



**STRATEGIC FINANCIAL RELATIONS (CHINA) LIMITED**  
**縱橫財經公關顧問(中國)有限公司**

[For Immediate Release]



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

**XINGDA 2016 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY REACHED  
RMB277.8 MILLION**

**PROPOSED FINAL DIVIDEND PER SHARE WERE 15.0 HK CENTS  
WITH A DIVIDEND PAYOUT RATIO OF 70.9%**

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**BOTH SALES VOLUME AND ASP OF RADIAL TIRE CORD PRODUCT INCREASE  
XINGDA EXPANDS MARKET SHARE BY  
SEIZING OPPORTUNITIES ARISES FROM INDUSTRY RECOVERY**

(Hong Kong, 24 March 2017) – **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 audited annual results for the year ended 31 December 2016.

As the economic development direction began to stabilize in China, its supply side structural reform gradually strengthened and the radial tire cord industry structure has almost been formed under the consolidation, the Group’s results continued to improve with revenue up 15.5% year-on-year to RMB5,469.2 million in 2016. The selling price of radial tire cord products has climbed since bottoming out in the second quarter of 2016, thus gross profit has increased by 40.6% to RMB1,195.3 million and gross profit margin climbed 4.0 ppt year-on-year to 21.9%. Profit attributable to owners of the Company was RMB277.8 million, representing a gain of 59.9% from the entire 2015. Basic earnings per share were RMB18.75 fen, 62.1% higher than the previous year. The Board has proposed a final dividend of 15.0 HK cents or approximately RMB13.4 fen per share for the year ended 31 December 2016, with a dividend payout ratio of 70.9%.

**Mr. Liu Jinlan, Chairman of Xingda**, said, “During 2016, the Chinese economy generally remained stable, making China a highlight amidst the sluggish global economic development. The consolidation of the radial tire cord industry accelerated in the first half of the year while the structure of the industry stabilized in the second half of the year. Capitalizing on its advantage as an industry leader, the Group absorbed the market space released from elimination of obsolete production capacity under government directives and subsequently enlarged our market share. In the second half of the year, new policies launched by the government included tightening control of maximum loading of trucks and dimensions, axle load and masses for motor vehicles, trailers and combination vehicles, which has stimulated demand for new trucks, which in turn boosted the demand for radial tires. All of the factors above have combined to bring about more orders for radial tire cord products, so even as the material costs have risen, nonetheless the Group managed to increase the product prices several times during the year leveraging its strong price negotiating ability and thereby notably improved our product income.”

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In the second half of 2015, the radial tire industry going through supply-side structural reform actively ridged excess inventory. Came the first quarter of 2016, the domestic tire manufacturers started to replenish inventory and with the radial tire cords industry consolidation bearing fruit plus the development of new infrastructure projects picking up speed, demand for the Group's radial tire cords has exceeded output since the second quarter of 2016. Moreover, in the second half of the year, the demand for new trucks increased as the government enforcing laws to clamp down on illegal modification, overrunning and overloading of trucks and also launching standard specifications for trucks. And, the country implementing measures such as reducing sales tax by half for low-emission cars and promoting new energy vehicles, have also released the keen demand for radial tire cords for passenger cars in the market. Combined with the effects on change of industry landscape and the implementation of new national policies, the sales volume of the Group's radial tire cords were boosted by 21.0% to 606,300 tonnes during the year, accounting for 88.6% of the Group's total sales volume. The sales volume of bead wires and other wires decreased by 2.4% to 77,800 tonnes, making up 11.4% of the Group's total sales volume.

Benefited by the recovery of the radial tire cord market, the Group sold 381,400 tonnes of radial tire cords for trucks and 224,900 tonnes of radial tire cords for passenger cars, up by 25.4% and 14.1% year-on-year, accounting for 62.9% and 37.1% of the Group's total sales volume of radial tire cord products, respectively.

In respect of different sales market, the Group's domestic sales volume of radial tire cords rose by 26.5% to 487,200 tonnes during the year, representing 80.4% of the Group's total sales volume for this product. The Group's continued escalation of development efforts in the global market has also helped maintain stable growth. As for overseas markets, the pan-Asia Pacific region (excluding China) and North America markets remain the Group's key markets. The export sales volume of the Group's radial tire cords increased by 2.7% to 119,100 tonnes, accounting for 19.6% of its total sales volume of radial tire cords in 2016.

The Group's total annual production capacity of radial tire cords was 670,000 tonnes as at the end of 2016. The annual production capacities of its Jiangsu factory and Shandong plant were 580,000 tonnes and 90,000 tonnes respectively. As for bead wires and other wires, the annual production capacity was 105,000 tonnes. During the year, the overall utilization rate of the Group rebounded to 90%.

**Mr. Liu** concluded, "The Group is optimistic about its prospects for the future. Under the comprehensive planning and clear guidance of state policies, China's economic growth structure is likely to achieve concrete improvement, thereby creating momentum for innovation in business and society, driving demand for production and construction and creating new development highlights in the industry. On the other hand, the industry should recover from the downturn, the production efficiency of the industry is expected to be heightened in 2017. Moreover, the national policy of lowering maximum loading on truck has just come into effect, and related works will be fully implemented in 2017. Therefore, the structural upgrade of heavy-duty trucks and the faster elimination of old trucks is on track to become a trend, and the radial tire cord industry will benefit from the structural upgrade of heavy-duty trucks in the long run. As one of the largest manufacturers of radial tire cord products in China, Xingda will continue to adhere to the strictest corporate governance, maintain a healthy financial condition, and execute a highly efficient production plan and flexible sales strategy to lead the recovery of the industry and promote the industry-wide upgrade and development."

### **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'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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