



[For Immediate Release]



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

XINGDA ANNOUNCES 2009 INTERIM RESULTS
PROFIT ATTRIBUTABLE TO OWNERS REACHED RMB201 MILLION

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(Hong Kong, 4 September 2009) – Xingda International Holdings Limited (“Xingda” or “the Group”) (Stock Code: 1899.HK), today announced its revenue for the six months ended 30 June 2009 was approximately RMB1,527 million (first half of 2008: RMB1,775 million). Gross profit and gross profit margin was RMB385 million (first half of 2008: RMB476 million) and 25.2% (first half of 2008: 26.8%) respectively. Profit attributable to owners of the Company was maintained at RMB201 million (first half of 2008: RMB239 million). The Board of Directors of the Company did not recommend payment of interim dividend for the six months ended 30 June 2009.

Mr. Liu Jinlan, Chairman of Xingda, said, “During the period, the PRC Central Government implemented the economic stimulus program, coupled with the real radial tire demand resumed in the second quarter, have largely offset the negative impacts posted by the financial turmoil in the fourth quarter of 2008 and the traditional slack season in the first quarter of 2009. Sales orders of the Group were recovered soonest in March 2009, leveled down the total sales drop in the first six months of 2009.”

During the review period, the Group’s total sales volume was 119,500 tonnes. Radial tire cords continued to be the Group’s core product and 101,700 tonnes were sold, accounting for 85.1% of the total sales volume while the sales volume of bead wires was 17,800 tonnes, accounting for 14.9% of the total sales volume. The sales volume of radial tire cords for truck, which have a higher gross profit margin, was 84,400 tonnes and continued to be the Group’s major source of income while the sales volume of radial tire cords for passenger car was 17,300 tonnes. Radial tire cords for trucks and passenger cars accounted for 83.0% and 17.0% of the Group’s total sales volume of radial tire cords respectively.

Domestic business continued to dominate and contributed 95.1% share in total sales volume. Besides, the Group increased sourcing and usage of domestic steel wire rods during the period, and succeeded in reducing acquisition costs in the second quarter. The cost of steel wire rods accounted for 52.4% of total cost of sales.

Mr. Liu added, “Market demand has been showing signs of further recovery since July and contributed to the increase in orders on the Group’s products. The Group therefore believes that its business performance will be improved, and we expect the sales and profit will increase in the next half year. In addition, as the Group has entirely consumed the steel rods of relatively higher cost which eased the pressure of cost, the Group is positive towards the growth of gross profit in the second half of 2009. With the expansion plan of the Group’s No. 8 Factory carried out, it is expected that the increased production capacity will be sufficient to satisfy the market demand for the second half of 2009. The Group will keep track of the market development and carry out expansion plan as appropriate.”

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“Foreseeing an upward trend in domestic market demand, the Group will continue to focus on the China market so as to capture the market opportunities. It will also continue to pursue its overseas market expansion plan, aiming to strengthen its overseas market position. The Group will continue to strictly adopt cost saving measures and flexible pricing strategy in order to stabilize and enhance the Group’s revenue and profit.” Mr. Liu concluded.

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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’s customers include the China’s top 10 radial tire manufacturers and the global renowned tire manufacturer. Xingda’s headquarters and production base located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

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