Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

XINGDA

兴　达

XINGDA INTERNATIONAL HOLDINGS LIMITED

興 達 國 際 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01899)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

	2011 *RMB in million*	2010 *RMB in million*	**Change (%)**
Revenue	**5,551.4**	5,430.2	+2.2
Gross profit	**1,298.5**	1,635.6	-20.6
Gross profit margin	**23.4%**	30.1%	-6.7pp
Profit attributable to owners of the Company	**418.1**	792.0	-47.2
Adjusted profit attributable to owners of the Company (note)	**435.5**	691.7	-37.0
Total assets	**9,608.9**	8,520.0	+12.8
Proposed final dividend	**20.0 HK cents**	15.0 HK cents	+33.3

Note: It is defined as profit attributable to owners of the Company excluding gain on disposal of available-for-sale investments and exchange difference arising from non-operating activities. Please refer to "Reconciliation of report profit and underlying profit" under "Financial Review" in "Management Discussion and Analysis" section of this announcement for detail.

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 2011 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	**2011** ***RMB'000***	2010 *RMB'000*
Revenue	5	**5,551,400**	5,430,156
Cost of sales		**(4,252,930)**	(3,794,566)
Gross profit		**1,298,470**	1,635,590
Other income	6	**80,347**	74,235
Government grants		**63,954**	32,451
Selling and distribution expenses		**(341,047)**	(271,670)
Administrative expenses		**(231,472)**	(240,728)
Other expenses and losses, net	7	**(81,755)**	(76,851)
Finance costs	8	**(95,065)**	(58,762)
Gain on disposal of available-for-sale investments		**—**	186,340
Share of loss of a jointly controlled entity		**(1,876)**	—
Profit before tax		**691,556**	1,280,605
Income tax expense	9	**(128,901)**	(225,152)
Profit for the year	10	**562,655**	1,055,453
Other comprehensive income			
Fair value loss on available-for-sale investments		**—**	(22,895)
Reclassification adjustment upon disposal of available-for-sale investments		**—**	(186,340)
Deferred tax liability on recognition of fair value gain on available-for-sale investments released upon disposal		**—**	31,385
Total other comprehensive expense for the year (net of tax)		**—**	(177,850)
Total comprehensive income for the year		**562,655**	877,603
Profit for the year attributable to:			
Owners of the Company		**418,118**	791,959
Non-controlling interests		**144,537**	263,494
		562,655	1,055,453

	NOTE	**2011**	2010
		RMB'000	*RMB'000*
Total comprehensive income attributable to:			
Owners of the Company		**418,118**	668,282
Non-controlling interests		**144,537**	209,321
		562,655	877,603
Earnings per share	12		
Basic (RMB fen)		**27.42**	55.49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	NOTES	**2011**	2010
		RMB'000	*RMB'000*
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**3,949,266**	3,709,682
Prepaid lease payments		**244,651**	247,643
Investment properties		**124,000**	122,000
Interest in a jointly controlled entity		**242,764**	—
Deferred tax assets		**15,889**	14,101
Prepayment		**4,000**	—
Deposits paid for purchase of property, plant and equipment		**45,359**	22,546
		4,625,929	4,115,972
CURRENT ASSETS			
Prepaid lease payments		**5,812**	5,632
Inventories		**671,540**	449,805
Trade and other receivables	13	**3,466,495**	2,785,357
Pledged bank deposits		**108,320**	16,387
Fixed bank deposits		**—**	29,500
Bank balances and cash		**730,856**	1,117,355
		4,983,023	4,404,036
CURRENT LIABILITIES			
Trade and other payables	14	**1,397,906**	1,001,932
Amount due to a director		**48**	48
Amount due to a related company		**2,388**	2,328
Tax payable		**58,644**	70,338
Bank borrowings - due within one year		**1,850,000**	1,092,259
		3,308,986	2,166,905
NET CURRENT ASSETS		**1,674,037**	2,237,131
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,299,966**	6,353,103
NON-CURRENT LIABILITIES			
Bank borrowings - due after one year		**—**	400,000
Government grants		**10,000**	23,040
		10,000	423,040
NET ASSETS		**6,289,966**	5,930,063

	NOTE	2011	2010
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital	15	**150,999**	150,999
Reserves		**4,698,022**	4,482,656
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**4,849,021**	4,633,655
NON-CONTROLLING INTERESTS		**1,440,945**	1,296,408
TOTAL EQUITY		**6,289,966**	5,930,063

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 "Group").

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IRFRSs")

New and revised Standards and Interpretations applied in the current year

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").

Amendments to IFRSs	Improvement in IFRSs issued in 2010
IAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to IAS 32	Classification of Rights Issues
Amendments to IFRIC - Int 14	Prepayments of a Minimum Funding Requirement
IFRIC - Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new and revised IFRSs in the current year had no material effect on the Group's financial performance and position for the current and prior years and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 1	Government loans[2]
Amendments to IFRS 7	Disclosures - Transfers of Financial Assets[1]
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities[2]
Amendments to IFRS 9 and IFRS 7	Disclosures - Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
IFRS 9	Financial Instruments[3]
IFRS 10	Consolidated Financial Statements[2]
IFRS 11	Joint Arrangements[2]
IFRS 12	Disclosure of Interests in Other Entities[2]
IFRS 13	Fair Value Measurement[2]
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets[4]
IAS 19 (as revised in 2011)	Employee Benefits[2]
IAS 27 (as revised in 2011)	Separate Financial Statements[2]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[6]
IFRIC - Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2011.

2 Effective for annual periods beginning on or after 1 January 2013.

3 Effective for annual periods beginning on or after 1 January 2015.

4 Effective for annual periods beginning on or after 1 January 2012.

5 Effective for annual periods beginning on or after 1 July 2012.

6 Effective for annual periods beginning on or after 1 January 2014.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC - Int 12 *Consolidation - Special Purpose Entities*. IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC - Int 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The Directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. The application of IFRS 10 may result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated (e.g. the Group's investment in associates may become the Group's subsidiaries based on the new definition of control and the related guidance in IFRS 10). However, the Directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

Amendments to HKAS 12 Deferred Tax - Recovery of Underlying Assets

The amendments to IAS 12 titled Deferred Tax: Recovery of Underlying Assets mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2012. The Directors anticipate that the application of the amendments to IAS will impact on deferred tax recognised for investment properties that are measured using the fair value model.

The Directors anticipate that the application of the other new and revised Standards, Amendments and Interpretations will have no material impact on the results and the financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. SEGMENT INFORMATION

The Directors, being the chief operating decision maker of the Group, regularly review revenue analysis by types of products which are basically radial tire cords, bead wires and sawing 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 "Operating Segments" and accordingly no separate segment information is prepared. The Group's non-current assets (other than 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:

	Year ended	
	2011	2010
	RMB'000	*RMB'000*
Radial Tire Cord		
- For Truck	**3,408,996**	3,865,043
- For Passenger Car	**1,509,426**	1,141,567
Bead Wire	**417,934**	423,546
Sawing Wire	**215,044**	—
	5,551,400	5,430,156

Geographical information

Information about the Group's revenue from operations from external customers is presented based on the location of the goods delivered.

	2011	2010
	RMB'000	*RMB'000*
The PRC (country of domicile)	**4,591,110**	4,762,888
Korea	**245,914**	111,246
United States of America	**213,119**	216,304
Germany	**117,539**	96,417
Others	**383,718**	243,301
	5,551,400	5,430,156

"Others" included revenue from various countries which are individually immaterial to the Group total revenue.

Information about major customers

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

	2011	2010
	RMB'000	*RMB'000*
Customer 1	**568,733**	689,743
Customer 2	**N/A**[1]	544,768

[1] The corresponding revenue did not contribute over 10% of the total sales of the Group

5. REVENUE

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

6. OTHER INCOME

	2011	2010
	RMB'000	*RMB'000*
Sales of scrap materials	**53,362**	53,335
Interest income earned on bank balances and bank deposits	**6,087**	3,031
Cash discounts received on early settlement of trade payables	**5,742**	4,594
Gain on fair value change of investment properties	**2,000**	2,700
Sundry income	**13,156**	10,575
	80,347	74,235

7. OTHER EXPENSES AND LOSSES, NET

	2011	2010
	RMB'000	*RMB'000*
Write-off of property, plant and equipment	**135,373**	—
Recovery from insurance claims	**(128,897)**	—
Proceeds on scrap sales of fire loss	**(6,418)**	—
Loss on disposal of property, plant and equipment	**2,832**	11,833
Loss relating to disposal/ write-off of property, plant and equipment, net	**2,890**	11,833
Research and development expenditure	**29,530**	26,601
Impairment loss recognised on trade and other receivables	**—**	17,070
Written-off of trade receivables	**10,800**	—
Exchange loss, net	**38,535**	21,347
	81,755	76,851

Exchange loss and loss on disposal of property, plant and equipment for the year ended 31 December 2010 have been reclassified from the administrative expenses to other expenses and losses, net, in order to conform with the current year's presentation in the consolidated statement of comprehensive income.

8. FINANCE COSTS

	2011	2010
	RMB'000	*RMB'000*
Interest on:		
Bank loans wholly repayable within five years	**106,834**	76,275
Less: amounts capitalised in property, plant and equipment	**(11,769)**	(24,638)
	95,065	51,637
Note receivables discounted	**—**	7,125
	95,065	58,762

9. INCOME TAX EXPENSE

	2011	2010
	RMB'000	*RMB'000*
The charge comprises:		
Current tax		
Current year	**130,689**	223,921
Overprovision in prior year	**—**	(538)
Deferred taxation	**(1,788)**	1,769
	128,901	225,152

The tax charge represents income tax in the PRC which is calculated at the prevailing tax rate of 25% for both years 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 except for the subsidiaries described below.

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. As at 31 December 2011 and up to the date of these consolidated financial statements were authorised for issuance, such certificate is under renewal process and the management is of the opinion that this status may be renewed before the end of year 2012 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.

Under the New Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards at a tax rate of 10%. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB1,978 million (2010: RMB1,525 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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

	2011	2010
	RMB'000	*RMB'000*
Profit before tax	**691,556**	1,280,605
Tax at the PRC tax rate of 25% (2010: 25%)	**172,889**	320,150
Tax effect of expenses not deductible for tax purposes	**21,877**	15,013
Tax effect of income not taxable for tax purposes	**(9,070)**	(5,144)
Tax effect of preferential tax rate	**(58,340)**	(102,952)
Tax effect of deductible temporary differences not recognised	**16**	237
Overprovision in prior year	**—**	(538)
Others	**1,529**	(1,614)
Tax charge for the year	**128,901**	225,152

10. PROFIT FOR THE YEAR

	2011	2010
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	**381,666**	367,877
Retirement benefits scheme contributions	**25,810**	10,873
Share-based payments	**9,105**	6,626
Total staff costs	**416,581**	385,376
Amortisation of prepaid lease payments	**5,812**	5,812
Auditor's remuneration	**1,656**	1,813
Cost of inventories recognised as an expense	**4,252,930**	3,794,566
Depreciation for property, plant and equipment	**372,846**	319,296
Loss on disposal of property, plant and equipment	**2,890**	11,833
Gross rental income from investment properties	**(4,320)**	(4,320)
Less: direct operating expenses from investment properties that generated rental income during the year	**269**	562
	(4,051)	(3,758)

11. DIVIDEND

	2011	2010
	RMB'000	*RMB'000*
Dividend recognised as distribution during the year:		
Final dividend paid for financial year ended 31 December 2010 – 15.0 HK cents per share (2010: final dividend paid for financial year ended 31 December 2009 – 10.0 HK cents per share)	**194,180**	122,122
Final dividend proposed, 20.0 HK cents (financial year ended 31 December 2010: 15.0 HK cents) per share	**247,227**	194,180

A final dividend for the year ended 31 December 2011 of 20.0 HK cents (2010: 15.0 HK cents) per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The dividend proposed for the year ended 31 December 2011 and the dividend paid for financial year ended 31 December 2010 will be or were paid out of share premium. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum of Association and Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

12. EARNINGS PER SHARE

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

	2011 *RMB'000*	2010 *RMB'000*
Earnings		
Earnings for the year attributable to owners of the Company for the purposes of basic earnings per share	**418,118**	791,959
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,524,777**	1,427,187

During the year ended 31 December 2010, the weighted average number of ordinary shares for the purpose of basic earnings per share had been adjusted for the new ordinary shares issued on 15 September 2010.

There was no potential ordinary share during the years ended 31 December 2011 and 2010.

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 net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2011 *RMB'000*	2010 *RMB'000*
Trade receivables		
0 - 90 days	**1,337,084**	1,253,459
91 - 180 days	**188,887**	194,005
181 - 360 days	**71,514**	49,451
Over 360 days	**24,945**	15,284
	1,622,430	1,512,199
Note receivables		
0 - 90 days	**699,357**	433,382
91 - 180 days	**593,191**	377,121
181 - 360 days	**236,276**	210,297
	1,528,824	1,020,800

Advance to raw material suppliers	**267,586**	224,441
Spools	**21,731**	19,117
Other receivables and prepayments	**26,044**	8,920
Less: Allowance for doubtful debts on other receivables	**(120)**	(120)
	315,241	252,358
	3,466,495	2,785,357

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:

	2011	2010
	RMB'000	*RMB'000*
Trade payables		
0 - 90 days	**233,020**	227,218
91 - 180 days	**134,641**	84,898
181 - 360 days	**20,114**	2,783
Over 360 days	**2,259**	4,368
	390,034	319,267
Note payables		
0 - 90 days	**98,560**	119,500
91 - 180 days	**451,600**	150,500
	550,160	270,000
Value-added tax payables and other tax payables	**27,185**	22,761
Accrued staff costs and pension	**165,964**	182,723
Payables for purchase of property, plant and equipment	**190,757**	153,880
Accrued interest expense	**5,031**	2,151
Accrued electricity charges	**48,583**	42,517
Others	**20,192**	8,633
	457,712	412,665
	1,397,906	1,001,932

15. SHARE CAPITAL

	Number of shares	Amount *HKD*	Equivalent to *RMB'000*
Authorised:			
Ordinary shares of HKD0.10 each at 1 January 2010, 31 December 2010 and 31 December 2011	3,000,000,000	300,000,000	301,410
Issued and fully paid:			
At 1 January 2010	1,386,176,693	138,617,669	139,091
New ordinary shares issued	138,600,000	13,860,000	11,908
At 31 December 2010, 1 January 2011 and 31 December 2011	1,524,776,693	152,477,669	150,999

Pursuant to a subscription agreement on 2 September 2010, five substantial shareholders of the Company subscribed for 138,600,000 new shares of HK$0.10 each in the Company at a price of HK$5.50 per share, representing a discount of approximately 7.56% to the closing market price of the Company's shares on 1 September 2010. The total proceeds of RMB654,904,000 were expected to be used to enhance the production facilities of the Group and finance the development of new products of the Group and general working capital of the Company. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 20 May 2010 and rank pari passu with other shares in issue in all respects.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Due to the weak global economy and tightening of monetary policy in China in 2011, the rapid growth of the Chinese automobile industry in previous years has slowed down. The China Association of Automobile Manufacturers reported the country's overall vehicle production to be approximately 18,418,900 units, a similar level with last year (2010: 18,505,100). The country's production for passenger cars recorded a moderate year-on-year growth of 7.9% to 482,600 units, while production for trucks dropped 7.04% to 2,653,700 units. The decline in new trucks was mainly caused by the sluggish sentiment towards fixed asset investment in the PRC during the second half of 2011, which reduced average daily truck traffic and subsequently lowered the demand for trucks.

The China Rubber Industry Association announced that China's tire output in 2011 totalled 456 million units, a year-on-year growth of 2.93%, of which 398 million units were radial tires, an overall radialisation rate of 87%, steadily progressing towards the target set by China's Ministry of Industry and Information Technology. By leveraging its competitive advantages, Xingda is able to tap this market opportunity in the long run, and strategically develop in a stable manner within the radial tire cord industry.

BUSINESS REVIEW

In 2011, despite the downtrend in the global economy which slowed down China's economic growth and weakened the domestic passenger car and truck demand, strong domestic replacement demand in passenger car tires and fast growing export sales led to a moderate increase in the Group's total sales volume of 3.1% to 455,600 tonnes. During the year, sales volume of radial tire cords rose by 3.0% to 383,400 tonnes, accounting for 84.1% of total sales volume (2010: 84.2%), whereas the sales volume of bead wires slightly declined by 2.1% to 68,300 tonnes, accounting for 15.0% of total sales volume of the Group (2010: 15.8%). The new product, sawing wire, recorded a sales volume of 3,900 tonnes, accounting for 0.9% of the Group's total sales volume.

Sales volume of the Group's radial tire cords for trucks declined by 7.5% to 255,300 tonnes due to the softened economic growth in China. However, the Group was able to ride on the fast growing market for passenger cars in China and more overseas orders which in turn spurred a 33.2% rise in the sales volume of radial tire cords for passenger cars to 128,100 tonnes during the year under review. The sales volumes of radial tire cords for trucks and passenger cars contributed 66.6% and 33.4% respectively of the Group's total sales volume of radial tire cords (2010: 74.2% and 25.8%).

Sales Volume	**2011**	2010	Change
	Tonnes	*Tonnes*	
Radial Tire Cords	**383,400**	372,300	+3.0%
- For Trucks	***255,300***	*276,100*	*-7.5%*
- For Passenger Cars	***128,100***	*96,200*	*+33.2%*
Bead Wires	**68,300**	69,800	-2.1%
Sawing Wires	**3,900**	—	—
Total	**455,600**	442,100	+3.1%

Amid the weakened infrastructure and property sectors, domestic sales volume of radial tire cords recorded a slight decrease of 3.0% to 314,100 tonnes in 2011, and accounted for 82% of the Group's total volume of radial tire cords sold (2010: 87%). Xingda strived to consolidate its leading position in the PRC market while continued to place higher importance on overseas markets. In 2011, overseas sales of radial tire cords rose by 43% to 69,300 tonnes as Xingda's products have been recognised by more and more global tire manufacturers. Export sales accounted for 18% of total sales volume of radial tire cords in 2011 (2010: 13%).

Xingda successfully expanded its business into the solar power industry and commenced mass production in sawing wire since December 2010. In 2011, the Group sold 3,900 tonnes of sawing wire to several major solar panels and cells manufacturers in China. Although revenue contributed by sawing wires was lower than expected in the second half of 2011 caused by a weaker demand from the solar wafer industry, the Group gained some major solar panel makers in China to broaden its customer base.

In July 2011, Faith Maple International Ltd., a wholly owned subsidiary of the Company, formed a jointly controlled entity, Shandong Xingda Steel Tyre Cord Co., Ltd., with Guang Rao Hong Kai Investment Company Limited and Guang Rao Hong Yuan Investment Company Limited. The main businesses of the jointly controlled entity are manufacturing and sale of radial tire cords and hose wires. A new factory will be built in Shandong to accommodate the growing businesses of the jointly controlled entity, and is expected to commence operation in 2013. The management believes that the jointly controlled entity will bolster the competiveness of the Group in that region.

During the year under review, Xingda continued to strive to improve the quality of its products and production facilities. By the end of 2011, the Group's annual production capacity for radial tire cords reached 500,000 tonnes (2010: 430,000 tonnes), while that for bead wires reached 100,000 tonnes (2010: 81,000 tonnes) and that for sawing wires 12,000 tonnes.

	2011 Production Capacity (Tonnes)	**2011 Utilization Rate**	2010 Production Capacity (Tonnes)	2010 Utilization Rate
Radial Tire Cords	**500,000**	**79%**	430,000	85%
Bead Wires	**100,000**	**70%**	81,000	84%
Sawing Wires	**12,000**	**35%**	—	—

Moreover, the Group continued to carefully monitor the market demand and prudently implement the production expansion plan of its No. 9 factory in Jiangsu and the new factory in Shandong so as to maintain a high utilisation rate. At the end of 2011, the Group's production capacity for radial tire cords, bead wires and sawing wire were 500,000 tonnes, 100,000 tonnes and 12,000 tonnes respectively. Xingda's overall utilisation rate in 2011 decreased by 8 percentage points to 77%.

To provide greater product diversity for customers, Xingda developed 13 new types of radial tire cord, 11 new types of bead wire and 5 types of sawing wire. As at the end of 2011, the Group offered a comprehensive range of products, including 162 types of radial tire cord, 61 types of bead wire and 8 types of sawing wire to customers (2010: 149 types of radial tire cord, 50 types of bead wire and 3 types of sawing wire).

PROSPECTS

Against the backdrop of global economic uncertainty and the continued monetary tightening measures implemented by the Chinese Government, China's economy is expected to grow at a slower pace compared with previous years. Nevertheless, China's ongoing urbanisation and guidance by the "Twelfth Five-Year Plan" would continue to stimulate the development of infrastructure within the country. This, in turn would spur the replacement demand for truck tires, thereby alleviating the negative impact brought about by the ensuing financial turmoil. The rally in automobile ownership and exports would add impetus to the replacement demand for passenger car tires. Market demand should be further reinforced by the Chinese Government's target to achieve a radialisation rate exceeding 95% for truck tires. All these trends will allow Xingda to maintain a stable growth in medium term.

Foreseeing a steady yet increasingly competitive radial tire cord industry in China, Xingda will tighten its cost control procedures, enhance production efficiency and cautiously monitor its capacity expansion plan to accommodate future market trends. At the same time, leveraging its established relationships built up with renowned foreign tire manufacturers in recent years, Xingda will step up efforts to strengthen its overseas business, with an aim to enhance its brand profile and increase the revenue contribution from overseas.

Looking ahead, riding on its competitive advantages, distinguished reputation and solid financial position, Xingda will be able to stand firm amidst the competitive industry environment and maintain its leading position in China. The Group will also advance steadily towards its goal to become the world's largest radial tire cord manufacturer.

FINANCIAL REVIEW

Revenue

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

RMB in million	**2011**	**Proportion**	2010	Proportion	Change(%)
Radial Tire Cords	**4,918**	**88%**	5,007	92%	-1.8
- For trucks	***3,409***	***61%***	*3,865*	*71%*	*-11.8*
- For passenger cars	***1,509***	***27%***	*1,142*	*21%*	*+32.1*
Bead wires	**418**	**8%**	423	8%	-1.2
Sawing wires	**215**	**4%**	–	–	–
Total	**5,551**	**100%**	5,430	100%	+2.2

By maintaining its own industry-leading advantages and leading market share, the Group's total revenue rose by 2.2% or RMB121 million to RMB5,551 million in 2011. Domestic and overseas markets contributed 82.7% and 17.3% respectively of the Group's total sales revenue (2010: 87.7% and 12.3%).

Gross profit and gross profit margin

The Group's gross profit decreased by 20.6% or RMB337.1 million to RMB1,298.5 million in 2011 (2010: RMB1,635.6 million) due to higher major raw materials costs and decline on average selling prices for both radial tire cord products and sawing wire products. Consequently, gross profit margin dropped to 23.4% (2010: 30.1%). During the year, the major raw material, steel rods accounted for 58.3% of the Group's cost of sales (2010: 55.2%).

Other income

Other income increased by RMB6.1 million or 8.2% from RMB74.2 million in 2010 to RMB80.3 million for the year under review. The increase was mainly attributable to the increase in bank interest income and discounts received from suppliers.

Government grant

Government grants for the year rose by 96.9% from RMB32.5 million in 2010 to RMB64.0 million due to the increase in subsidies from the local government.

Selling and distribution expenses

Selling and distribution expenses increased by RMB69.3 million or 25.5% from RMB271.7 million in 2010 to RMB341.0 million. The increase was mainly caused by the corresponding rise in transportation costs for a higher sales volume as well as the shipping cost and storage cost associated with export sales.

Administrative expenses and other expenses and losses, net

Administrative expenses for 2011 decreased by RMB9.2 million or 3.8% to RMB231.5 million when compared to 2010, which was mainly attributable to the decrease in administrative staff costs and benefits. Other expenses and losses, net increased by RMB4.9 million or 6.4% from RMB76.9 million in 2010 to RMB81.8 million in 2011 was due to an increase in net foreign exchange loss and research and development expenditure partially offset by the decline in the loss on disposal of property, plant and equipment and provision for trade receivables.

Finance costs

Finance costs rose by RMB36.3 million or 61.7% to RMB95.1 million from RMB58.8 million in 2010. The increase was mainly caused by the higher weighted average interest rates and increase in average bank borrowings in 2011.

Income tax

The Group's income tax charge decreased by RMB96.3 million to RMB128.9 million with an effective tax rate of 18.6% (2010:17.6%). The increased effective tax rate was caused by the decline in deferred tax credit for the year ended 31 December 2011.

Net profit

Taking the above factors into account, the Group's net profit for the year ended 31 December 2011 decreased by RMB492.8 million or 46.7% from RMB1,055.5 million in 2010 to RMB562.7 million. If the gain on disposal of available-for-sale investments from non-operating activities (net of tax) and net exchange loss arising from non-operating activities were excluded, the adjusted net profit of the Group for the year ended 31 December 2011 would be RMB580.0 million, representing a decrease of RMB327.0 million or 36.1% when compared with the previous year.

Reconciliation of report profit and underlying profit

	2011 ***RMB'000***	2010 *RMB'000*
Profit for the year	**562,655**	1,055,453
Gain on disposal of available-for-sale investments from non-operating activities (net of tax)	**–**	(158,389)
Net exchange loss arising from non-operating activities	**17,359**	9,903
Underlying profit for the year	**580,014**	906,967
Underlying profit for the year attributable to:		
Owners of the Company	**435,477**	691,718
Non-controlling interests	**144,537**	215,249
	580,014	906,967

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 decreased by RMB416.0 million from RMB1,146.9 million as at 31 December 2010 to RMB730.9 million as at 31 December 2011. The decrease was due to the net cash outflows of RMB932.0 million from investing activities exceeding the cash generated from operating activities of RMB459.3 million and financing activities of RMB56.7 million.

Bank borrowings which were all in Renminbi increased by RMB357.7 million or 24.0% to RMB1,850.0 million as at 31 December 2011 from RMB1,492.3 million as at 31 December 2010. The bank borrowings carry interest at market rates from 5.19% to 6.56% (2010: 4.37% to 4.86%) and are repayable within one year from 31 December 2011.

The Group's current assets increased by 13.1% to RMB4,983.0 million as at 31 December 2011 from RMB4,404.0 million as at 31 December 2010 and its current liabilities increased by 52.7% from RMB2,166.9 million as at 31 December 2010 to RMB3,309.0 million as at 31 December 2011. The Group's current ratio, being defined as current assets over current liabilities, dropped from 2.03 times as at 31 December 2010 to 1.51 times as at 31 December 2011. The decline was mainly caused by the increase in bank borrowings repayable within one year and decrease in bank balances and cash. The gearing ratio which is measured by total debts (bank borrowings) to total assets increased from 17.5% as at 31 December 2010 to 19.3% as at 31 December 2011 due to an increase in bank borrowings repayable within one year.

FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in Renminbi, US dollars and Euro. Since more than half of the sales proceeds in US dollars and Euro have been used to purchase imported raw materials in the same currencies, the appreciation of the Renminbi did not have a materially unfavourable effect on the operating results of the Group in 2011.

Apart from certain bank and debtors' balances in Hong Kong dollars, US dollars and Euro, 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 material adverse impact on the operation or liquidity of the Group. Accordingly, the Group did not enter any financial derivative instruments to hedge against foreign exchange currency exposure during the year under review. However, the Group will closely monitor the impact of change in value of the Renminbi on its operation and consider appropriate hedging solutions, if required.

CAPITAL EXPENDITURE

For the year ended 31 December 2011, capital expenditure of the Group for property, plant and equipment amounted to RMB756.9 million (2010: RMB865.0 million).

CAPITAL COMMITMENTS

As at 31 December 2011, the Group had made capital commitment of approximately RMB61.4 million (31 December 2010: RMB53.4 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 authorised but not contracted for in both years.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2011 and 31 December 2010.

PLEDGE OF ASSETS

As at 31 December 2011, the Group pledged bank deposits of RMB108.3 million to secure its bank borrowings (31 December 2010: RMB16.4 million). And the carrying amount of the short-term trade receivables and notes receivable, which have been pledged as security for the bank borrowings, are RMB50,719,000 and RMB250,000,000 respectively (2010: Nil).

SIGNIFICANT INVESTMENTS

Except for the investment in the jointly controlled entity, Shandong Xingda Steel Tyre Cord Co., Ltd amounting to RMB244.6 million, the Group had no other significant external investments for the year ended 31 December 2011 and 31 December 2010.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

The Group had no significant acquisitions and disposals for the years ended 31 December 2011 and 31 December 2010.

HUMAN RESOURCES

As at 31 December 2011, the Group had approximately 7,500 (31 December 2010: approximately 7,800) full time employees. Total staff costs including directors' remuneration for the year ended 31 December 2011 was approximately RMB416.6 million (2010: approximately RMB385.4 million). Salaries are generally reviewed with reference to 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 ("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 2011, the amount of Union Fees contributed by Jiangsu Xingda to the Xingda Labour Union amounted to RMB6.9 million (2010: RMB6.8 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 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 accident and unemployment insurance policies for its employees.

In 2009, the Board adopted a share award scheme to encourage and retain elite employees to stay 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 selected employees 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 relevant selected employees until such shares are vested in the relevant selected employees in accordance with the provisions of the scheme. In 2010, 5,000,000 Company's shares (the "First Batch Shares") were purchased by the trustee on the public market. In 2011, another 5,000,000 Company's shares (the "Second Batch Shares") were purchased by the trustee on the public market. The total consideration and other directly attributable incremental costs of the Second Batch Shares purchased under the share award scheme in an aggregate amount of approximately RMB17.7 million were recognised in the reserve of the Company. As at 31 December 2011, two-thirds of the First Batch Shares held under share award scheme have been allocated to selected employees and the rest of the First Batch Shares are expected to be awardable before or in 2013. The Second Batch Shares will be allocated to selected employees in a three-year period commencing from 2013.

DIVIDEND

The Board has recommended the payment of a final dividend of 20.00 HK cents (approximately RMB 16.21 fen) per share for the financial year ended 31 December 2011 to the shareholders whose names appear on the register of members of the Company on Wednesday, 30 May 2012. The final dividend will be payable on Friday, 29 June 2012.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Friday, 18 May 2012, 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 Wednesday, 16 May 2012 to Friday, 18 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates 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 4:30 p.m. on Tuesday, 15 May 2012.

The proposed final dividend for the year ended 31 December 2011 is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting. The register of members of the Company will be closed from Monday, 28 May 2012 to Wednesday, 30 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for receiving the final dividend, all duly completed transfer forms accompanied by accompanied by the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 25 May 2012.

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 2011.

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 2011, 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 executive Directors, the Executive Committee of the Company 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 2011.

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 of the Group for the year ended 31 December 2011. In addition, the consolidated financial statements of the Group for the year ended 31 December 2011 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 2011 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 2012.

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

Shanghai, the PRC, 23 March 2012

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