XINGDA
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XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1899)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS

	2009	2008	
	RMB in million	*RMB in million*	**Growth (%)**
Revenue	**3,864**	3,489	+10.7
Gross profit	**1,182**	921	+28.3
Gross profit margin	**30.6%**	26.4%	+4.2pp
EBITDA *(Note)*	**1,177**	931	+26.4
Profit attributable to owners of the Company	**548**	418	+31.1
Earnings per share – Basic (RMB cents)	**39.50**	30.17	+30.9
Earnings per share – Diluted (RMB cents)	**39.36**	25.39	+55.0
Proposed dividend per share (HK cents)	**10.0**	8.0	+25.0

Note: It is defined as profit before finance costs, income tax expense, depreciation, amortization, gain or loss on fair value adjustment on the convertible bonds and gain on deregistration of a subsidiary

RESULTS

The board of directors (the "Board") of Xingda International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTES	**2009** ***RMB'000***	2008 *RMB'000*
Revenue	5	**3,864,409**	3,488,518
Cost of sales		**(2,682,026)**	(2,567,757)
Gross profit		**1,182,383**	920,761
Other income	6	**97,713**	68,920
Government grants		**53,102**	65,840
Selling and distribution expenses		**(178,575)**	(139,488)
Administrative expenses		**(179,581)**	(173,990)
Other expenses	7	**(52,102)**	(38,185)
Finance costs	8	**(54,176)**	(103,808)
(Loss) gain on fair value adjustment on the convertible bonds		**(1,033)**	24,903
Gain on deregistration of a subsidiary		—	3,398
Profit before tax		**867,731**	628,351
Income tax expense	9	**(142,588)**	(85,953)
Profit for the year	10	**725,143**	542,398
Other comprehensive income			
Fair value gain on available-for-sale investments		**211,177**	—
Reclassification adjustment upon disposal of available-for-sale investments		**(1,942)**	—
Deferred tax liability on recognition of fair value gain on available-for-sale investments		**(31,385)**	—
Total other comprehensive income for the year (net of tax)		**177,850**	—
Total comprehensive income for the year		**902,993**	542,398
Profit for the year attributable to:			
Owners of the Company		**547,504**	418,219
Minority interests		**177,639**	124,179
		725,143	542,398

	NOTE	**2009**	2008
		RMB'000	*RMB'000*
Total comprehensive income attributable to:			
Owners of the Company		**671,181**	418,219
Minority interests		**231,812**	124,179
		902,993	542,398
Earnings per share	12		
Basic (RMB cents)		**39.50**	30.17
Diluted (RMB cents)		**39.36**	25.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	NOTES	**2009**	2008
		RMB'000	*RMB'000*
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**3,187,656**	2,575,489
Prepaid lease payments		**232,034**	179,524
Investment properties		**119,300**	—
Available-for-sale investments		**307,320**	98,585
Deferred tax assets		**—**	12,605
Deposits paid for purchase of property, plant and equipment		**125,242**	11,870
		3,971,552	2,878,073
CURRENT ASSETS			
Prepaid lease payments		**4,921**	3,858
Inventories		**430,904**	510,985
Trade and other receivables	13	**2,315,835**	1,565,652
Pledged bank deposits		—	33,880
Bank balances and cash		**646,544**	445,971
		3,398,204	2,560,346
CURRENT LIABILITIES			
Trade and other payables	14	**877,550**	472,614
Amount due to director		**48**	48
Amount due to a related company		**1,284**	827
Amount due to a minority shareholder		**—**	1,718
Government grants		**—**	900
Tax payable		**75,546**	45,738
Bank borrowings - due within one year		**1,335,000**	1,117,739
Convertible bonds		**—**	41,561
		2,289,428	1,681,145
NET CURRENT ASSETS		**1,108,776**	879,201
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,080,328**	3,757,274
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**15,515**	—
Bank borrowings - due after one year		**500,000**	—
Government grants		**10,500**	—
		526,015	—
NET ASSETS		**4,554,313**	3,757,274

	NOTE	**2009**	2008
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital	15	**139,091**	139,091
Reserves		**3,319,935**	2,746,508
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**3,459,026**	2,885,599
MINORITY INTERESTS		**1,095,287**	871,675
TOTAL EQUITY		**4,554,313**	3,757,274

NOTES

1. GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of its business is Xinghua City, Jiangsu Province, The People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Company and its subsidiaries.

The Company is an investment holding company and the Group is engaged in the manufacture and trading of radial tire cords and bead wires.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised IFRSs") issued by the International Accounting Standards Board ("IASB")

IAS 1 (Revised 2007)	Presentation of Financial Statements
IAS 23 (Revised 2007)	Borrowing Costs
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 1 & IAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IFRS 2 (Amendment)	Vesting Conditions and Cancellations
IFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
IFRS 8	Operating Segments
IFRIC - Int 9 & IAS 39 (Amendments)	Embedded Derivatives
IFRIC - Int 13	Customer Loyalty Programmes
IFRIC - Int 15	Agreements for the Construction of Real Estate
IFRIC - Int 16	Hedges of a Net Investment in a Foreign Operation
IFRIC - Int 18	Transfers of Assets from Customers
IFRSs (Amendments)	Improvements to IFRSs issued in 2008, except for the amendment to IFRS 5 that is effective for annual periods beginning or after 1 July 2009
IFRSs (Amendments)	Improvements to IFRSs issued in 2009 in relation to the amendment to paragraph 80 of IAS 39

Except as described below, the adoption of the new and revised IFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

IAS 1 (Revised 2007) Presentation of Financial Statements

IAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

Improving Disclosures about Financial Instruments

(Amendments to IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk.

IAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs as no borrowings were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. IAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of IAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009 in accordance with the transitional provisions in IAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1 January 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods.

In the current year, borrowing costs of RMB10,597,000 were capitalised as part of the cost of a manufacturing plant. Profit for the year ended 31 December 2009 has therefore been increased by RMB9,272,000 (net of tax effect).

Amendments to IAS 40 Investment Property

As part of *Improvements to IFRSs (2008)*, IAS 40 has been amended to include within its scope properties under construction or development for future use as investment properties and to require such properties to be measured at fair value (where the fair value model is used and the fair values of the properties are reliably determinable). In the past, the leasehold land and building elements of investment properties under construction were accounted for separately. The leasehold land element was accounted for as an operating lease and the building element was carried at cost less accumulated impairment losses, if any. The Group has used the fair value model to account for its investment properties.

The Group has applied the amendments to IAS 40 prospectively from 1 January 2009 in accordance with the relevant transitional provision. The Group does not have investment properties under construction that should be reclassified as investment properties as at 1 January 2009. There is no impact on the reported result and financial position of the Group for the current or prior accounting periods.

Summary of the effect of the above changes in accounting policies

The effect of the changes in accounting policies described above on the Group's basic and diluted earnings per share for the current and prior year is as follows:

Impact on basic and diluted earnings per share:

	Impact on basic earnings per share		Impact on diluted earnings per share	
	2009	2008	**2009**	2008
	RMB cents	RMB cents	**RMB cents**	RMB cents
Figures before incorporating change	**38.83**	30.17	**38.69**	25.39
Effect of change in accounting policy in relation to:				
- capitalisation of borrowing costs	**0.67**	—	**0.67**	—
Reported figures	**39.50**	30.17	**39.36**	25.39

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

IFRSs (Amendments)	Amendment to IFRS 5 as part of Improvements to IFRSs 2008[1]
IFRSs (Amendments)	Improvements to IFRSs 2009[2]
IAS 24 (Revised)	Related Party Disclosures[6]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
IAS 32 (Amendment)	Classification of Rights Issues[4]
IAS 39 (Amendment)	Eligible Hedged Items[1]
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
IFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
IFRS 3 (Revised)	Business Combinations[1]
IFRS 9	Financial Instruments[7]
IFRIC - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
IFRIC - Int 17	Distributions of Non-cash Assets to Owners[1]
IFRIC - Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009

2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2010

4 Effective for annual periods beginning on or after 1 February 2010

5 Effective for annual periods beginning on or after 1 July 2010

6 Effective for annual periods beginning on or after 1 January 2011

7 Effective for annual periods beginning on or after 1 January 2013

The application of IFRS 3 (Revised) may affect the accounting for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

IFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of IFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company (the "Directors") anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments which are measured at fair values.

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION

The Group has adopted IFRS 8 "Operating Segments" with effect from 1 January 2009. IFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (IAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, no analyses by business segment and geographical areas of operations are provided under IAS 14 as the Group's operations are located in the PRC and substantially all of the Group's consolidated revenue and segment profit from operations are derived from the manufacture and trading of radial tire cords and bead wires to customers substantially located in the PRC.

The Directors regularly review revenue analysis by types of products which are basically radial tire cords and bead wires, for the purposes of resource allocation and assessment of performance. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective types of products. The Directors review the operating results of the Group as a whole to make decisions about resource allocation. The operation of the Group constitutes one single operating and reportable segment under IFRS 8 and accordingly no separate segment information is prepared. The Group's non-current assets (other than financial instruments and deferred tax assets) are located in the PRC.

Revenue from major products

The following is an analysis of the Group's revenues from its major products:

	2009	2008
	RMB'000	*RMB'000*
Radial Tire Cord		
- For Truck	**3,067,282**	2,796,359
- For Passenger Car	**540,901**	400,160
Bead Wire	**256,226**	291,999
	3,864,409	3,488,518

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2009	2008
	RMB'000	*RMB'000*
Customer 1	**458,954**	377,955
Customer 2	**452,499**	477,541
Customer 3	**N/A***	570,042

* Revenue attributed to this customer is less than 10% of the Group's total sales in 2009.

5. REVENUE

Revenue represents amounts received and receivable for sales of radial tire cords and bead wires in the normal course of business, net of discount.

6. OTHER INCOME

	2009	2008
	RMB'000	*RMB'000*
Interest income earned on bank balances and bank deposits	**13,872**	19,705
Sales of scrap materials	**41,283**	45,510
Cash discounts received on early settlement of trade payables	**27,975**	—
Gain on disposal of available-for-sale investments	**1,942**	—
Gain on fair value change of investment properties	**3,810**	—
Sundry income	**8,831**	3,705
	97,713	68,920

7. OTHER EXPENSES

	2009	2008
	RMB'000	*RMB'000*
Impairment loss recognised on trade and other receivables	**35,279**	21,826
Research and development expenditure	**11,299**	16,359
Loss on fair value change upon transfer of property, plant and equipment to investment properties	**5,524**	—
	52,102	38,185

8. FINANCE COSTS

	2009	2008
	RMB'000	*RMB'000*
Interest on:		
Bank loans wholly repayable within five years	**64,600**	89,986
Less: amounts capitalised	**(10,597)**	—
	54,003	89,986
Note receivables discounted	**173**	13,822
	54,176	103,808

9. INCOME TAX EXPENSE

	2009	2008
	RMB'000	*RMB'000*
The charge comprises:		
Current tax		
Current year	**146,919**	98,558
Overprovision in prior year	**(1,066)**	—
Deferred taxation	**(3,265)**	(12,605)
	142,588	85,953

The tax charge in respect of the current year represents income tax in the PRC which is calculated at the prevailing tax rate of 25% (2008: 25%) on the taxable income of the group entities in the PRC. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate for certain PRC subsidiaries of the Company is 25% from 1 January 2008 onwards.

On 11 September 2009, Jiangsu Xingda was accredited as a High-tech Enterprise, a preferential tax rate of 15% was granted by the relevant tax bureaus in Jiangsu province. In accordance with the High-tech Enterprise Certificate, the status of High-tech Enterprise is effective for the years 2009, 2010, and 2011 and the management is of the opinion that this status will be renewed before the end of year 2011 and this preferential tax rate will continue to be obtained. As a result, the tax rate of 15% is used to calculate the amount of deferred taxation.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's profits neither arises in, nor is derived from, Hong Kong for both years.

Pursuant to the Foreign-Invested Enterprises and Foreign Enterprise Income Tax Law 外商投資企業和外國企業所得稅法 in the PRC, Jiangsu Xingda was entitled to the exemptions from PRC Foreign Enterprise Income Tax ("FEIT") for two years starting from its first profit-making year, followed by a 50% tax relief for the next three years. Jiangsu Xingda was exempted from FEIT for the years ended 31 December 2005 and 2006 and enjoyed a 50% tax relief for the years ended 31 December 2007, 2008 and 2009.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of comprehensive income as follows:

	2009	2008
	RMB'000	*RMB'000*
Profit before tax	**867,731**	628,351
Tax at the PRC tax rate of 25% (2008: 25%)	**216,933**	157,088
Tax effect of fair value adjustment on the convertible bonds not deductible/taxable for tax purposes	**258**	(6,226)
Tax effect of expenses not deductible for tax purposes	**14,089**	22,654
Tax effect of income not taxable for tax purposes	**(4,503)**	(24,225)
Tax effect of tax relief/tax exemption	**(88,062)**	(58,051)
Recognition of deferred tax assets previously not recognised	—	(8,237)
Tax effect of deductible temporary differences not recognised	**89**	—
Overprovision in prior year	**(1,066)**	—
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rate	**2,624**	—
Others	**2,226**	2,950
Tax charge for the year	**142,588**	85,953

10. PROFIT FOR THE YEAR

	2009	2008
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**257,777**	250,477
Retirement benefits scheme contributions	**22,494**	7,195
Total staff costs	**280,271**	257,672
Amortisation of prepaid lease payments	**4,765**	2,942
Auditor's remuneration	**1,767**	1,818
Cost of inventories recognised as an expense	**2,682,026**	2,567,757
Depreciation for property, plant and equipment	**249,643**	224,592
Loss on disposal of property, plant and equipment	**3,503**	10,135
Gross rental income from investment properties	**(1,556)**	—
Less: direct operating expenses from investment properties that generated rental income during the year	**1,283**	—
	(273)	—
Net foreign exchange loss	**1,958**	9,289

11. DIVIDEND

	2009	2008
	RMB'000	*RMB'000*
Dividend recognised as distribution during the year:		
Final dividend paid for 2008 – 8.0 HK cents per share (2008: final dividend paid for 2007 – 6.0 HK cents per share)	**97,754**	74,043
Final dividend proposed, 10.0 HK cents (2008: 8.0 HK cents) per share	**122,122**	97,754

A final dividend for the year ended 31 December 2009 of 10.0 HK cents (2008: 8.0 HK cents) per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2009	2008
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic earnings per share	**547,504**	418,219
Effect of dilutive potential ordinary shares:		
Fair value adjustment on the convertible bonds	**1,033**	(24,903)
Exchange realignment on the convertible bonds	**(17)**	(15,145)
Earnings for the purpose of diluted earnings per share	**548,520**	378,171

	'000	'000
Number of shares		
Number of ordinary shares in issue for the purpose of basic earnings per share	**1,386,177**	1,386,177
Effect of dilutive potential ordinary shares on convertible bonds	**7,576**	103,147
Number of ordinary shares in issue for the purpose of diluted earnings per share	**1,393,753**	1,489,324

13. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period of 120 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period:

	2009	2008
	RMB'000	*RMB'000*
Trade receivables		
0 - 90 days	**860,275**	415,486
91 - 180 days	**92,729**	217,723
181 - 360 days	**41,983**	183,528
Over 360 days	**82,336**	21,768
	1,077,323	838,505
Note receivables		
0 - 90 days	**397,739**	298,682
91 - 180 days	**560,676**	247,009
181 - 360 days	**19,650**	—
	978,065	545,691
Advance to raw material suppliers	**231,424**	125,555
Spools	**11,388**	2,479
Value-added tax receivables	—	10,846
Other receivables and prepayments	**17,755**	42,696
Less: Allowance for doubtful debts on other receivables	**(120)**	(120)
	260,447	181,456
	2,315,835	1,565,652

14. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	RMB'000	*RMB'000*
Trade payables		
0 - 90 days	**315,416**	169,379
91 - 180 days	**61,634**	51,311
181 - 360 days	**2,558**	6,971
Over 360 days	**4,880**	1,333
	384,488	228,994
Note payables		
91 - 180 days	**35,000**	—
Value-added tax payables and other tax payables	**32,145**	9,555
Accrued staff costs	**110,328**	90,324
Payables for purchase of property, plant and equipment	**235,318**	98,997
Advances from customers	**165**	631
Accrued pension	**26,834**	13,629
Accrued interest expense	**2,642**	2,288
Accrued electricity charges	**39,746**	17,581
Others	**10,884**	10,615
	493,062	243,620
	877,550	472,614

15. SHARE CAPITAL

	Number of shares	Amount	Equivalent to
		HKD	*RMB'000*
Authorised:			
Ordinary shares of HKD0.10 each at 1 January 2008, 31 December 2008 and 31 December 2009	3,000,000,000	300,000,000	301,410
Issued and fully paid:			
At 1 January 2008, 31 December 2008, 1 January 2009 and 31 December 2009	1,386,176,693	138,617,669	139,091

16. **SUBSEQUENT EVENT**

Subsequent to year ended 31 December 2009, the Group disposed of all the available-for-sale investments in the open market of the Shanghai Stock Exchange from 4 January 2010 to 12 January 2010, both dates inclusive (the "Disposal") for an aggregate consideration of approximately RMB284,425,000. Upon the completion of the Disposal, the Group has no remaining available-for-sale investments. It is expected that the net gain of the Disposal is amounting to approximately RMB186,340,000.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The economic stimulus package launched by the PRC government during 2009 has served as a catalyst for the automobile industry in China. According to statistics of the China Association of Automobile Manufacturers, the country produced approximately 13.8 million vehicles in 2009, representing an increase of 47.8% as compared with the previous year. China has, for the first time, overtaken the United States to become the world’s biggest automobile producer in terms of units, accounting for 29% of the world’s total automobile output.

During the year, the sales of passenger cars and trucks increased by 54.2% and 42.3% respectively. The strong demand for automobiles in China in turn has provided an impetus for the growth of the country’s tire industry. According to the China Rubber Industry Association, the country’s total tire output in 2009 rose by 8.6% year-on-year to 380 million units, of which 290 million were radial tires, 16.0% more than the previous year. In addition, the rising fuel price has speeded up the radialization rate of tires in China to reach approximately 76.3% by the end of 2009.

BUSINESS REVIEW

The expansion of the country’s infrastructure projects spurred by the stimulus package and its provisions for stimulating the automobile industry have bolstered the sales of radial tires, especially the radial tire for trucks in replacement market, and hence the Group’s major products, radial tire cord for truck. In 2009, the Group’s total sales volume increased by 20.8% to 304,900 tonnes. Sales volume of radial tire cords increased by 22.4% to 261,100 tonnes, accounting for 85.6% of the total sales volume (2008: 84.5%), whereas the sales volume of bead wires increased by 12.3% to 43,800 tonnes, accounting for 14.4% of the total sales volume (2008: 15.5%) of the Group.

Radial tire cord for truck which has a higher profit than those for passenger car continued to be the Group’s major source of revenue with sales volume increasing by 18.6% to 215,500 tonnes. Sales volume of radial tire cords for passenger cars recorded a notable rise of 44.3% to 45,600 tonnes. Sales volume of these two product categories contributed 82.5% and 17.5% to the Group’s total sales volume, respectively (2008: 85.2% and 14.8%).

Sales Volume	**2009**	2008	Change
	Tonnes	*Tonnes*	
Radial Tire Cords	**261,100**	213,300	+22.4%
- For Truck	***215,500***	*181,700*	*+18.6%*
- For Passenger Car	***45,600***	*31,600*	*+44.3%*
Bead Wires	**43,800**	39,000	+12.3%
Total	**304,900**	252,300	+20.8%

Recovery of domestic freight and passenger car traffic boosted tire consumption and correspondingly domestic radial tire cords consumption. Domestic sales volume of radial tire cords increased by 17.5% to 244,400 tonnes, accounting for 93.6% of the Group's total volume of radial tire cords sold (2008: 97.5%). At the same time, orders from overseas customers, especially those in the United States and European countries increased, leading to a marked 215.1% increase in overseas sales volume of radial tire cords to 16,700 tonnes, accounting for 6.4% of the Group's total sales volume of radial tire cords (2008: 2.5%).

During the year, the Group expanded its production facilities to an annual capacity of 345,000 tonnes (2008: 283,900 tonnes) for radial tire cords and 66,000 tonnes (2008: 58,200 tonnes) for bead wires. Due to the impact of the global financial crisis in 2008, the demand for radial tire cords remained weak in the first quarter of 2009. Although the market demand rebounded in March 2009, the utilization rates of radial tire cords and bead wires were inevitably decreased slightly to 77% and 69% (2008: 84% and 77%), respectively.

	2009 Production Capacity (Tonnes)	**2009 Utilization Rate**	2008 Production Capacity (Tonnes)	2008 Utilization Rate
Radial Tire Cords	**345,000**	**77%**	283,900	84%
Bead Wires	**66,000**	**69%**	58,200	77%

To offer a more diverse range of high quality products, the Group developed 15 new types of radial tire cords and 5 new types of bead wires during the year. As at the end of 2009, the Group was offering a comprehensive range of products including 129 types of radial tire cords and 47 types of bead wires to customers.

PROSPECTS

At the drive of thriving economy activities in the country as well as the continued expansion of the national highway system, freight and passenger traffic have been sharply increasing. This bolstered the revival of radial tire cord demand in 2009, which momentum remained strong even in the traditional slack season in January 2010. To maintain GDP growth, the PRC government is expected to continue the stimulus policies in 2010 and push on with infrastructure development. Such development plus effects of the on-going automobile stimulus scheme will translate into radial tire cord demand conducive to development of the entire industry. Due to high entry barriers, oligopoly situation in China is expected to remain. As a leading manufacturer of radial tire cords in China, Xingda benefits from the trend and stands well in this market environment.

To live up to the High-tech Enterprise accreditation, Xingda will continue to invest in research and development to facilitate offering of greater varieties of products of superb quality. The Group will formulate rational capital expenditure plan driven by market demand and China’s macro economy. The Group will also expand horizontally in other wire applications for higher margin to maintain strong growth momentum. With good control on the selling price of its products trusted by customers, the Group is able to resist profit erosion brought by raw material fluctuation, and is confident of sustaining a stable profit margin and its leadership in China.

As one of the first tier cord manufacturers in China, the Group has laid a solid position in the industry with growing overseas market exposure. Looking ahead, China will remain the core focus of the Group and at the same time, the Group will accelerate its expansion into overseas markets by developing strategic relations with various global tire manufacturers. With the global automobile market rebounding and an increasing number of international tire giants turning to China for radial tire cords at lower costs, fast penetration into the overseas market is foreseeable and the Group believes its share of revenue contribution from overseas markets will grow in future. To fortify its global foothold, the Group will seek to capture every opportunity that can allow it to expand presence in the global radial tire cord industry.

FINANCIAL REVIEW

Revenue

The Group’s revenue breakdown by product category is as follows:

RMB in million	**2009**	**Proportion**	2008	Proportion	Change
Radial Tire Cords	**3,608**	**93%**	3,197	92%	+411
- *For Truck*	***3,067***	***79%***	*2,797*	*80%*	*+270*
- *For Passenger Car*	***541***	***14%***	*400*	*12%*	*+141*
Bead Wires	**256**	**7%**	292	8%	-36
Total	**3,864**	**100%**	3,489	100%	+375

Benefited from the recovering China's automobile market, the total sales volume of the Group increased by 20.8% during the year. In addition, with its ceaseless effort and its effective pricing strategy, the Group was able to maintain the average selling price of its products at a level similar to that of the previous year. The total revenue of the Group was therefore up by 10.7% or RMB375 million to RMB3,864 million in 2009. Besides, overseas sales which has a higher margin than domestic sales contributed 6.1% of the Group's total sales in 2009 (2008: 1.9%).

Gross profit and gross profit margin

The cost of the major raw material steel wire rods accounted for 54.1% of the Group's cost of sales (2008: 54.8%). Although the price of domestic steel wire rods dropped, the Group managed to maintain the average selling price of its products, enabling it to increase its gross profit margin by 4.2 percentage points to 30.6%. The increase in sales and margin boosted the Group's gross profit by 28.3% or RMB261 million to RMB1,182 million in 2009 (2008: RMB921 million).

Other income and government grant

Other income increased by RMB28.8 million or 41.8% from RMB68.9 million in 2008 to RMB97.7 million in 2009. The increase was attributable to the discounts received from various creditors fully offsetting the decrease in both bank interest income and sales of scrap raw materials. On the other hand, the Government grant for the year dropped by 19.3% from RMB65.8 million in 2008 to RMB53.1 million in 2009 due to the decrease in incentive subsidies on project basis from the local government.

Operating expenses

Selling and distribution expenses increased by RMB39.1 million or 28.0% from RMB139.5 million in 2008 to RMB178.6 million in 2009. The increase was mainly caused by the increase in transportation costs and salaries payable to the sales team in line with the growth in sales volume. Meanwhile, administrative expenses increased by RMB5.6 million or 3.2% to RMB179.6 million in 2009 mainly due to a slight increase in administrative staff cost. Other expenses increased by RMB13.9 million or 36.4% from RMB38.2 million in 2008 to RMB52.1 million in 2009. The increment was mainly attributable to an increase in impairment loss recognised on trade and other receivables.

Finance costs

Finance costs decreased by RMB49.6 million or 47.8% to RMB54.2 million from RMB103.8 million in 2008. The decrease was mainly caused by the drop in effective interest rate.

Fair value adjustment on convertible bonds

The Company issued convertible bonds for an aggregate principal amount of approximately USD30.4 million, USD19.7 million and USD3.9 million (the "Convertible Bonds") on 7 May 2005, 29 December 2005 and 18 January 2006 respectively, with a coupon rate of 1.0% per annum and the respective maturity date is the banking day immediately preceding the third anniversary of the relevant date of issue (subject to extension in accordance with the terms and conditions of the Convertible Bonds). Under International Accounting Standard 32 and 39, the Convertible Bonds have to be stated at fair value which is determined by an independent expert valuer as at each period end. The fair value of the Convertible Bonds is arrived at after using the Black-Scholes option pricing model with the input of a number of variables including the closing share price of the Company's shares, the volatility of the market for the Company's shares and the time to maturity of the Convertible Bonds.

The loss on fair value adjustment on the Convertible Bonds was RMB1.0 million for the year ended 31 December 2009, representing a difference of RMB26.0 million, when compared to the gain of RMB25.0 million in 2008. The loss of 2009 was mainly due to the increase in market price of the Company's shares from HKD0.74 per share as at 31 December 2008 to HKD1.65 per share as at 6 May 2009, the maturity date of the remaining Convertible Bonds held by the Company.

Income tax

The Group had an income tax charge of RMB142.6 million which was due to the increase in operating profit during the year. The effective tax rate increased from 13.7% in 2008 to 16.4% in 2009 as one of the major operating subsidiaries of the Group, Jiangsu Xingda Special Cord Co., Ltd., which has a prevailing tax rate of 25% and made a higher profit contribution to the Group.

Net profit

Taking the above factors into account, the Group's net profit for the year ended 31 December 2009 amounted to RMB725 million, representing an increase of RMB183 million, or 33.8% from RMB542 million in 2008. If the gain or loss on fair value adjustment on the convertible bonds was excluded, the adjusted net profit of the Group for the year ended 31 December 2009 would be RMB726 million, representing an increase of RMB209 million, or 40.4%, when compared with last year.

Reconciliation of report profit and underlying profit

	2009	2008
	RMB'000	*RMB'000*
Profit for the year	**725,143**	542,398
(Gain) loss on fair value adjustment on the convertible bonds (note)	**1,033**	(24,903)
Underlying profit for the year	**726,176**	517,495
Underlying profit for the year attributable to:		
Owners of the Company	**548,537**	393,316
Minority interests	**177,639**	124,179
	726,176	517,495

Note: Gain or loss on fair value adjustment on the Convertible Bonds represented the change in the fair value of the Convertible Bonds as calculated by an independent and recognized international business valuer. The gain or loss on fair value adjustment of the convertible bonds was adjusted in the profit for the year as it did not arise from the ordinary course of operation of the Group.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

During the year, there was no change in the Group's funding and treasury policy. The principal source of liquidity and capital resources was cash flows generated from operating and financing activities whereas the principal uses of cash were operational costs and expansion of production capacity.

Bank balances and cash including bank deposits of the Group increased by RMB200.5 million from RMB446.0 million as at 31 December 2008 to RMB646.5 million as at 31 December 2009. The increase was due to the cash generated from operating activities of RMB617.6 million and financing activities of RMB504.0 million exceeds the net cash outflow of RMB921.1 million from investing activities.

The bank borrowings were in Renminbi and increased by RMB717.3 million or 64.2% to RMB1,835.0 million as at 31 December 2009 from RMB1,117.7 million as at 31 December 2008. The bank borrowings carry interest at market rates from 4.37% to 4.86% (2008: 4.54% to 9.20%) and are repayable within five years from 31 December 2009.

The Group's current assets increased by 32.7% to RMB3,398.2 million as at 31 December 2009 from RMB2,560.3 million as at 31 December 2008 and its current liabilities increased by 36.2% from RMB1,681.1 million as at 31 December 2008 to RMB2,289.4 million as at 31 December 2009. The Group's current ratio (being defined as current assets over current liabilities) was reduced from 1.52 times as at 31 December 2008 to 1.48 times as at 31 December 2009. The decrease was mainly caused by the increase in bank borrowings repayable within one year. The gearing ratio which is measured by total debts (bank borrowings and Convertible Bonds) to total assets increased from 21.3% as at 31 December 2008 to 24.9% as at 31 December 2009 due to an overall increase in debts despite the decrease of Convertible Bonds.

CONVERTIBLE BONDS

In May 2005, the Company issued the first tranche of Convertible Bonds ("First Tranche Bonds") to Tetrad Ventures Pte Ltd ("Tetrad") and Henda Limited ("Henda") for an aggregate principal amount of USD30.4 million (approximately RMB222.1 million). Subject to adjustment, the First Tranche Bonds are convertible at approximately HKD1.853 (approximately RMB1.735) per ordinary share of the Company ("Share") to be issued upon conversion. If the First Tranche Bonds have not been converted in full into shares by 6 May 2008 ("First Tranche Maturity Date"), Tetrad and Henda may require the Company to redeem the outstanding amounts of the First Tranche Bonds respectively. In December 2005 and January 2006, Tetrad and Henda subscribed for the second tranche of Convertible Bonds ("Second Tranche Bonds") for an aggregate principal amount of USD23.6 million (approximately RMB172.4 million), which will be repayable by Tetrad and Henda in December 2008 and January 2009 respectively. The Second Tranche Bonds are also convertible at approximately HKD1.853 (approximately RMB1.735) per Share subject to adjustment. On 13 September 2006, Tetrad agreed to transfer to Goldman Sachs Strategic Investments (Asia) L.L.C. ("GSSIA") part of the First Tranche Bonds in the aggregate principal amount of approximately USD5.3 million (approximately RMB38.4 million) ("GSSIA Bond").

Under the terms and conditions of the Convertible Bonds, Henda, Tetrad and GSSIA each has the right to require early redemption of their respective Convertible Bonds under certain circumstances, including change in control of the Company other than as a result of listing of the Company.

In July 2007, Tetrad elected to convert a principal amount of approximately USD19.9 million (approximately RMB151.1 million) of the First Tranche Bonds into Shares at a conversion price of HKD1.853 per Share. Immediately following such conversion, Tetrad held 83,628,471 Shares, and the outstanding principal amount of the First Tranche Bond and the Second Tranche Bond held by Tetrad was USD204,804 (approximately RMB1.42 million) and approximately USD19.7 million (approximately RMB134.9 million) respectively.

In July 2007 and December 2007, Henda elected to convert a principal amount of USD4.5 million (approximately RMB32.9 million), being part of the First Tranche Bonds, and a principal amount of USD4.5 million, being the total outstanding principal amount of the First Tranche Bonds and the Second Tranche Bonds held by Henda, respectively, into shares at a conversion price of HKD1.853 per Share. Immediately following such conversions, Henda held 37,876,222 Shares and the First Tranche Bonds and the Second Tranche Bonds held by Henda were fully converted.

In April 2008, the Company received a notice given by GSSIA to extend the First Tranche Maturity Date for a period of one year to 6 May 2009.

In May 2008, the Company received a notice given by Tetrad requiring the Company to redeem on the First Tranche Maturity Date an aggregate principal amount of USD204,804 (approximately RMB1.42 million) of the First Tranche Bonds, being all the outstanding principal amount of the First Tranche Bonds held by Tetrad, at the redemption amount of USD230,942. The Company also paid Tetrad an amount of USD34,169 (approximately RMB240,000) being all the outstanding and unpaid interests accrued on the First Tranche Bonds held by Tetrad up to and including the First Tranche Maturity Date. Upon the said redemption becoming effective, Tetrad held 83,628,471 Shares and the principal amount of USD204,804 of the First Tranche Bonds so redeemed was forthwith cancelled whereas the outstanding principal amount of the Second Tranche Bonds held by Tetrad remained unchanged at approximately USD19.7 million (approximately RMB134.9 million).

In December 2008, the Company received a notice given by Tetrad to require the Company to redeem on 24 December 2008 ("Second Tranche Maturity Date") an aggregate principal amount of USD19,666,667 of the Second Tranche Bonds, being all the outstanding principal amount of the Second Tranche Bonds held by Tetrad, at the redemption amount of USD22,178,781. The Company also paid Tetrad an amount of USD194,511, being all the outstanding and unpaid interests accrued on the Second Tranche Bonds held by Tetrad up to and including the Second Tranche Maturity Date. Upon the said redemption becoming effective, Tetrad held 83,628,471 Shares and the Second Tranche Bonds so redeemed were forthwith cancelled whereupon Tetrad ceased to hold any convertible bond issued by the Company.

In May 2009, the Company received a notice given by GSSIA to require the Company to redeem on 6 May 2009 an aggregate principal amount of USD5,257,058 of the GSSIA Bond, being all the outstanding principal amount of the GSSIA Bond, at the redemption amount of USD6,179,704. The Company also paid GSSIA an amount of USD52,570 (approximately RMB359,000) (2008: USD137,691 or approximately RMB969,000), being all the outstanding and unpaid interests accrued on the GSSIA Bond up to and including 6 May 2009. Upon the said redemption becoming effective, the GSSIA Bond so redeemed was forthwith cancelled and GSSIA ceased to hold any convertible bond issued by the Company.

All convertible bonds issued by the Company were redeemed or converted into Shares before 31 December 2009.

FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in Renminbi and US dollars. As there is no significant fluctuation of exchange rate between Renminbi and US dollars throughout the year, the slight appreciation of the Renminbi did not have a materially unfavourable effect on the operations of the Group.

As apart from certain bank balances in HK and US dollars, almost all of the assets and liabilities of the Group were denominated in Renminbi, the Group was not exposed to significant foreign exchange risk. Thus, during the year under review, exchange rate fluctuation had not caused any major adverse impact on the operation or liquidity of the Group. Accordingly, the Group did not enter any financial derivative instruments to hedge against the foreign exchange currency exposures in 2009. However, the Group will closely monitor the impact of change in value of the Renminbi on its operation and consider appropriate hedging solutions to use, if required.

CAPITAL EXPENDITURE

For the year ended 31 December 2009, capital expenditure of the Group for property, plant and equipment amounted to RMB874.1 million (2008: RMB738.6 million).

CAPITAL COMMITMENTS

As at 31 December 2009, the Group had made capital commitment of approximately RMB198.0 million (31 December 2008: RMB53.8 million) for acquisition of property, plant and equipment contracted for but not provided in the financial statements. The Group did not make any capital commitment for acquisition of property, plant and equipment authorized but not contracted for in both years.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2009 (31 December 2008: nil).

PLEDGE OF ASSETS

As at 31 December 2009, the Group did not pledge any bank deposits to secure its bank borrowings (31 December 2008: RMB33.9 million).

SIGNIFICANT INVESTMENTS

The Group had no new significant external investments for the year ended 31 December 2009 (2008: RMB98.1 million).

SIGNIFICANT ACQUISITIONS AND DISPOSALS

The Group had no significant acquisitions and disposals for the years ended 31 December 2009 and 2008.

HUMAN RESOURCES

As at 31 December 2009, the Group had approximately 7,200 (31 December 2008: approximately 4,500) full time employees and all of them were based in China. Total staff costs including directors' remuneration for the year ended 31 December 2009 was approximately RMB280.3 million (2008: approximately RMB257.7 million). The salaries are generally reviewed with reference to the employees' merit, qualifications and competence. The calculation of bonuses was based on an evaluation of individual efforts and contributions to the financial performance of the Group. The Group also continues to provide training programs for staff to enhance their technical and product knowledge as well as knowledge of industry quality standards.

In addition to salaries and bonuses, the Group also provides various benefits to employees through the Labour Union of Jiangsu Xingda Steel Tyre Cord Co., Ltd. ("Xingda Labour Union"). Each year, Jiangsu Xingda contributes 2% of the total salary of staff ("Union Fee") to support operation of the Xingda Labour Union. The Union Fee, together with other funds obtained by the Xingda Labour Union are used to provide a variety of welfare benefits and services to employees of the Group, including provision of staff quarters which employees may choose to purchase. For the year ended 31 December 2009, the amount of Union Fees contributed by Jiangsu Xingda to the Xingda Labour Union amounted to RMB4.3 million (2008: RMB4.6 million).

According to the Social Insurance Regulations published by the State Council of China on 14 January 1999, the Group is required to make contributions to pension funds and insurance policies for its employees. Full-time employees of the Group in the China are covered by the contributory pension scheme managed by the state entitling them to a monthly pension after they retire. The PRC government is responsible for crediting the pension to the retired and the Group is required to make annual contributions to the retirement scheme run by the Xinghua Municipality at a specified rate. The contribution is booked in due course as an operating expense of the Group. Under the scheme, no forfeited contributions are available to reduce the existing level of contributions. Apart from the pension funds, the Group has provided medical, personal accidental and unemployment insurance policies for its employees of different levels.

On 4 September 2009, the Board of Directors resolved to adopt a share award scheme to encourage and retain elite employees to work with the Group and to provide incentives to achieve performance goals with a view to attaining the objectives of increasing the value of the Group and aligning the interests of the participants of the scheme directly to the shareholders of the Company through ownership of shares. Pursuant to the scheme, shares will be purchased by the trustee in the market out of cash contributed by the Company and be held in trust for the participants until such shares are vested to them in accordance with the provisions of the scheme. No shares of the Company were bought in the open market by the trustee from the adoption date of the scheme to 31 December 2009.

DIVIDEND

The Board has recommended the payment of a final dividend of 10.00 HK cents (approximately RMB 8.81 cents) per share for the financial year ended 31 December 2009 to the shareholders whose names appear on the register of members of the Company on Thursday, 20 May 2010. The final dividend will be payable on Thursday, 10 June 2010.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Thursday, 20 May 2010, notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 18 May 2010 to Thursday, 20 May 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the forthcoming annual general meeting to be held on Thursday, 20 May 2010, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30p.m. on Monday, 17 May 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2009.

CORPORATE GOVERNANCE PRACTICES

To promote high level of transparency, accountability and independence in the interests of the shareholders, the Company is committed to maintaining high standards of corporate governance.

The Company has applied the principles in and complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2009, except for the deviation from code provision A.2.1 which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The chairman of the Board, Mr. Liu Jinlan, provides overall leadership for the Board and takes the lead to ensure that the Board acts in the best interest of the Company. The Company does not have the position of chief executive officer and the daily operation of the Group is assigned among the executive Directors. In addition to the fact that the responsibilities of the chairman are shared by the remaining five executive Directors, the Executive Committee of the Company (comprising three executive Directors and one non-executive Director) which has been established for determining, approving and overseeing the day-to-day control over the allocation of the Group's resources also segregates the duties of Mr. Liu Jinlan.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. After having made specific enquiry with all Directors, the Company has received confirmations from all Directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2009.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions of the employees who are likely to be in possession of unpublished price-sensitive information.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee and the management have reviewed the accounting principles and practices adopted by the Group, discussed auditing and financial reporting matters and have reviewed the annual results for the year ended 31 December 2009. In addition, the consolidated financial statements of the Group for the year ended 31 December 2009 have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu and an unqualified opinion report was issued.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at www.irasia.com/listco/hk/xingda/index.htm. The annual report will be dispatched to the shareholders and available on the above websites in due course.

APPRECIATION

The Board would like to express its gratitude to all employees for their diligence and contribution. At the same time, the Board is also thankful for the support it has from all the customers, suppliers and shareholders of the Group. The Group will continue to work as a team to push for more brilliant results in 2010.

By Order of the Board
XINGDA INTERNATIONAL HOLDINGS LIMITED
Liu Jinlan
Chairman

Shanghai, the PRC, 8 April 2010

As at the date of this announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. TAO Jinxiang, Mr. WU Xinghua, Mr. CAO Junyong and Mr. ZHANG Yuxiao, the non-executive Directors are Mr. LU Guangming George, Ms. WU Xiaohui and Mr. ZHOU Mingchen and the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Mr. William John SHARP and Ms. XU Chunhua.