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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: 01899)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

	2013 ***RMB in million***	2012 *RMB in million*	**Change**
Revenue	**5,585.2**	5,246.9	**+6.4%**
Gross profit margin	**24.8%**	20.4%	**+4.4pp**
Profit attributable to owners of the Company	**414.8**	188.8	**+119.7%**
Adjusted profit attributable to owners of the Company (note)	**414.7**	243.6	**+70.2%**
Earning per share	**27.20**	12.38	**+119.7%**
Gearing ratio	**10.4%**	12.7%	**-2.3pp**
Net debts to equity ratio	**12.0%**	13.9%	**-1.9pp**
Proposed final dividend/Final dividend per share (HK cents)	**16.0**	15.0	**+6.7%**

Note: It is defined as profit attributable to owners of the Company excluding deferred tax charge related to the provision of withholding tax and exchange difference arising from non-operating activities. Please refer to "Reconciliation of report profit and underlying profit" under "Financial Review" in "Management Discussion and Analysis" section of this announcement for details.

RESULTS

The board of directors (the "Board") of Xingda International Holdings Limited (the "Company" or "Xingda") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013**	2012
		RMB'000	*RMB'000*
Revenue	5	**5,585,206**	5,246,909
Cost of sales		**(4,199,809)**	(4,176,812)
Gross profit		**1,385,397**	1,070,097
Other income	6	**48,417**	76,914
Government grants		**27,238**	17,945
Selling and distribution expenses		**(356,350)**	(356,738)
Administrative expenses		**(269,234)**	(223,333)
Other expenses and losses, net	7	**(47,747)**	(85,661)
Share of profit of a joint venture		**2,212**	5,956
Finance costs	8	**(64,277)**	(111,375)
Profit before tax		**725,656**	393,805
Income tax expense	9	**(149,755)**	(134,429)
Profit and total comprehensive income for the year	10	**575,901**	259,376
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**414,810**	188,786
Non-controlling interests		**161,091**	70,590
		575,901	259,376
Earnings per share	12		
Basic (RMB fen)		**27.20**	12.38

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	NOTES	**2013** *RMB'000*	2012 *RMB'000*
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**3,713,786**	3,893,192
Prepaid lease payments		**239,027**	241,839
Investment properties		**133,300**	130,200
Interest in a joint venture		**250,932**	248,720
Deferred tax assets		**15,947**	26,637
Prepayment		**10,000**	16,000
Deposits paid for purchase of property, plant and equipment		**51,847**	13,403
		4,414,839	4,569,991
CURRENT ASSETS			
Prepaid lease payments		**5,812**	5,812
Inventories		**364,784**	433,303
Trade and other receivables	13	**4,550,717**	3,774,660
Amount due from a joint venture		**3,650**	—
Pledged bank deposits		**34,000**	58,000
Bank balances and cash		**414,222**	521,441
		5,373,185	4,793,216
CURRENT LIABILITIES			
Trade and other payables	14	**1,930,896**	1,734,564
Amount due to a related company		**1,658**	2,004
Tax payable		**80,586**	56,984
Bank borrowings - due within one year		**1,016,077**	1,190,000
Government grants		**10,000**	10,000
		3,039,217	2,993,552
NET CURRENT ASSETS		**2,333,968**	1,799,664
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,748,807**	6,369,655
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**50,685**	59,136
NET ASSETS		**6,698,122**	6,310,519

	NOTE	2013	2012
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital	15	**150,999**	150,999
Reserves		**4,874,497**	4,647,985
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**5,025,496**	4,798,984
NON-CONTROLLING INTERESTS		**1,672,626**	1,511,535
TOTAL EQUITY		**6,698,122**	6,310,519

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	RMB'000	*RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**725,656**	393,805
Adjustments for:		
Depreciation and amortisation	**443,218**	418,795
Interest income	**(5,850)**	(7,980)
Gain on fair value change on investment properties	**(3,100)**	(6,200)
Share of profit of a joint venture	**(2,212)**	(5,956)
Loss on disposal of property, plant and equipment	**3,998**	2,672
Impairment loss recognised on trade and other receivables	**7,847**	47,503
Write-off of trade receivables	**335**	680
Recovery of doubtful debts	**(16,028)**	—
Recognition of equity-settled share-based payment	**19,598**	8,404
Finance costs	**64,277**	111,375
Operating cash flows before movements in working capital	**1,237,739**	963,098
Decrease in inventories	**68,519**	238,237
(Increase) decrease in trade and other receivables	**(768,211)**	79,315
Decrease (increase) in prepayment	**3,000**	(12,000)
Increase (decrease) in trade and other payables	**258,912**	(17,676)
Decrease in amount due to a related company	**(346)**	(384)
Purchase of shares for the purpose of share award scheme	**(22,441)**	—
Cash generated from operations	**777,172**	1,250,590
Income tax paid	**(123,914)**	(87,701)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**653,258**	1,162,889
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(313,002)**	(401,882)
Government grants received related to property, plant and equipment	—	4,000
Placement of pledged bank deposit	**(157,776)**	(127,400)
Deposits paid for purchase of property, plant and equipment	**(51,847)**	(13,403)
Additions of prepaid lease payments	—	(3,000)
Withdrawal of pledged bank deposits	**181,776**	177,720
Proceeds on disposal of property, plant and equipment	**1,827**	6,289
Interest received	**5,850**	7,980
Advance to a joint venture	**(3,650)**	—
NET CASH USED IN INVESTING ACTIVITIES	**(336,822)**	(349,696)

	2013	2012
	RMB'000	*RMB'000*
FINANCING ACTIVITIES		
Repayment of bank loans	**(1,948,550)**	(2,448,000)
Dividend paid	**(185,455)**	(247,227)
Interest paid	**(64,277)**	(115,333)
Decrease in amount due to a director	—	(48)
New bank loans raised	**1,774,627**	1,788,000
NET CASH USED IN FINANCING ACTIVITIES	**(423,655)**	(1,022,608)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(107,219)**	(209,415)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**521,441**	730,856
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**414,222**	521,441

NOTES

1. GENERAL

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of its business is Xinghua City, Jiangsu Province, The People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB") which is also the functional currency of the Company and its subsidiaries (the "Group").

The Company is an investment holding company and the Group is engaged in the manufacture and trading of radial tire cords, bead wires and sawing wires.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following new and revised IFRSs issued by the International Accounting Standard Board ("IASB") for the first time in the current year:

Amendments to IFRSs	Annual Improvements to IFRSs 2009 - 2011 Cycle
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IFRIC - Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IAS 27 (as revised in 2011) *Separate Financial Statements* and IAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of IFRS10

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC - Int 12 Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

The directors of the Company made an assessment as at the date of initial application of IFRS 10 (i.e. 1 January 2013) as to whether or not the Group has control over its subsidiaries in accordance with the new definition of control and the related guidance set out in IFRS 10. The directors of the Company concluded that it has had control over all its subsidiaries and there is no change in the consolidation scope.

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, SIC - Int13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*, has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of IFRS 11. The directors concluded that the Group's investment in Shandong Xingda Steel Tyre Cord Co., Ltd. ("Shandong Xingda"), which was classified as a jointly controlled entity under IAS 31 and was accounted for using the equity method, should be classified as a joint venture under IFRS 11 and accounted for using the equity method.

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

IFRS 13 *Fair Value Measurement*

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad: the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS 13, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to IAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The application of other new and revised IFRSs in the current year has had no material impact on the Group's financial positions for the current and prior years performance and/or on the disclosures set out in these consolidated financial statements.

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2010 - 2012 Cycle[2]
Amendments to IFRSs	Annual Improvements to IFRSs 2011 - 2013 Cycle[4]
IFRS 9	Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRS 14	Regulatory Deferral Accounts[5]
IFRIC - Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.

2 Effective for annual periods beginning on or after 1 July 2014.

3 Available for application - the mandatory effective date will be determined when the outstanding phase of IFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

5 Effective for first annual IFRS financial statements beginning on or after 1 January 2016.

Annual Improvements to IFRSs 2010-2012 Cycle

The *Annual Improvements to IFRSs 2010-2012 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short- term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the *Annual Improvements to IFRSs 2010-2012 Cycle* will have a material effect on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The *Annual Improvements to IFRSs 2011-2013 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and
(b) the transaction meets the definition of a business combination under IFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the *Annual Improvements to IFRSs 2011-2013 Cycle* will have a material effect on the Group's consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liabilities that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the changes in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that IFRS 9 will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2015 and that the adoption of IFRS 9 will not have a material effect on the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The directors of the Company do not anticipate that the application of these amendments to IAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

IFRIC - Int 21 Levies

IFRIC - Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The directors of the Company anticipate that the application of IFRIC - Int 21 will have no effect on the Group's consolidated financial statements as the Group does not have any levy arrangements.

The directors of the Company do not anticipate that the applications of other new and revised IFRSs issued but not yet effective will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

4. SEGMENT INFORMATION

The Directors, being the chief operating decision maker of the Group, regularly review revenue analysis by types of products which are basically radial tire cords, bead wires and sawing wires, for the purposes of resource allocation and assessment of performance. However, other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective types of products. The Directors review the operating results of the Group as a whole to make decisions about resource allocation. The operation of the Group constitutes one single operating and reportable segment under IFRS 8 "Operating Segments" and accordingly no separate segment information is prepared. The Group's non-current assets (other than deferred tax assets) are located in the PRC.

Revenue from major products

The following is an analysis of the Group's revenues from its major products:

	Year ended	
	2013	2012
	RMB'000	*RMB'000*
Radial Tire Cords		
- For Trucks	**3,501,775**	3,214,005
- For Passenger Cars	**1,576,374**	1,499,794
Bead Wires	**396,478**	383,600
Sawing Wires	**110,579**	149,510
	5,585,206	5,246,909

Geographical information

Information about the Group's revenue from operations from external customers is presented based on the location of the goods delivered.

	2013	2012
	RMB'000	*RMB'000*
The PRC (country of domicile)	**4,557,676**	4,199,506
Korea	**197,159**	277,740
United States of America	**176,923**	174,913
India	**174,793**	113,312
Germany	**87,775**	90,316
Others	**390,880**	391,122
	5,585,206	5,246,909

"Others" included revenue from various countries which are individually immaterial to the Group's total revenue.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2013	2012
	RMB'000	*RMB'000*
Customer 1	**632,972**	641,789

5. REVENUE

Revenue represents amounts received and receivable for sales of radial tire cords, bead wires and sawing wires in the normal course of business, net of discount.

6. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
Sales of scrap materials	**27,292**	40,174
Interest income earned on bank balances and bank deposits	**5,850**	7,980
Cash discounts received on early settlement of trade payables	**3,050**	6,775
Gain on fair value change of investment properties	**3,100**	6,200
Sundry income	**9,125**	15,785
	48,417	76,914

7. OTHER EXPENSES AND LOSSES, NET

	2013	2012
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment	**3,998**	2,672
Research and development expenditure	**39,229**	36,170
Impairment loss recognised on trade and other receivables	**7,847**	47,503
Write-off of trade receivables	**335**	680
Recovery of doubtful debts	**(16,028)**	—
Exchange loss (gain), net	**12,366**	(1,364)
	47,747	85,661

8. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on:		
Bank loans wholly repayable within five years	**59,530**	115,333
Less: amounts capitalised in property, plant and equipment	**—**	(3,958)
	59,530	111,375
Note receivables discounted	**4,747**	—
	64,277	111,375

9. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
The charge comprises:		
Current tax		
Current year	**146,107**	84,225
Underprovision in prior year	**1,409**	1,816
Deferred taxation	**2,239**	48,388
	149,755	134,429

The tax charge represents income tax in the PRC which is calculated at the prevailing tax rate of 25% for both years on the taxable income of the group entities in the PRC. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate for certain PRC subsidiaries of the Company is 25% from 1 January 2008 onwards except for the subsidiaries described below.

On 5 November 2012, Jiangsu Xingda renewed its High-tech Enterprise Certificate which expired in 2011 with the relevant authorities and received the High-tech Enterprise Certificate on 22 April 2013. In accordance with the renewed High-tech Enterprise Certificate, the status of High-tech Enterprise is effective for the years 2012, 2013 and 2014. As a result, the tax rate of 15% is used to calculate the amount of current and deferred tax for the years ended 31 December 2013 and 2012.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's profits neither arises in, nor is derived from, Hong Kong for both years.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	RMB'000	*RMB'000*
Profit before tax	**725,656**	393,805
Tax at the PRC tax rate of 25%	**181,414**	98,451
Tax effect of expenses not deductible for tax purposes	**18,065**	9,224
Tax effect of income not taxable for tax purposes	**(6,642)**	(727)
Tax effect of preferential tax rate	**(35,324)**	(26,792)
Tax effect of share of profit of a joint venture	**(553)**	(1,489)
Underprovision in prior year	**1,409**	1,816
Withholding tax (Note)	**(9,226)**	56,411
Others	**612**	(2,465)
Tax charge for the year	**149,755**	134,429

Note: Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards at a tax rate of 10%. In 2013, one of the PRC subsidiaries, Jiangsu Xingda Special Cord Co., Ltd. ("Xingda Special Cords") has distributed previously proposed dividends of RMB 178,000,000 and proposed additional dividends on 2013's earnings to its immediate holding company, Faith Maple International Ltd.("Faith Maple") which was not accredited as a PRC tax resident as at 31 December 2013 and up to the date of these consolidated financial statements which were authorised for issuance.

As a result, a deferred tax credit of approximately RMB9,226,000 (2012: provision of RMB56,411,000) was provided in these consolidated financial statements. No deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries other than Xingda Special Cords amounting to RMB1,669 million (2012: RMB1,650 million), as the Group is able to control the timing of the reversal of the temporary differences of these PRC subsidiaries and it is probable that the temporary differences will not reverse in the foreseeable future.

10. PROFIT FOR THE YEAR

	2013	2012
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Staff cost, including directors' remuneration		
Salaries, wages and other benefits	**442,161**	413,096
Retirement benefits scheme contributions	**28,216**	26,837
Share-based payments	**19,598**	8,404
Total staff costs	**489,975**	448,337
Amortisation of prepaid lease payments	**5,812**	5,812
Auditor's remuneration	**1,783**	1,869
Cost of inventories recognised as an expense	**4,199,809**	4,176,812
Depreciation for property, plant and equipment	**437,406**	412,983
Gross rental income from investment properties	**(4,320)**	(4,320)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**275**	275
	(4,045)	(4,045)

11. DIVIDEND

	2013	2012
	RMB'000	*RMB'000*
Dividend recognised as distribution during the year:		
Final dividend paid in respect of the year ended 31 December 2012 – 15.0 HK cents per share (2012: final dividend paid in respect of the year ended 31 December 2011 – 20.0 HK cents per share)	**185,455**	247,227
Final dividend proposed, 16.0 HK cents (financial year ended 31 December 2012: 15.0 HK cents) per share	**191,812**	185,455

A final dividend for the year ended 31 December 2013 of 16.0 HK cents (2012: 15.0 HK cents) per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The dividend proposed for the year ended 31 December 2013 and the dividend paid for financial year ended 31 December 2012 will be or were paid out of share premium. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum of Association and Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**414,810**	188,786

	2013	2012
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**1,524,777**	1,524,777

There was no potential ordinary shares outstanding during the years ended 31 December 2013 and 2012.

13. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period of 120 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates.

The Group accepts notes from various local customers as settlement when the trade receivables fall due. Before accepting the notes, the Group would confirm with the relevant banks on the validity of the notes. It is the Group's practice to utilise notes received to settle certain of its debts. The aged analysis of note receivables is presented based on the invoice date as at the end of the reporting period which approximated the respective revenue recognition dates.

	2013	2012
	RMB'000	*RMB'000*
Trade receivables		
0 - 90 days	**1,619,676**	1,297,894
91 - 120 days	**125,143**	110,039
121 - 180 days	**132,503**	98,310
181 - 360 days	**64,409**	76,610
Over 360 days	**1,328**	8,847
	1,943,059	1,591,700

Note receivables		
0 - 90 days	**277,485**	270,024
91 - 180 days	**1,115,427**	909,564
181 - 360 days	**1,127,077**	920,877
Over 360 days	**47,762**	31,996
	2,567,751	2,132,461
Advance to raw material suppliers	**2,566**	18,461
Prepayment for spools	**16,320**	14,534
Other receivables and prepayments	**21,141**	17,624
Less: Allowance for doubtful debts on other receivables	**(120)**	(120)
	39,907	50,499
	4,550,717	3,774,660

14. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables and note payables presented based on the invoice date at the end of the reporting period.

	2013	2012
	RMB'000	*RMB'000*
Trade payables		
0 - 90 days	**806,926**	636,920
91 - 180 days	**101,787**	178,804
181 - 360 days	**35,123**	109,544
Over 360 days	**3,748**	11,287
	947,584	936,555
Note payables		
0 - 90 days	**54,807**	42,381
91 - 180 days	**229,657**	203,912
181 - 360 days	**155,916**	14,152
Over 360 days	**56,513**	8,818
	496,893	269,263
Value-added tax payables and other tax payables	**30,188**	34,176
Accrued staff costs and pension	**206,781**	173,606
Payables for purchase of property, plant and equipment	**167,916**	230,496
Accrued interest expense	**1,376**	2,326
Accrued electricity charges	**53,617**	44,510
Others	**26,541**	43,632
	486,419	528,746
	1,930,896	1,734,564

All Group's trade payables are denominated in the functional currency of the group entities.

The average credit period on purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

15. SHARE CAPITAL

	Number of shares	Amount	Equivalent to
		HKD	*RMB'000*
Authorised:			
Ordinary shares of HKD0.10 each at 1 January 2012, 31 December 2012 and 31 December 2013	**3,000,000,000**	**300,000,000**	**301,410**
Issued and fully paid:			
At 1 January 2012, 31 December 2012 and 31 December 2013	**1,524,776,693**	**152,477,669**	**150,999**

16. SUBSEQUENT EVENT

On 24 March 2014, an agreement was reached between Jiangsu Xingda and Guizhou Tyre Co., Ltd. ("Guizhou Tyre") for the subscription of 30,000,000 new A shares (being non-public offer shares) ("Subscription Shares") to be issued by Guizhou Tyre at the final subscription price of RMB4.48 per share in cash. Such subscription will be made pursuant to the non-public offer by Guizhou Tyre in the PRC of not more than 300,000,000 A shares at a subscription price of not less than RMB4.48 per share as determined by Guizhou Tyre ("Non-Public Offer"). Guizhou Tyre is a joint stock limited company incorporated in the PRC principally engaged in the design, research and development, manufacture and sale of tires. Guizhou Tyre's issued A shares (stock code: 000589) are listed on the Shenzhen Stock Exchange. The subscription monies of RMB134,400,000 were satisfied by internal resources of the Group.

Assuming that 300,000,000 A shares are issued by Guizhou Tyre under the Non-Public Offer, the Subscription Shares represent approximately 3.8% of the issued share capital of Guizhou Tyre as enlarged as a result of the Non-Public Offer.

The Subscription Shares will be subject to a 12 months' lock-up period, effective from the date on which the Non-Public Offer is closed.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

In the wake of a modest recovery of the global economy and sustained domestic economic growth, in 2013 China's automobile and tire industry rebounded from a somewhat sluggish performance over previous years.

According to the China Association of Automobile Manufacturers, the country's production of passenger cars and trucks increased by 11% and 7% year-on-year, respectively, supported in part by the country's rising household income and ongoing robust property construction.

In addition to encouraging developments in the domestic market, China's tire exports saw a strong pickup from the previous year as the US government has ended the anti-dumping measures imposed on China's low-end radial tires over the previous three years.

Moreover, weaker natural rubber price has benefitted low-cost tire manufacturers and Chinese manufacturers in particular, leading to a faster growth of China's tire exports as compared to other major exporting countries.

As a result, China's tire output recorded a steady growth of around 9% to approximately 510 million units with radial tire output accounting for around 90%, according to the China Rubber Industry Association.

BUSINESS REVIEW

Against the backdrop of the positive macroeconomic environment and favourable government policies, Xingda saw a moderate and consistent rebound in all aspects of its businesses in 2013, with its total sales volume rising by 15.5% to 548,600 tonnes in 2013.

Having already built its reputation as a trusted supplier, Xingda has registered a 16.8% growth in sales of radial tire cords to 473,700 tonnes in volume terms, which contributed around 86.3% to the Group's total sales volume (2012: 85.4%). On the other hand, bead wires sales increased by 8.4% to 69,400 tonnes, accounting for 12.7% of the total sales volume (2012: 13.5%) of the Group, while the sales of sawing wire maintained at 5,500 tonnes, representing 1.0% of the Group's total sales volume (2012: 1.1%).

During the year under review, radial tire cords for trucks remained as the Group's primary product, with sales increasing by 18.3% to 318,400 tonnes as China's robust construction activities spurred replacement demand. On the other hand, sales of the radial tire cord for passenger cars reached 155,300 tonnes, up 13.9% from the previous year on the back of steady growth of domestic demand for vehicles. Sales of radial tire cord for trucks and passenger cars represented around 67.2% and 32.8%, respectively, of the Group's total sales volume of radial tire cord products (2012: 66.4% and 33.6%).

Sales Volume	**2013** ***Tonnes***	2012 *Tonnes*	Change
Radial Tire Cords	**473,700**	405,400	+16.8%
- For Trucks	***318,400***	*269,100*	*+18.3%*
- For Passenger Cars	***155,300***	*136,300*	*+13.9%*
Bead Wires	**69,400**	64,000	+8.4%
Sawing Wires	**5,500**	5,500	—
Total	**548,600**	474,900	+15.5%

In 2013, the recovery of global economies and continued infrastructure and property investment in China boded well for the automobile industry. As a key supplier for the industry chain, Xingda's domestic sales volume of radial tire cords increased by 19.2% to 388,600 tonnes (2012: 325,900 tonnes), representing 82.0% of the Group's total sales volume for this product (2012: 80.4%). Besides an outstanding performance in the domestic market, Xingda has also strengthened its global businesses in terms of sales and geographical expansion. Not only has it achieved a 7.0% increase in exports sales volume to 85,100 tonnes (2012: 79,500 tonnes), which accounted for 18.0% of the Group's total sales volume of radial tire cords in 2013 (2012: 19.6%), but it has also gained recognition from global tire manufacturers as a high quality supplier of choice.

Export Sales Volume	**2013** *Tonnes*	2012 *Tonnes*	Change
Radial Tire Cords	**85,100**	79,500	+7.0%
- For Trucks	***19,500***	*15,900*	*+22.6%*
- For Passenger Cars	***65,600***	*63,600*	*+3.1%*
Bead Wires	**7,900**	8,700	-9.2%
Total	**93,000**	88,200	+5.4%

In addition, the Group's sales volume of sawing wire, an important element in the manufacturing process of solar cells, registered a figure of 5,500 tonnes (2012: 5,500 tonnes) as introduction of a number of new environmental policies by the Chinese government, including solar power subsidies, has nearly offset the weaker demand in overseas market.

During the year under review, Xingda continued to strengthen production operations and achieved higher productivity. To meet growing demand, Xingda has increased its radial tire cord capacity of the Jiangsu factory from 500,000 tonnes to 520,000 tonnnes during the year, representing an increase of 4.0% of the capacity. The annual capacity of bead wires and sawing wires remained at 100,000 tonnes and 12,000 tonnes, respectively.

The Group has resumed its capacity expansion plan in the Shandong plant, which is expected to start trial operation in the second quarter in 2014 and will commence production in the third quarter. The expansion will bring the Group's combined annual production capacity for radial tire cords to 570,000 tonnes.

	2013 Production Capacity (Tonnes)	**2013 Utilization Rate**	2012 Production Capacity (Tonnes)	2012 Utilization Rate
Radial Tire Cords	**520,000**	**90%**	500,000	81%
Bead Wires	**100,000**	**69%**	100,000	68%
Sawing Wires	**12,000**	**45%**	12,000	45%
Overall	**632,000**	**86%**	612,000	78%

Following the upgrading of its Jiangsu factory, the Group continued to maintain a high overall utilization rate of 86% (2012: 78%).

As at the end of 2013, the Group offered a wide variety of products, including 193 types of radial tire cord, 66 types of bead wire and 12 types of sawing wire.

PROSPECTS

China's economy has entered into a new phase as it focuses on deepening reforms and economic restructuring by gradually reducing its reliance on investment and exports. However, the country is unlikely to see a drastic economic slowdown brought about by a decline in investment as the government has embarked on a massive urbanisation plan, which requires not only large spending on infrastructure and property construction, but also in environmental protection, industrial upgrade and a wide range of public services in the rural area over the next decade. On the other hand, the positive global economic landscape is projected to further strengthen this year, with continued recovery of US economy and the end of recession in Europe.

Therefore, Xingda is cautiously optimistic about the upcoming year and aims to maintain steady growth going forward. With growth of passenger car sales expected to stay steady, its exports of radial tire cord for trucks carrying higher profit margin is likely to expand more quickly, driving the growth of the Company's overall profit in the long run.

Anticipating increased demand of radial tire cord, Xingda has resumed its plan to raise the production capacity of its Shandong plant which is expected to commence operations in the second half of 2014. Upon completion of the first phase expansion of the Shandong plan, the Group's annual combined capacity of radial tire cords will reach 570,000 tonnes.

Going forward, the Group will continue to further expand its client base and strengthen its global businesses given its distinguished brand reputation and strong relationship built up with renowned tire manufacturers over the years.

The Group will strive to enhance its core competency technology and to further cement the Group's market leading position. To this end the Group will increase investments on research and development, which will enable the Group to deliver a wider range of advanced products.

In short, Xingda will also leverage its competitive advantage to maintain its domestic market leadership while striving to become the largest globally recognised radial tire cord manufacturer in China.

FINANCIAL REVIEW

Revenue

The Group's revenue breakdown by product category is as follows:

RMB in million	**2013**	**Proportion**	2012	Proportion	Change(%)
Radial Tire Cords	**5,078**	**91%**	4,714	90%	+7.7
- For trucks	***3,502***	***63%***	*3,214*	*61%*	*+9.0*
- For passenger cars	***1,576***	***28%***	*1,500*	*29%*	*+5.1*
Bead wires	**396**	**7%**	384	7%	+3.1
Sawing wires	**111**	**2%**	149	3%	-25.5
Total	**5,585**	**100%**	5,247	100%	+6.4

The Group's total revenue increased by 6.4% or RMB338 million to RMB5,585 million in 2013 driven largely by an increase of domestic sales of radial tire cords. Domestic and overseas markets each accounted for around 81.6% and 18.4%, respectively, of the Group's total sales (2012: 80.0% and 20.0%).

Gross profit and gross profit margin

The Group's gross profit increased by 29.5% or RMB315.3 million to RMB1,385.4 million in 2013 (2012: RMB1,070.1 million), thanks to the increase in sales volume and decrease in overall cost of production. During the year, the major raw materials of the Group, steel rods, accounted for 53.8% of the Group's cost of sales (2012: 54.9%). Benefiting from effective cost control and high utilization rate, gross profit margin increased 4.4 percentage points to 24.8% (2012: 20.4%).

Other income

Other income decreased by RMB28.5 million or 37.1% from RMB76.9 million in 2012 to RMB48.4 million for the year under review. The decrease was mainly caused by a decrease in sales of scrap materials.

Government grant

Government grants for the year increased by 52.0% from RMB17.9 million in 2012 to RMB27.2 million, which was mainly caused by the increase in recurring subsidies from the local government.

Selling and distribution expenses

In 2013, selling and distribution expenses maintained fairly stable at RMB356.4 million (2012: RMB356.7 million) because of the effective cost control over traveling and entertainment expenses which had offset the higher shipping cost and sales team remuneration associated with higher sales volume.

Administrative expenses and other expenses and losses, net

Administrative expenses increased by RMB45.9 million or 20.6% to RMB269.2 million due to an increase in staff costs, in particular, the cost of the Group's long term incentive programme (share award benefits) for the management team. Other expenses and losses, net decreased by RMB38.0 million or 44.3% from RMB85.7 million in 2012 to RMB47.7 million in 2013. The drop was mainly caused by the reduction of the impairment loss recognised on trade and other receivables during the year.

Finance costs

Finance costs dropped by RMB47.1 million or 42.3% to RMB64.3 million from RMB111.4 million in 2012. The drop was mainly due to the decrease in average bank borrowings and weighted average interest rate in 2013.

Income tax expense

The Group's income tax charge increased by RMB15.4 million to RMB149.8 million with an effective tax rate 20.6% (2012: 34.1%). The decrease in effective tax rate was mainly caused by a decrease in deferred tax charge related to the provision of withholding tax on the distributable profits of a subsidiary of the Company. For further information, please refer to note 9 to this announcement.

Net profit

Taking the above factors into account, the Group's net profit for the year ended 31 December 2013 increased by RMB316.5 million or 122.0% from RMB259.4 million in 2012 to RMB575.9 million. If the deferred tax charge related to the provision of withholding tax and net exchange gain arising from non-operating activities were excluded, the adjusted net profit of the Group for the year ended 31 December 2013 would be RMB575.7 million, representing an increase of RMB261.6 million or 83.3% when compared with the previous year.

Reconciliation of report profit and underlying profit

	2013	2012
	RMB'000	*RMB'000*
Profit for the year	**575,901**	259,376
Deferred tax charges related to the provision of withholding tax	**6,794**	56,411
Net exchange gain arising from non-operating activities	**(6,949)**	(1,646)
Underlying profit for the year	**575,746**	314,141
Underlying profit for the year attributable to:		
Owners of the Company	**414,655**	243,551
Non-controlling interests	**161,091**	70,590
	575,746	314,141

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

During the year, there was no significant change in the Group's funding and treasury policy. The principal source of liquidity and capital resources was cash flows generated from operating activities whereas the principal uses of cash were repayment of bank borrowings, payment of dividends and expansion of production capacity.

Bank balances and cash including bank deposits of the Group decreased by RMB107.2 million from RMB521.4 million as at 31 December 2012 to RMB414.2 million as at 31 December 2013. The decrease was due to the cash used in financing activities of RMB423.7 million and investment activities of RMB336.8 million exceeding the cash generated from operating activities of RMB653.3 million.

Bank borrowings which were all in Renminbi decreased by RMB173.9 million or 14.6% to RMB1,016.1 million as at 31 December 2013 from RMB1,190.0 million as at 31 December 2012. The bank borrowings carried interest at market rates from 1.89% to 5.70% (2012: 5.70% to 6.56%) and were repayable within one year from 31 December 2013.

The Group's current assets increased by 12.1% to RMB5,373.2 million as at 31 December 2013 from RMB4,793.2 million as at 31 December 2012 and its current liabilities increased by 1.5% from RMB2,993.6 million as at 31 December 2012 to RMB3,039.2 million as at 31 December 2013. The Group's current ratio, being defined as current assets over current liabilities, increased from 1.60 times as at 31 December 2012 to 1.77 times as at 31 December 2013. The increase was mainly caused by the increase in trade and other receivables. The gearing ratio which is measured by total debts (bank borrowings) to total assets decreased from 12.7% as at 31 December 2012 to 10.4% as at 31 December 2013 due to a decrease in bank borrowings repayable within one year and an increase in trade and other receivables.

FOREIGN EXCHANGE RISK

The Group's sales and purchases were principally denominated in Renminbi, U.S. dollars and euro. Since part of the sales proceeds in U.S. dollars and euro have been used to purchase imported raw materials in the same currencies, the appreciation of the Renminbi did not have significant unfavourable effect on the operating results of the Group in 2013.

Apart from certain bank and debtors' balances in U.S. dollars, euro and Hong Kong dollars, most of the assets and liabilities of the Group were denominated in Renminbi. Therefore, the Group was not exposed to significant foreign exchange risk. During the year under review, exchange rate fluctuation had not caused material adverse impact on the operation or liquidity of the Group. Accordingly, the Group did not enter into any financial derivative instruments to hedge against foreign exchange currency exposure during the year under review. However, the Group will closely monitor the impact of change in value of the Renminbi on its operation and consider appropriate hedging solutions, if required.

CAPITAL EXPENDITURE

For the year ended 31 December 2013, capital expenditure of the Group for property, plant and equipment amounted to RMB263.8 million (2012: RMB365.9 million).

CAPITAL COMMITMENTS

As at 31 December 2013, the Group had made capital commitment of approximately RMB118.5 million (31 December 2012: RMB113.1 million) for acquisition of property, plant and equipment contracted for but not provided in the financial statements. The Group did not make any capital commitment for acquisition of property, plant and equipment authorised but not contracted for in both years.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2013 and 31 December 2012.

PLEDGE OF ASSETS

As at 31 December 2013, the Group pledged bank deposits of RMB34.0 million to a bank to secure notes payables of the Group (31 December 2012: RMB58.0 million).

SIGNIFICANT INVESTMENTS

The Group had no significant external investments for the years ended 31 December 2013 and 31 December 2012.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

The Group had no significant acquisitions and disposals for the years ended 31 December 2013 and 31 December 2012.

HUMAN RESOURCES

As at 31 December 2013, the Group had approximately 6,800 (31 December 2012: approximately 6,700) full time employees. Total staff costs including directors' remuneration for the year ended 31 December 2013 was approximately RMB490.0 million (2012: approximately RMB448.3 million). Salaries are generally reviewed with reference to employees' merit, qualifications and competence. The calculation of bonuses was based on an evaluation of individual efforts and contributions to the financial performance of the Group. The Group also continues to provide training programs for staff to enhance their technical and product knowledge as well as knowledge of industry quality standards.

In addition to salaries and bonuses, the Group also provides various benefits to employees through the Labour Union of Jiangsu Xingda ("Xingda Labour Union"). Each year, Jiangsu Xingda contributes 2% of the total salary of staff ("Union Fee") to support operation of the Xingda Labour Union. The Union Fee, together with other funds obtained by the Xingda Labour Union, are used to provide a variety of welfare benefits and services to employees of the Group, including provision of staff quarters which employees may choose to purchase. For the year ended 31 December 2013, the amount of Union Fees contributed by Jiangsu Xingda to the Xingda Labour Union amounted to RMB7.6 million (2012: RMB7.1 million).

According to the Social Insurance Regulations published by the State Council of China on 14 January 1999, the Group is required to make contributions to pension funds and insurance policies for its employees. Full-time employees of the Group in China are covered by the contributory pension scheme managed by the state entitling them to a monthly pension after they retire. The PRC government is responsible for crediting the pension to the retired and the Group is required to make annual contributions to the retirement scheme run by the Xinghua Municipality at a specified rate. The contribution is booked in due course as an operating expense of the Group. Under the scheme, no forfeited contributions are available to reduce the existing level of contributions. Apart from the pension funds, the Group has provided medical, personal accident and unemployment insurance policies for its employees.

In 2009, the Board adopted a share award scheme to encourage and retain elite employees to stay with the Group and to provide incentives to achieve performance goals with a view to attaining the objectives of increasing the value of the Group and aligning the interests of selected employees directly to the shareholders of the Company through ownership of shares. Pursuant to the scheme, shares will be purchased by the trustee in the market out of cash contributed by the Company and be held in trust for the selected employees until such shares are vested in the selected employees in accordance with the provisions of the scheme. In 2010, 5,000,000 Company's shares (the "First Batch Shares") were purchased by the trustee on the public market. In 2011, another 5,000,000 Company's shares (the "Second Batch Shares") were purchased by the trustee on the public market. In 2013, 10,481,000 Company's shares were purchased by the trustee on the public market, of which 5,000,000 shares were added to the Second Batch Shares and the remaining 5,481,000 shares were treated as the "Third Batch Shares". During the year ended 31 December 2013, the total consideration and other directly attributable incremental costs of the shares purchased under the share award scheme in an aggregate amount of RMB22.4 million were recognised in the reserve of the Company. As at 31 December 2013, all the First Batch Shares and one third of the Second Batch Shares had been vested with selected employees. The remaining portion of the Second Batch Shares and the Third Batch Shares will be vested with selected employees in a five-year period from 2014 onwards.

DIVIDEND

The Board has recommended the payment of a final dividend of 16.0 HK cents (approximately RMB12.6 fen) per share for the financial year ended 31 December 2013 to the shareholders whose names appear on the register of members of the Company on Thursday, 5 June 2014. The final dividend will be payable on Monday, 30 June 2014.

ANNUAL GENERAL MEETING

An annual general meeting of the Company will be held on Friday, 23 May 2014, notice of which will be published and dispatched to the shareholders as soon as practicable in accordance with the Company's articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 May 2014 to Friday, 23 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting to be held on Friday, 23 May 2014, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 20 May 2014.

The proposed final dividend for the year ended 31 December 2013 is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting to be held on Friday, 23 May 2014. The register of members of the Company will be closed from Tuesday, 3 June 2014 to Thursday, 5 June 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for receiving the final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 2 June 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Apart from the Company's shares purchased under the share award scheme of the Company as mentioned in this announcement, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

CORPORATE GOVERNANCE PRACTICES

To promote high level of transparency, accountability and independence in the interests of the shareholders, the Company is committed to maintaining high standards of corporate governance.

The Company has applied the principles in and complied with the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2013, except for the following:-

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The chairman of the Board, Mr. Liu Jinlan, provides overall leadership for the Board and takes the lead to ensure that the Board acts in the best interest of the Company. The Company does not have the position of chief executive and the daily operation of the Group is assigned among the executive directors. In addition to the fact that the responsibilities of the chairman are shared by the remaining executive directors, the Executive Committee of the Company which has been established for determining, approving and overseeing the day-to-day control over the allocation of the Group's resources also segregates the duties of Mr. Liu Jinlan.

Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term and be subject to re-election. The Company has not fixed the term of appointment for its non-executive director, Ms. Wu Xiaohui, since she is subject to retirement by rotation at least once every three years and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

Code provision A.6.7 provides that independent non-executive directors and non-executive directors should attend general meetings. Mr. William John Sharp and Ms. Xu Chunhua, both being independent non-executive directors, were unable to attend the annual general meeting of the Company held on 24 May 2013 as they had to attend other meetings or were engaged in other businesses and commitments. However, Mr. Sharp and Ms. Xu subsequently requested the company secretary of the Company to report to each of them on the views of the shareholders of the Company in the annual general meeting. As such, the Board considers that the development of a balanced understanding of the views of shareholders among the non-executive director and independent non-executive directors was ensured.

In compliance with the code provisions of the Corporate Governance Code, the Company has set up the Audit Committee, the Remuneration and Management Development Committee and the Nomination Committee, and the Board has been responsible for performing the corporate governance duties as set out in the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors' securities transactions. After having made specific enquiry with all Directors, the Company has received confirmations from all directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2013.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions of the employees who are likely to be in possession of unpublished price-sensitive information.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee and the management of the Company have reviewed the accounting principles and practices adopted by the Group, discussed auditing and financial reporting matters and have reviewed the annual results of the Group for the year ended 31 December 2013. In addition, the consolidated financial statements of the Group for the year ended 31 December 2013 have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu and an unqualified opinion report was issued.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkex.com.hk and at the website of the Company at www.irasia.com/listco/hk/xingda/index.htm. The annual report will be dispatched to the shareholders and available on the above websites in due course.

APPRECIATION

The Board would like to express its gratitude to all employees for their diligence and contribution. At the same time, the Board is also thankful for the support it has from all the customers, suppliers and shareholders of the Group. The Group will continue to work as a team to push for more brilliant results in 2014.

By Order of the Board
XINGDA INTERNATIONAL HOLDINGS LIMITED
Liu Jinlan
Chairman

Shanghai, the PRC, 26 March 2014

As at the date of this announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. TAO Jinxiang and Mr. ZHANG Yuxiao, the non-executive Director is Ms. WU Xiaohui and the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Mr. William John SHARP and Ms. XU Chunhua.