



[For Immediate Release]



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

XINGDA 2015 INTERIM NET PROFIT REACHES RMB204 MILLION

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CONSOLIDATION OF THE INDUSTRY HAS BEGUN XINGDA STRIVES TO MAINTAIN ITS INDUSTRY LEADING POSITION

(Hong Kong, 26 August 2015) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturers of radial tire cords, today announced its unaudited interim results for the six months ended 30 June 2015.

During the first half of 2015, further consolidation of the radial tire cord industry resulted in a decline in the average selling price, affecting the revenue of the Group inevitably during the period. The Group’s revenue decreased by 13.4% to RMB2,441 million. Gross profit was RMB473 million. Profit attributable to owners of the Company was RMB147 million. Basic earnings per share were RMB9.71 fen.

Mr. Liu Jinlan, Chairman of Xingda, said, “The domestic economy has maintained a stable upward trend in the first half of 2015. However, the industry accelerating consolidation and the suppressed product prices has led to the industry-wide decline in gross profit margin. Facing the severe operating environment and fiercer competition, Xingda’s management responded with precisely focused management measures and stronger corporate governance. As a result, Xingda strived to maintain its industry leading position.”

Xingda’s total sales volume rose by 0.7% to 292,600 tonnes in the first half of 2015. Sales volume of radial tire cords, the Group’s major product, decreased by 0.1% to 251,100 tonnes, while bead wires grew by 8.8% to 40,600 tonnes. Radial tire cords and bead wires accounted for 85.8% and 13.9% of the total sales volume of the Group respectively.

During the period, the domestic long-distance transportation activities have been affected by slower growth in China’s economy, resulting in weaker demand within the truck industry which were seen both in new orders and replacement demand during the reporting period. As such, the sales volume of radial tire cords for trucks, decreased by 7.9% to 153,100 tonnes. Regarding the Group’s sales volume of radial tire cord for passenger cars, an increase of 15.2% to 98,000 tonnes was recorded, which was mainly driven by the new orders from overseas customers together with the growing replacement demand of the domestic automobile tire market. Sales of radial tire cords for trucks and passenger cars represented 61.0% and 39.0% of the Group’s total sales volume of radial tire cord products respectively.

In the first half of 2015, Xingda’s domestic sales volume of radial tire cords dropped by 5.7% to 193,300 tonnes, representing 77.0% of the Group’s total sales volume for this product. Whilst, the overseas sales volume of radial tire cords recorded an increase by 24.6% to 57,800 tonnes, accounting for 23.0% of the Group’s total sales volume of radial tire cords.

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In terms of the production capacity, the annual production capacity of the Jiangsu factory has reached 560,000 tonnes as at 30 June 2015. Meanwhile, the new Shandong plant has commenced operation in the second quarter of 2015, with annual production capacity of phase one at 50,000 tonnes. The Group's combined total annual production capacity of radial tire cords is 610,000 tonnes. The annual production capacity of bead wire and sawing wire has remained at 100,000 tonnes and 12,000 tonnes, respectively.

Mr. Liu concluded, "Despite the fierce competition in the radial tire cords industry, a consolidation of the industry has begun in which those advanced enterprises survive and the weaker ones are on the brink of closure. Xingda due to its solid financial position stands out as an industry leader. The Group believes that the industry shakeout will favour its development in the long run. Industry consolidation should also promote a more efficient utilisation of resources while boosting product quality and production efficiency, thus creating greater scope for generating profits for the winners. In its preparations to meet the challenges ahead, Xingda believes that only those enterprises who are well-prepared and well-equipped can seize available market opportunities. The Group also believes it is well-prepared to take the lead in facilitating a new round of overall industrial development in the future after industry consolidation."

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of backbone material of radial tire including radial tire cord that support the tire wall and bead wire that connect the tire to the wheel-rim. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established solid foothold in China and is one of the largest manufacturers of radial tire cord in China. The Group has also expanded to the solar power industry by producing sawing wire. The Group's customers include China's top 10 radial tire manufacturers and global renowned tire manufacturers. Xingda's headquarters and main production base are located in Jiangsu Province of China with a total gross floor area of around 567,000 sq. m.

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