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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the management's preliminary assessment of the unaudited consolidated management accounts, the Group is expected to record a substantial decrease in the net profit attributable to the owners of the Company for the year ended 31 December 2012 as compared with the net profit attributable to the owners of the Company for the year ended 31 December 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Xingda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the management's preliminary assessment of the unaudited consolidated management accounts, the Group is expected to record a substantial decrease in the net profit attributable to the owners of the Company for the year ended 31 December 2012 as compared with the net profit attributable to the owners of the Company for the year ended 31 December 2011.

The expected decline in the net profit attributable to the owners of the Company for the year ended 31 December 2012 was primarily attributable to the following reasons:

- (1) The decrease in average selling prices of radial tire cords products and sawing wires products in China market due to the price pressure in the industry, which led to gross profit margin erosion;
- (2) The provision of deferred tax charge related to the withholding tax provision on the accumulated distribute profits of a subsidiary of the Company which was incorporated in People's Republic of China for an amount of approximately RMB56 million based on the management's preliminary assessment. This charge is provided for a wholly-owned subsidiary of the Company;
- (3) The decrease in government grant received during the year ended 31 December 2012 of approximately RMB46 million; and
- (4) The increase in impairment loss recognised on trade receivables.

Despite the decline in net profit for the year ended 31 December 2012, the Board considers that the Group's overall financial position remains solid and the Board remains positive on the long term prospect of the Group.

The Company is still in the process of finalising the results for the year ended 31 December 2012. The information contained herein is a preliminary estimate given by the management of the Group based on the unaudited consolidated management accounts of the Group which have not been audited or reviewed by the auditor of the Company. The audited financial results of the Group for the financial year ended 31 December 2012 will be announced on 26 March 2013. Further management discussion and analysis on the results of the Group will be set out therein.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board of
Xingda International Holdings Limited
Liu Jinlan
Chairman of the Board

Shanghai, the PRC, 13 March 2013

As at the date of this announcement, the executive directors of the Company are Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Zhang Yuxiao; the non-executive director of the Company is Ms. Wu Xiaohui; and the independent non-executive directors of the Company are Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua.