



STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED
縱橫財經公關顧問(中國)有限公司

[For Immediate Release]



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

XINGDA 2016 INTERIM NET PROFIT REACHED 74.9 MILLION

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UNIT PRICE OF RADIAL TIRE CORD PRODUCT STARTS TO REBOUND XINGDA STRIVES TO SEIZE MORE OPPORTUNITIES

(Hong Kong, 25 August 2016) – **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 unaudited interim results for the six months ended 30 June 2016.

In the first half of 2016, the Group’s overall business performance was back on solid ground as compared to that in the second half of 2015. During the period, the Group recorded revenue of RMB2,419.7 million, down by 1.1%. Selling price of radial tire cord products started to rebound in May and June of 2016. In addition, the increase in orders, rise in utilization of capacity and lower production cost during the period helped markedly improve the Group’s gross profit margin when compared with that for the second half of 2015. The gross profit margin was 0.8 percentage point higher than that of the same period last year, reaching 20.1% for the six months ended 30 June 2016. Gross profit increased 3.1% year-on-year to RMB485.9 million. Profit attributable to owners of the Company was RMB74.9 million. Basic earnings per share were RMB5.04 fen. If excluding the net gain on disposal of available-for-sale investment and net exchange loss from non-operating activities as well as the deferred tax charges related to the provision of withholding tax, the adjusted net profit of the Group for the six months ended 30 June 2016 and 2015 would have been RMB117.5 million and RMB95.5 million respectively, representing a year-on-year increase of 23.1%.

Mr. Liu Jinlan, Chairman of Xingda, said, “In the first half of 2016, the Chinese economy stabilized after a downward trend. The consolidation of the radial tire cords industry is continuing, but with the product selling price hitting bottom during the period, growth was registered in the second quarter of 2016, the first time since 2010, sending out a positive signal. The orders from radial tire manufacturers maintained a very strong momentum since March 2016, but some obsolete capacities couldn’t pick them up as a result of the industry reshuffle, thus the spared market share went into the hands of sizeable industry players. The industry consolidation has moved onto the right track and gone in depth, promising to optimize the industrial ecosystem in the long run, and Xingda is poised to benefit from this development.”

In first half of 2016, Xingda’s total sales volume recorded 316,200 tonnes, which represented a year-on-year increase of 8.1% and a 9.7% growth when compared with the second half of 2015. Sales Volume of radial tire cords increased by 11.7% to 280,500 tonnes, accounting for 88.7% of the Group’s total sales volume. Sales volume of bead wires and other wires was down by 14.0% to 35,700 tonnes, making up 11.3% of the Group’s total sales volume.

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During the period, sales volume of radial tire cords for trucks increased year-on-year by 11.3% to 170,400 tonnes, driven by the radial tire cord industry consolidation, local tire industry replenishing inventory and picking up on sales and production. Sales volume of radial tire cords for passenger cars also increased, by 12.3%, to 110,100 tonnes, due to the continuous and steady expansion of various overseas markets. Sales volume of the two segments accounted for 60.8% and 39.2% respectively of the Group's total sales of radial tire cords.

In respect of different sales market, the Group's domestic sales volume of radial tire cords rose by 13.7% to 219,800 tonnes during the period. Sales volume to overseas market picked up by 5.0% to 60,700 tonnes. Sales volume of the domestic and overseas markets constituted 78.4% and 21.6% respectively of the Group's total sales volume of radial tire cords.

As at 30 June 2016, the Group expanded its production facilities, boosting annual capacity to 630,000 tonnes of radial tire cords. The annual production capacity at its Jiangsu factory and Shandong factory were at 570,000 tonnes and 60,000 tonnes respectively. The annual output capacity of bead wires and other wires was reduced to 105,000 tonnes. The Group's overall capacity utilization rate increased to 82.3 %.

Mr. Liu concluded, "The Group is optimistic about its future. It shall continue to follow its proven strategic direction, strive to stabilize the market by offering good quality products, perfect production by practicing effective management and meeting challenges using its formidable capital strength. As one of the largest radial tire cords manufacturers in China, Xingda is confident of its ability to stand out in the tough industrial environment, grasp first opportunities in the market and lead the pack in making advances. "

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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 cord that support the tire wall and bead wire 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 cord in China. The Group's customers include China's top 10 radial tire manufacturers and global renowned tire manufacturers. Xingda's headquarters and main production base are located in Jiangsu Province of China with a total gross floor area of around 567,000 sq. m.

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