

[For Immediate Release]



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

XINGDA'S NET PROFIT INCREASES 51.2% TO RMB293.0 MILLION IN 1H 2013

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BENEFITS FROM DOMESTIC MARKET REBOUND ACHIEVES BETTER PRODUCT MIX FOR EXPORTS

(Hong Kong, 21 August 2013) – **Xingda International Holdings Limited** (“Xingda” or “the Group”) (Stock Code: 1899.HK), one of the leading global manufacturer of radial tire cords, today announced its unaudited interim results for the six months ended 30 June 2013.

During the first half of 2013, the Group's revenue decreased 2.0% to approximately RMB2,708.8 million, while gross profit rose by 18.1% to RMB671.0 million. Although average selling prices of the Group's products had been under moderate downward pressure since the second half of 2012, the gross profit margin improved by 4.2 percentage points to 24.8%. Profit attributable to owners of the Company increased by 38.7% to approximately RMB207.1 million. The Board does not recommend payment of an interim dividend for the six months ended 30 June 2013.

Mr. Liu Jinlan, Chairman of Xingda, said, “As an industry leader in China with a strong customer base, Xingda has been able to take full advantage of the rebound in the domestic market demand, which contributed approximately 80.5% to the Group's total sales. As for exports, the Group has achieved a better product mix, with truck tire cord accounting for a higher portion in the first half of the year.”

Bolstered by the recovery in property development and infrastructure construction in China and a lifting of a three-year anti-dumping measures that the United States had imposed on the Chinese low-end radial tires which affected the radial tire cord industry, Xingda has achieved stronger sales performance in the first half of 2013, with total sales volume rising 8.0% year-on-year to 262,100 tonnes. More specifically, the sales volume of radial tire cords climbed 10.2% to around 227,400 tonnes, while the sales volume of bead wires remained at around 32,600 tonnes. The two products accounted for 86.8% and 12.4% of the Group's total sales volume, respectively (first half of 2012: 85.1% and 13.4%). The sales volume of sawing wire was around 2,100 tonnes.

The sales volume of the Group's major product – radial tire cords for trucks – surged 11.6% to 150,500 tonnes, thanks to the increasing replacement demand for truck tires, while the sales volume of radial tire cord for passenger cars increased 7.6% to 76,900 tonnes, which was supported in part by the growing number of sedan sold in China. During the period, radial tire cords for trucks and for passenger cars accounted for 66.2% and 33.8% of the Group's total sales volume of radial tire cords, respectively (first half of 2012: 65.4% and 34.6%).

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During the first half of 2013, the Group benefited from the decline in prices of raw materials, particularly the price of steel wire rods, the Group's major raw material, which has more than compensated for the drop in average selling prices. The portion of the cost of steel wire rods to the total cost of sales was lowered to 54.2% during the period, compared with 57.0% in the corresponding period of 2012.

In addition to its domestic operations, it is expected that export sales will make a higher profit contribution to Xingda when the Group completes certification for more truck tire cord products in cooperation with its major overseas customers. In the wake of rising demand, Xingda has accelerated its expansion plans to meet the growing demand for radial tire cords, with an aim to complete construction of its Shandong plant in the fourth quarter of 2013.

Mr. Liu concluded, "Despite a modest slowdown in the first half of 2013, China has been pressing forward with various economic reforms aimed at stabilising short-term growth as well as driving the economy towards a healthier and more balanced development in the long run. Under the new leadership, the Chinese government has boosted a vast programme of urbanisation during the next decade, which would require a large investment in public infrastructure and property construction. The burgeoning replacement demand for truck tires to support this construction, coupled with rising need for passenger vehicles in China as the country urbanises and disposable incomes rise, provides a favorable environment for the tire manufacturing sector as well as for Xingda."

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About Xingda International Holdings Limited

The Group is primarily engaged in the manufacturing and distribution of the backbone material of radial tires including radial tire cords that support the tire wall and bead wires that connect the tire to the wheel-rim. The Group commenced mass production of sawing wires since December 2010. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established a solid foothold in China and is one of the largest manufacturers of radial tire cords in China. The Group's customers include China's top 10 radial tire manufacturers and global renowned tire manufacturers. Xingda's headquarters and 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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