



XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(HKEx stock code: 1899)



2006 Annual Results Corporate Presentation

May 2007

Disclaimer

The materials included herein are qualified in their entirety by and should be read in conjunction with, the more detailed information, risk factors and financial statements, including the notes thereto, contained in the prospectus dated 8 December 2006 and the annual report for the year ended 31 December 2006 of Xingda International Holdings Limited (the "Company"). They are summaries in nature and do not purport to be a complete description of the Company, its business, operations, financial position, results or prospects.

Neither these materials nor any copy thereof may be taken or transmitted into the United States of America, its territories or possessions or Canada or Japan or distributed, directly or indirectly, in the United States of America, its territories or possessions or Canada or Japan or to any U.S. person (within the meaning of Regulation S under the United States Securities Act of 1933, as amended).

These materials are being furnished to you on a confidential basis and solely for your information only and may not be reproduced or distributed or passed on to any other person. Neither these materials nor any copy thereof may be given or distributed to the press or any other media.

THESE MATERIALS ARE FOR INFORMATION PURPOSES ONLY AND DO NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR TO PURCHASE OR TO ACQUIRE ANY SECURITIES IN ANY JURISDICTION IN THE COMPANY. NEITHER THESE MATERIALS NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER.

THESE MATERIALS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES. THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED OR AN EXEMPTION FROM REGISTRATION. THE COMPANY DOES NOT INTEND TO MAKE ANY PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES.

THE INFORMATION CONTAINED IN THESE MATERIALS DOES NOT CONSTITUTE A RECOMMENDATION OR INVESTMENT ADVICE BY THE COMPANY THAT ANY RECIPIENT OF THESE MATERIALS SHOULD PARTICIPATE IN INVESTMENT IN THE COMPANY. EACH RECIPIENT OF THESE MATERIALS SHOULD MAKE ITS OWN INDEPENDENT APPRAISAL, EVALUATION, ASSESSMENT AND INVESTIGATION AS DEEMED NECESSARY BY SUCH RECIPIENT.

No action has been or will be taken by the Company or any of their respective affiliates, directors, officers or employees or any other person involved in the proposed issue of securities by the Company to register these materials as a prospectus or otherwise to permit the public distribution of these materials.

Agenda

- ❖ Major Achievements in 2006
- ❖ Financial Review
- ❖ Business Overview
- ❖ Outlook & Strategies



Major Achievements in 2006

Major Achievements

- ❖ Continued to be the largest radial tire cord manufacturer in China
- ❖ Listed on the main board of HKEx on 21 December 2006
- ❖ Profit attributable to equity holders of the company recorded y-o-y growth of 67.2% to approximately RMB194 million
- ❖ Profit attributable to equity holders of the company BEFORE CB ADJUSTMENT* amounted to approximately RMB353 million, 4.9% over the profit forecast
- ❖ Secured 3 new overseas customers, together with increasing sales to one of the global largest tire manufacturers, radial tire cords sales volume from overseas accounted for 5% of the total radial tire cords sales volume

**CB fair value adjustment is based on assumed year-end 2006 closing price of HK\$2.75 /share, actual adjustment changed upon the actual closing price of year-end 2006 of HK\$3.18 / share.*

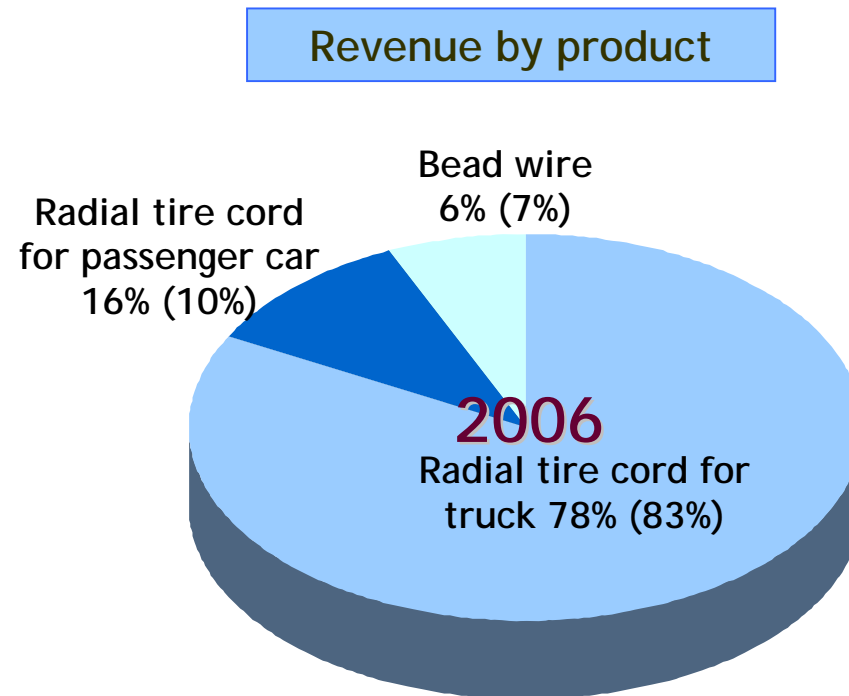
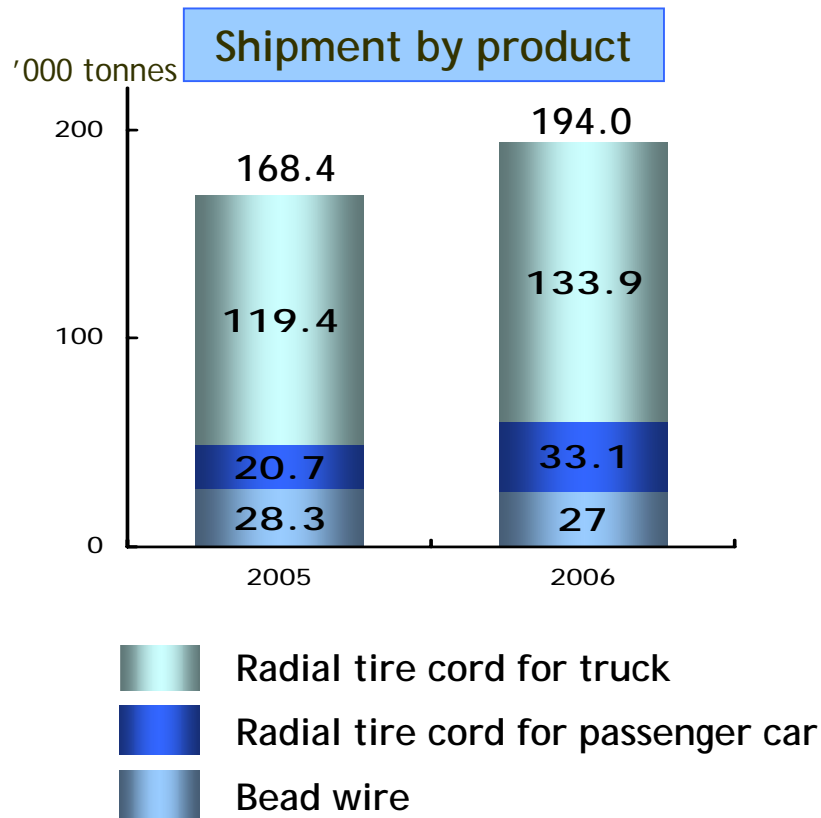


Financial Review

Financial Highlights

<i>RMB'million</i>	Year ended 31 December		Change
	2005	2006	
Revenue	2,357	2,516	+6.7%
Gross profit	709	732	+3.2%
Gross profit margin	30.1%	29.1%	-1 % pts
EBITDA	712	745	+4.6%
EBITDA margin	30.1%	29.6%	-0.5 % pts
Profit attributable to equity holders of the Company	116	194	+67.2%
Basic EPS (<i>RMB fen</i>)	12.91	21.31	65.1%
Dividends per share (HK cents)	Nil	4	N/A

Revenue Analysis

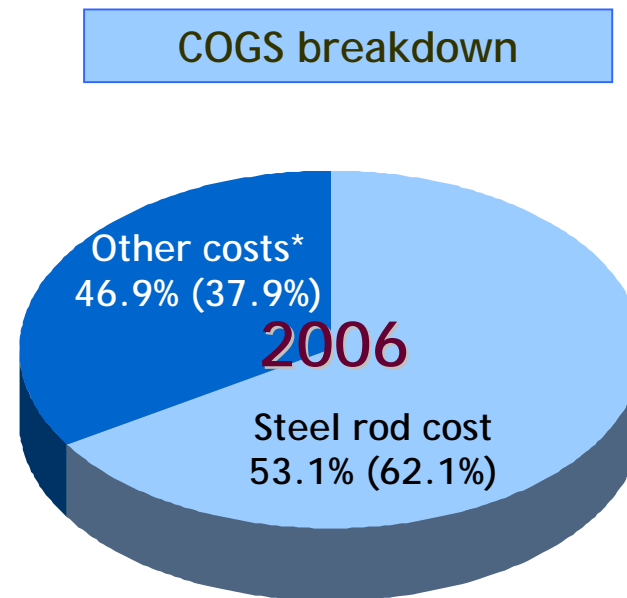


Figures of FY2005 in brackets

For the year ended 31 December

Cost of Sales

- ❖ Raw material accounted for 71.6% of the total COS (2005: 73.0%)
- ❖ Core material, steel rod, continued to dominate production cost
- ❖ Drop of steel rod cost to total COS due to
 - ❖ Increasing use of local steel rod to enjoy a lower unit price
 - ❖ Lowered unit price for both local and imported steel rod



Figures of FY2005 in brackets

**Other costs include other raw materials, depreciation, labor, electricity and other costs*

For the year ended 31 December

Key Figures

	Year ended 31 December	
	2005	2006
Cash on hand (HK\$ 'mil)	294	1,370
Current ratio (times)	0.98	1.92
Trade receivable turnover days*	97 days	115 days
Trade payable turnover days	34 days	37 days
Inventory turnover days	67 days	46 days
Net debt to equity (%)	217.6%	38.8%

**Adjusted for the value-added tax effect*

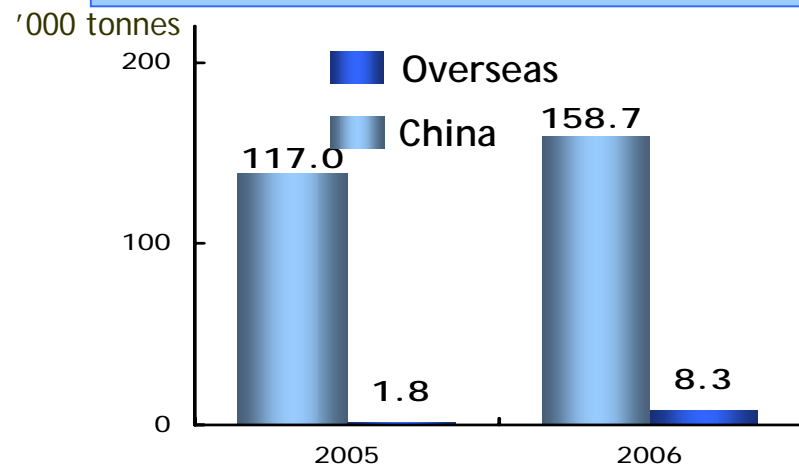


Business Overview

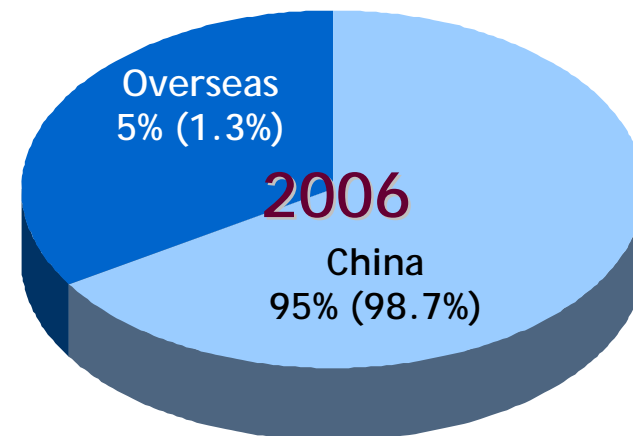
Expanding Overseas Market

- ❖ China remained as core market, serving top 10 China's tire makers
- ❖ Gradually expanded to overseas with increasing orders
- ❖ Radial tire cords overseas sales volume increased 3.5 times
- ❖ Set up international business development division in Shanghai

Radial tire cords shipment by markets



Revenue by markets

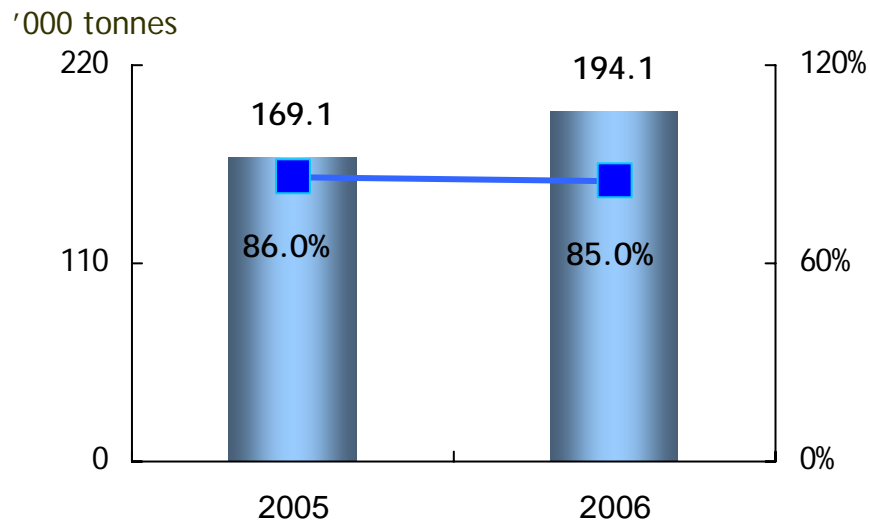


Figures of FY2005 in brackets

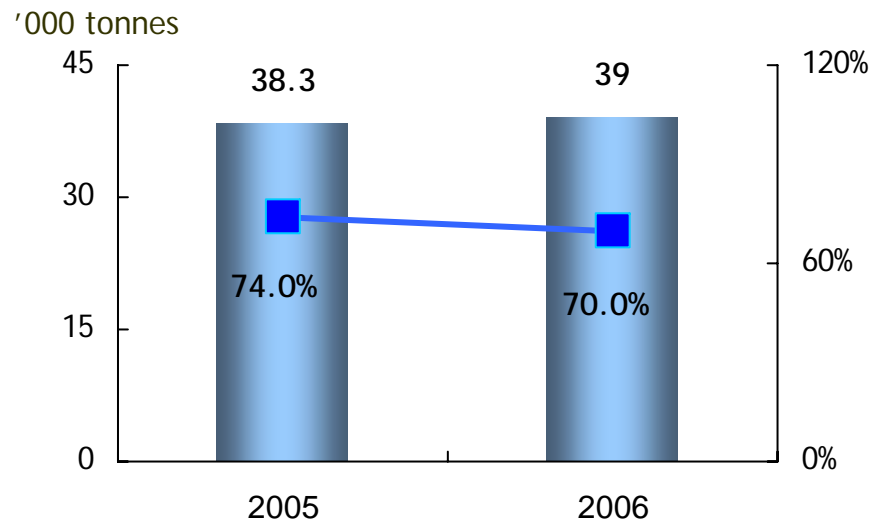
For the year ended 31 December

Increasing Capacity

Radial tire cords
capacity & utilization rate



Bead wires
capacity & utilization rate



- ❖ Expanding capacity help attaining greater economies of scales in raw material purchase and production efficiencies

For the year ended 31 December

13

Enhancing R&D

- ❖ Operates a technical centre and a new product development centre
- ❖ Developed 5 new types of radial tire cords in 2006
- ❖ Capable to produce 46 types of radial tire cords and 18 types of bead wires
- ❖ Proven leading technology with numerous industry awards



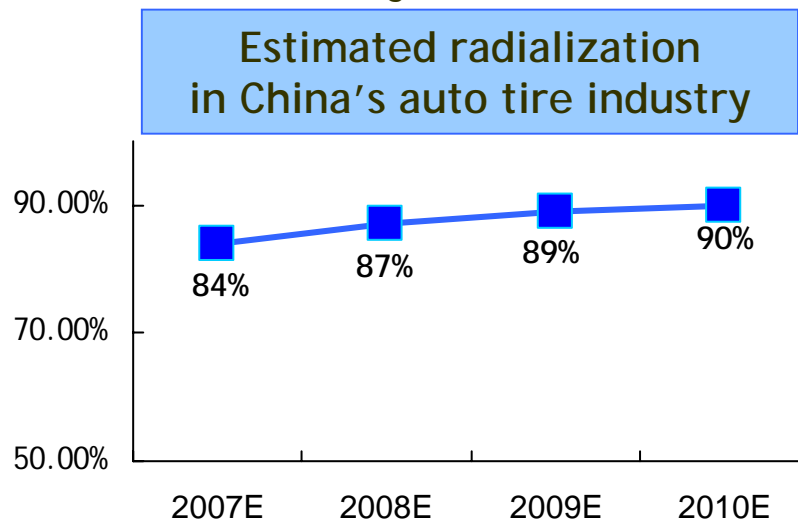
* Denotes an English translation of a Chinese name



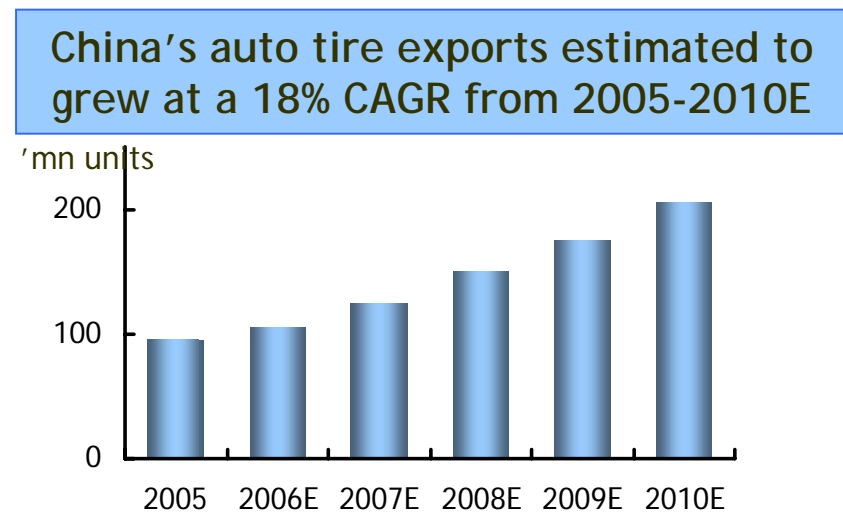
Outlook & Strategies

Industry Outlook

- ❖ According to China's development plans on expressway, vehicle and transportation, in 2010, in China
 - ❖ Expressway will reach 55,000 kilometers
 - ❖ Number of vehicle in use will surge to 6.2 million units
 - ❖ Demand for tire will increase to 300 million units with radial tire amounting to 210 million units



Source: China Rubber Industry Association, Gao Hua Securities Research



Source: China Custom, Rubber Industry Association, Gao Hua Securities Research

Capacity Growth

- ❖ Expand No. 8 Factory
 - ❖ boost production capacity by 150,000 tonnes
 - ❖ Offer additional 30,000-40,000 tonnes each year for the next 4-5 years
- ❖ Seek for acquisition opportunities
 - ❖ Strengthen leading market position in China
 - ❖ Capture more global market shares

Expand Overseas

- ❖ Strengthen sales efforts
 - ❖ Set up international sales office in US
 - ❖ Enhance warehouse and logistic capacity in North America and Europe
 - ❖ Establish international development department
- ❖ Fortify relationships with customers
 - ❖ Explore markets in North America and Japan
- ❖ Strive for more overseas supplier contracts
 - ❖ Become approved supplier for three major tire manufacturers in Japan and India in 2007
 - ❖ Expect to be approved by more Japanese and European tire enterprises within the next three years

Enhance Capability & Efficiency

- ❖ Strengthen quality & R&D
 - ❖ Adopt stringent quality control measures
 - ❖ Acquire top-notch testing equipment from advanced countries
 - ❖ Develop new products and production craftsmanship
 - ❖ Bring in new facilities
- ❖ Adopt manufacturing execution system (MES) and logistics management system
 - ❖ Improve data collection and analysis
 - ❖ Enable all-round control along the supply chain