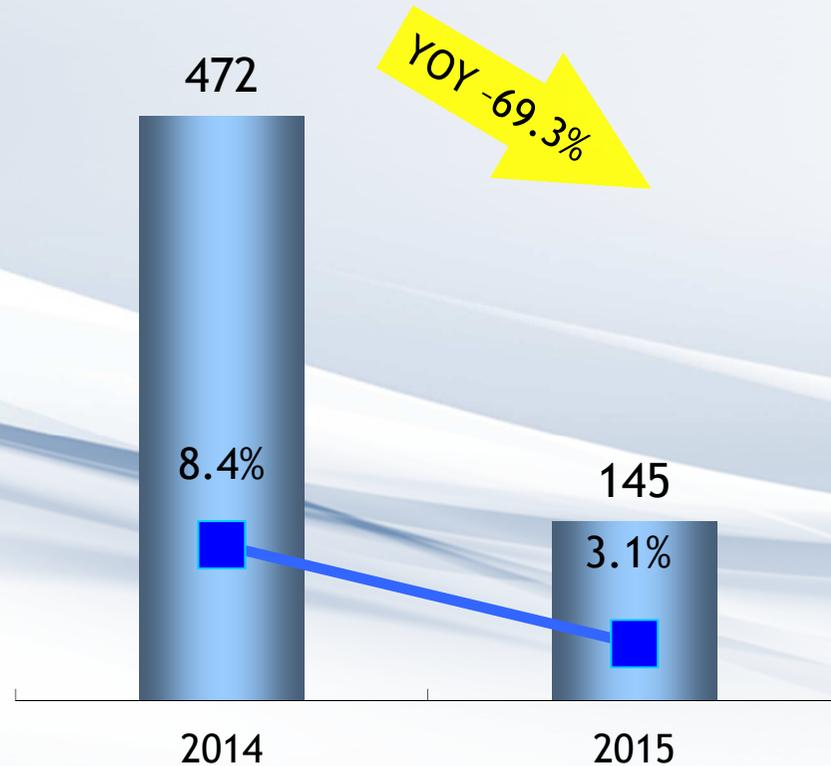
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Financial Highlights

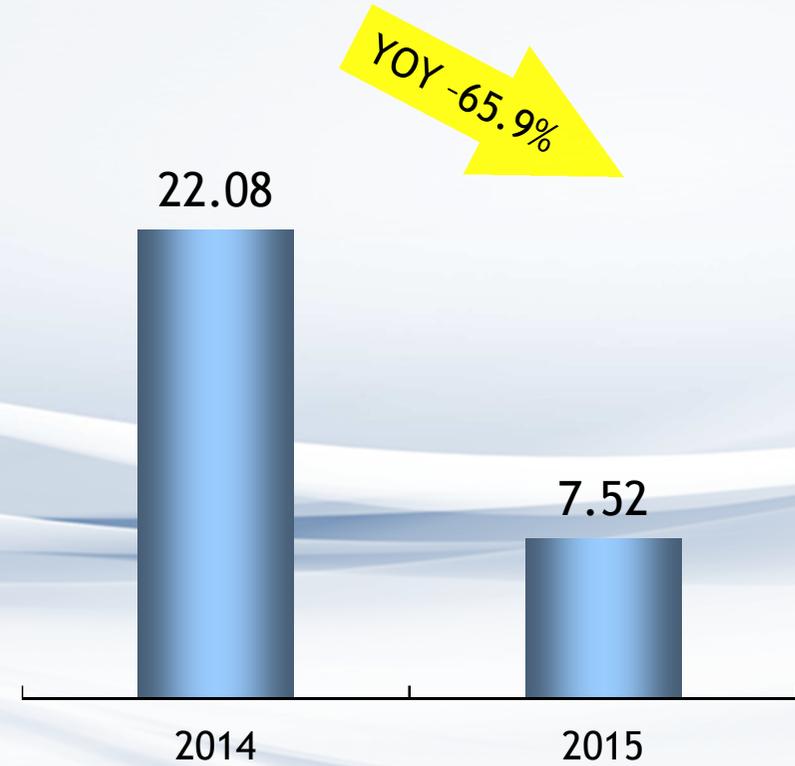
Net Profit & Margin(adjusted)*

RMB' million



EPS(adjusted)*

RMB fen

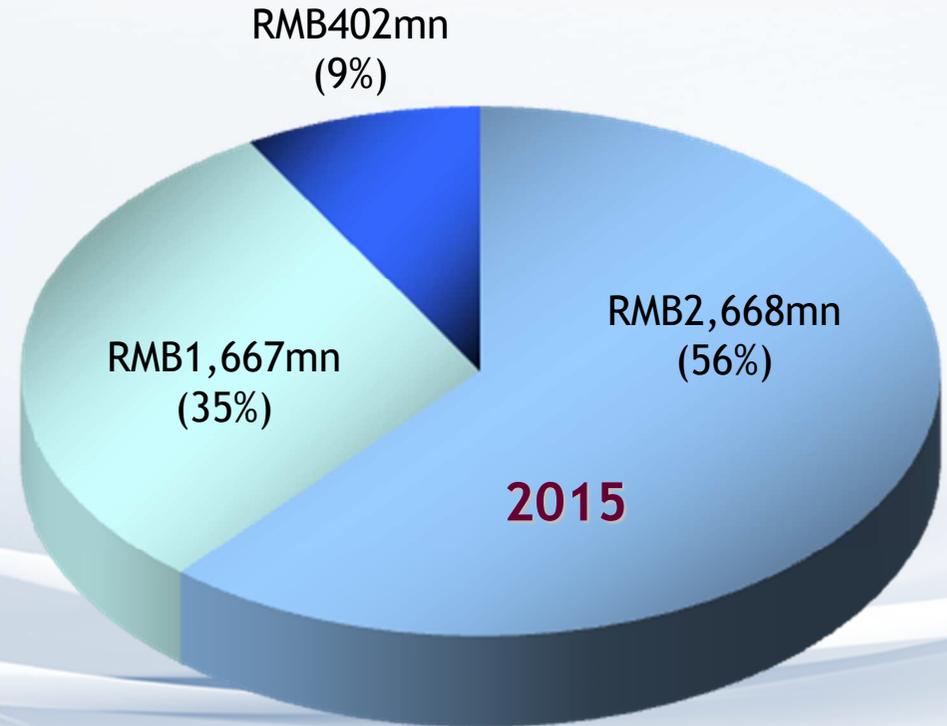
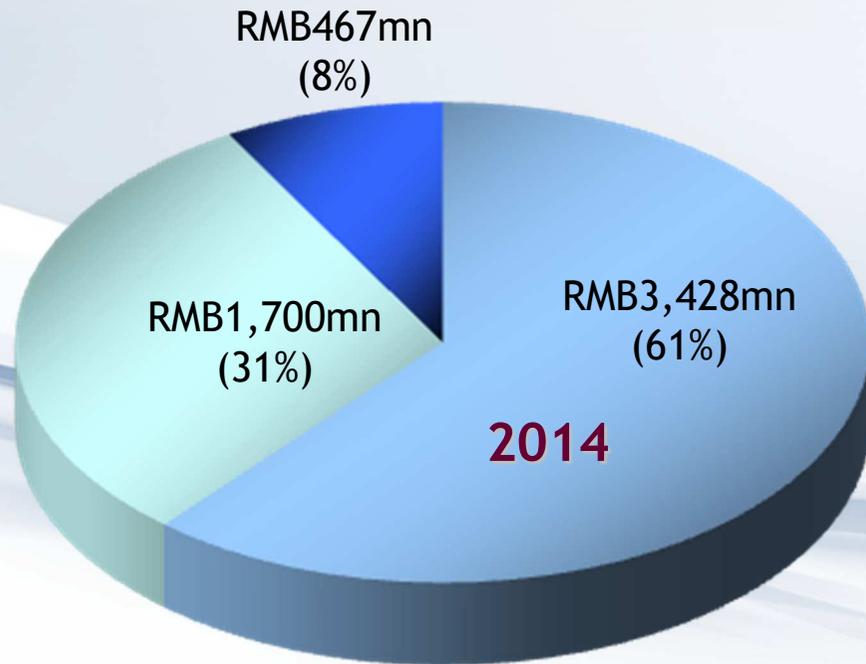


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Financial Highlights

Revenue by Product



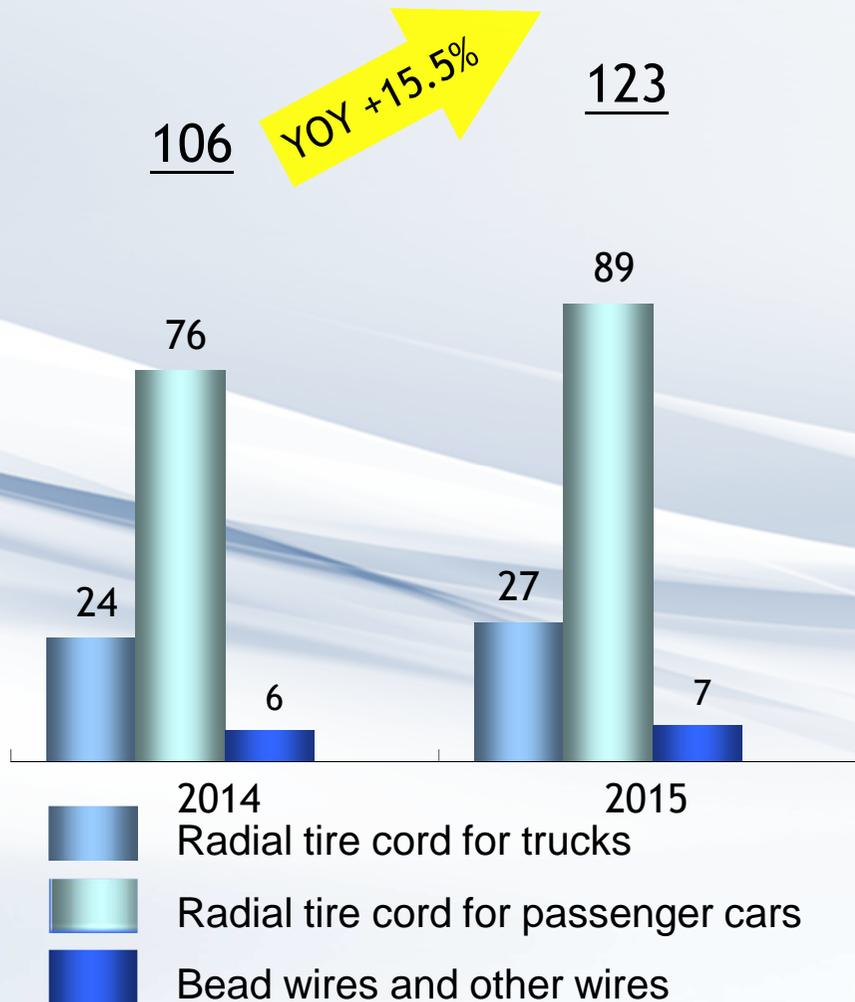
Radial tire cord for trucks Radial tire cord for passenger cars Bead wires and other wires



Financial Highlights

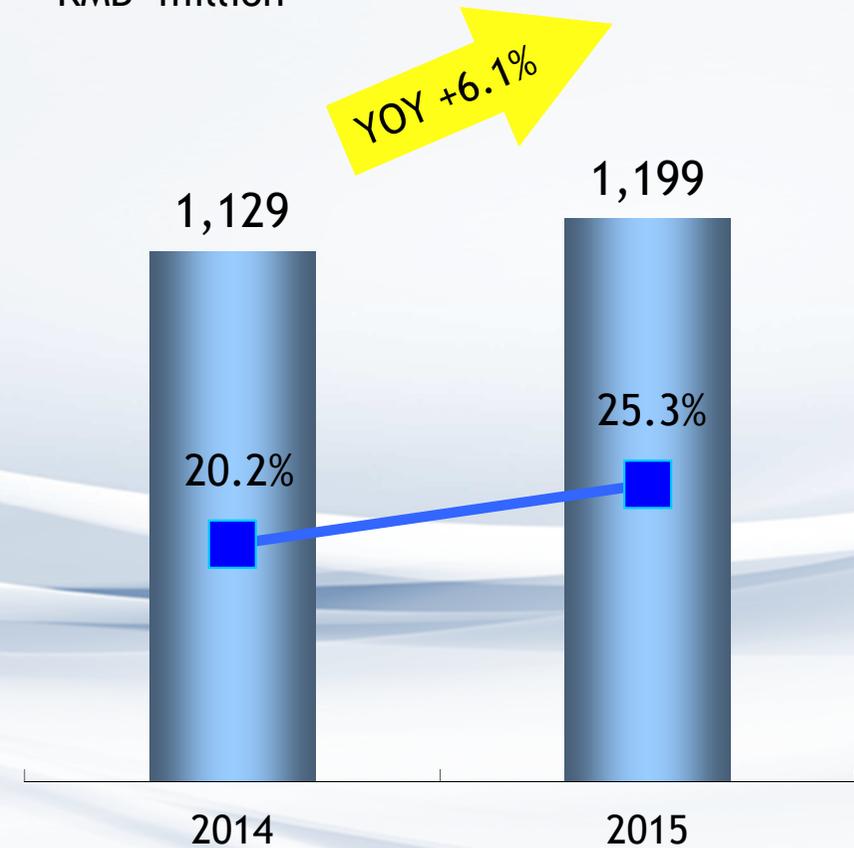
Export Sales Volume

'000 tonnes



Export Sales (% to Total Sales)

RMB' million

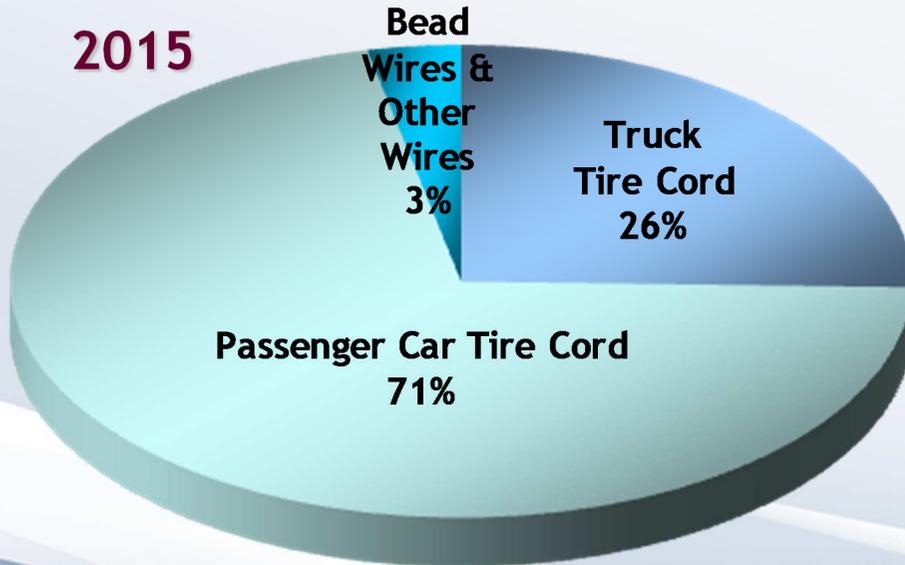




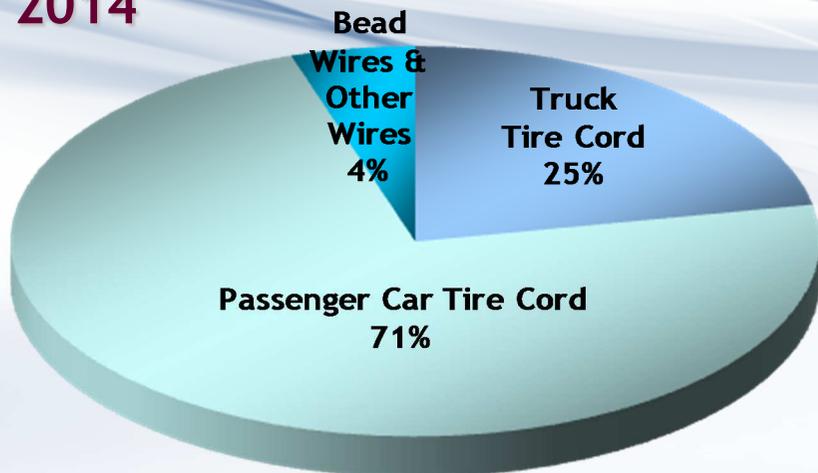
Financial Highlights

Export Sales by Product

2015

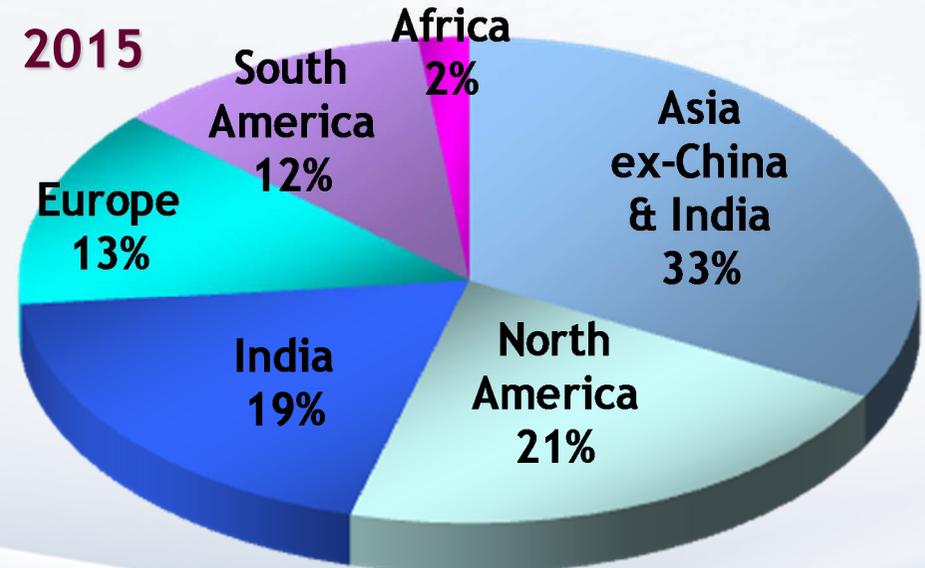


2014

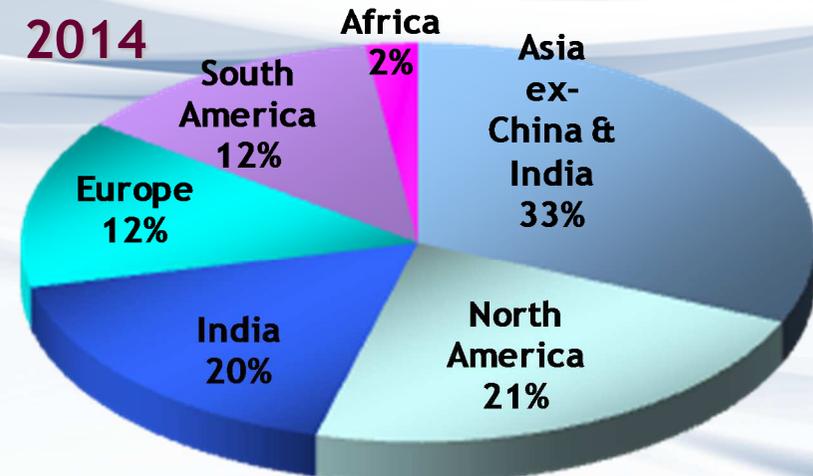


Export Sales by Location

2015



2014





Cash Flow (Extract)

<i>RMB' million</i>	Year Ended	
	31 December	
	2014	2015
Net Operating Cash Inflow	854	909
Cash Used in CAPEX	(314)	(418)
Net Repayment of Bank Borrowings	(24)	(301)
Payment of Dividend	(192)	(155)
Repurchase of shares	(20)	(42)
(Purchase) Proceeds on disposal of available-for-sale investments	(134)	266
Cash and Cash Equivalents at Year End	531	733



Key Ratios

For the Year Ended 31 December

	2014	2015
Current Ratio (times)	1.8	2.2
Debtors' Turnover Days	114	130
Stock Turnover Days	46	37
Creditors' Turnover Days	114	97
Return on Capital Employed*	6.1%	1.9%
Return on Equity*	6.5%	2.2%
Dividend Payout Ratio	47.2%	71.7%
Gearing Ratio	8.1%	5.4%
Net Debts to Equity Ratio	5.5%	Net cash

**Note: Non-recurring items including gain on disposal of available-for-sale investment, 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.*



Capacity & Utilisation

❖ Production capacity

- ❖ Radial tire cords capacity - 610k mtpa (Increased 50k mtpa in 2015)
- ❖ Bead wires and other wires capacity - 112k mtpa (Unchanged since Q3 2011)

❖ Jiangsu Factory

- ❖ Radial tire cord capacity unchanged at 560k mtpa in 2015

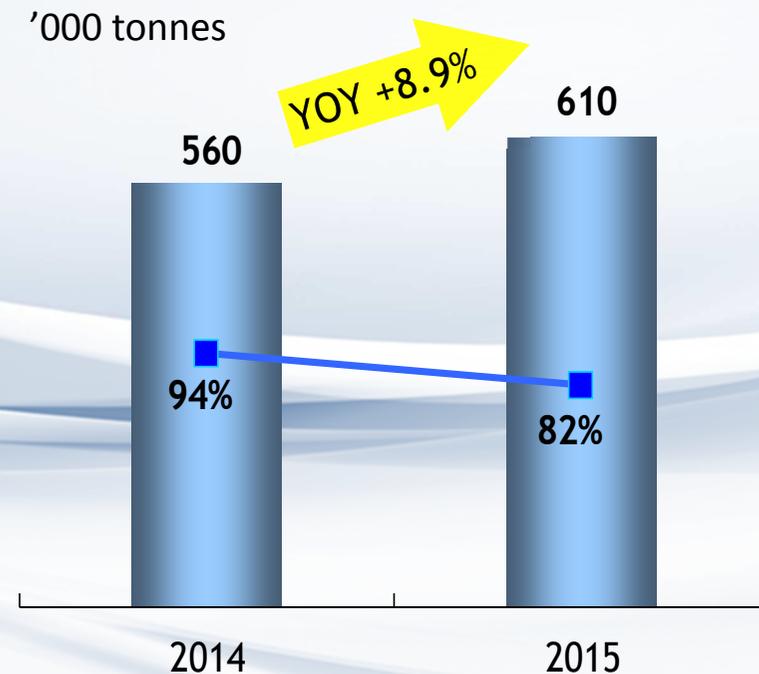
❖ Shandong Factory

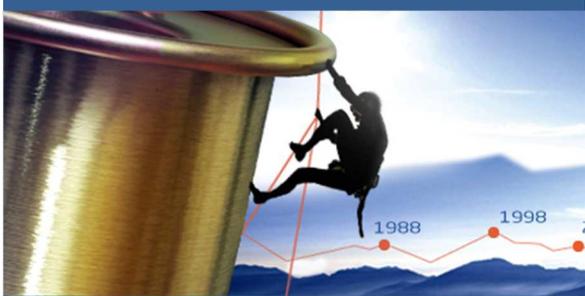
- ❖ Phase One 50k mtpa expansion commenced trial run in the second quarter of 2015

❖ Utilisation Rate

- ❖ Radial tire cord utilisation rate dropped to 82%

Radial Tire Cords Capacity & Utilisation Rate





Agenda

❖ Financial Review

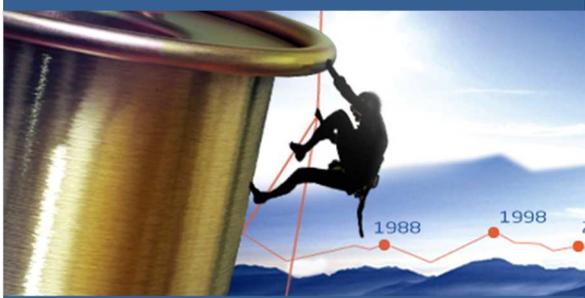
❖ **Business Overview**

❖ Outlook & Strategies



Highlights for 2015

- ❖ Revenue -15.3% to RMB4,737mn
- ❖ Sales volume -2.0% to 581k tonnes (TBR -9.3%; PCR +10.4%)
- ❖ Export sales +6.1% to RMB1,199mn, accounted for 25.3% of total sales (FY 2014: 20.2 %)
- ❖ GP margin -4.9%pts to 17.9% due to average selling price declines
- ❖ Gain from disposal of available-for-sale investment of RMB132mn
- ❖ Profit attributable to the owners of the Company -47.0% to RMB174mn with EPS RMB11.57 fen
- ❖ Repurchased 27,792,000 shares with average price HK\$1.90 after direct expenses for a consideration of approximately HK\$53mn
- ❖ Declared final dividend 10.0 HK cents (FY 2014: 13.0 HK cents) with a payout ratio of 71.7% (FY 2014: 47.2%)
- ❖ Maintained steady operating cash inflow of RMB909mn (FY 2014: RMB854mn) and achieved net cash position



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China Market Outlook

- ❖ Facing greater pressure on economic downturn
- ❖ Well-prepared for severe environment and fiercer 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 future
- ❖ Positive view on China market in the long run
- ❖ Driven by series of governmental policies including
 - ❖ “National Plan on New Urbanisation (2014 to 2020)”
 - ❖ “The 13th Five-Year Plan”
 - ❖ “One belt, one road” - New Silk Road Economic Belt
 - ❖ Beijing-Tianjin-Hebei Integration



Steady Growth in Overseas Markets

- ❖ Xingda intends to execute its global sales strategy to extend its business presence
- ❖ Xingda will continue to broaden its international customers' base, leveraging its strong brand reputation and advanced technologies
- ❖ Orders from India, Germany, Korea and United States of America continued to see stable growth
- ❖ Expect to secure more overseas orders for truck radial tire cord which carries a higher profit margin than domestic sales
- ❖ Monitor market trends and adjust strategies and resource allocation of different products according to geographical areas and target customers



Future Strategies

❖ Differentiation

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

❖ Strengthen R&D

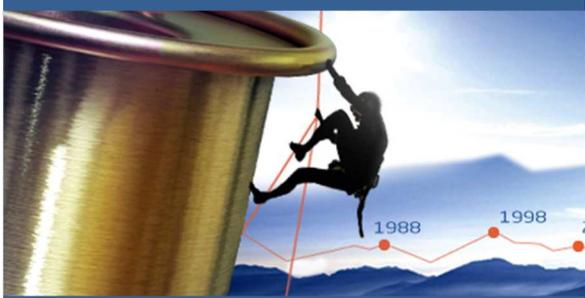
Increase investments on research and development to enhance Xingda's core competency technology and to cement the Group's market leading position

❖ Raise efficiency

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

❖ Effective cost control

Continues to impose stringent controls on capital expenditure and improve financial position



Open Forum