

[For Immediate Release]



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

**XINGDA ANNOUNCES 2011 ANNUAL RESULTS**

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**PROPOSES PAYMENT OF A FINAL DIVIDEND OF 20 HK CENTS PER SHARE  
SHARING OF SUCCESS WITH SHAREHOLDERS**

**Financial Highlights:**

<i>(RMB Million)</i>	<b>2011</b>	2010	Changes
Revenue	<b>5,551</b>	5,430	+2.2%
Gross profit	<b>1,298</b>	1,636	-20.6%
Profit attributable to owners of the Company	<b>418</b>	792	-47.2%
Basic earnings per share (RMB fen)	<b>27.42</b>	55.49	-50.6%
Proposed final dividend per share (HK cents)	<b>20</b>	15	+33.3%

(Hong Kong, 23 March 2012) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 01899.HK), a global leading manufacturer of radial tire cords, today announced its annual audited results for the year ended 31 December 2011.

During the year, leveraging its competitive advantages and strong financial position, Xingda has minimized the impact of the adverse macroeconomic condition and achieved modest growth. The Group’s revenue increased by 2.2% to RMB5,551 million while gross profit dropped by 20.6% to RMB1,298 million. Profit attributable to owners of the Company in 2011 decreased by 47.2% to RMB418 million. The Board of Directors has proposed a final dividend of 20 HK cents per share (2010: 15 HK cents per share).

**Mr. Liu Jinlan, Chairman of Xingda**, said, “The monetary tightening measures implemented by the Chinese Government have slowed down infrastructure and property development in China, reducing both freight and domestic road traffic and weakened the demand for truck tires. In addition, peers have adopted aggressive pricing strategy to counter the softer market. This has inevitably created a challenging domestic business environment for Xingda in 2011. To cope with the challenges, we have adjusted the selling prices and adopted stringent cost control measures. Leveraging our solid relationships with the customers forged over the years, the Group managed to maintain the leading position within the industry. We also made good progress in developing the overseas markets with an increase in direct export sales.”

During the year, the strong domestic replacement demand in passenger car tires and fast growing export sales led to a moderate increase of 3.1% in the Group's total sales volume to 455,600 tonnes. 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, due to the growing overseas market for passenger cars, sales volume of radial tire cords for passenger cars rose 33.2% 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%).

Due to 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%). As Xingda's products have been recognised by more and more global tire manufacturers, overseas sales of radial tire cords rose by 43% to 69,300 tonnes. Export sales accounted for 18 % of total sales volume of radial tire cords in 2011 (2010: 13%).

During the year, 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%.

In 2011, Xingda successfully expanded its business into the solar power industry and 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 key customers in China to broaden its customer base. In July 2011, a jointly controlled entity, Shandong Xingda Steel Tyre Cord Co., Ltd., was formed. The main businesses of the jointly controlled entity are manufacturing and sale of radial tire cords and hose wires. Xingda believes that this will bolster the competitiveness of the Group in that region.

**Mr. Liu** concluded, “China’s ongoing urbanisation and guidance by the ‘Twelfth Five-Year Plan’ would continue to stimulate the development of infrastructure within the country, thereby alleviating the negative impact brought by the ensuing financial turmoil. Besides, market demand should be further reinforced by the Chinese Government’s target to achieve a radialisation rate exceeding 95% for truck tires. Foreseeing a steady yet increasingly competitive radial tire cord industry in China, the Group will leverage its competitive advantages, distinguished reputation and solid financial position, with an aim to maintain its leading position in China while enhance its brand reputation in the overseas market. Xingda will stand firm amidst the competitive industry environment, and advance steadily towards its goal to become the world’s largest radial tire cord manufacturer.”

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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 cords that support the tire wall and bead wires 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 cords in China. The Group has also expanded to solar power industry by producing sawing wire. The Group’s customers include the China’s top 10 radial tire manufacturers and the global renowned tire manufacturer. Xingda’s headquarters and production base are located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

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