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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: 1899)

DISCLOSEABLE TRANSACTION ESTABLISHMENT OF A JOINT VENTURE COMPANY

On 8 June 2007, Faith Maple and Jiangsu Xingda entered into a joint venture contract to set up the JV Company in the PRC for, *inter alia*, the manufacture and distribution of radial tire cords and bead wires. After the establishment of the JV Company, Faith Maple and Jiangsu Xingda will hold 90% and 10% of the equity interests in the JV Company respectively.

As each of the assets ratio (as defined in the Listing Rules) and the consideration ratio (as defined in the Listing Rules) which are applicable for determining the classification of the transaction under the Joint Venture Contract is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the entering into of the Joint Venture Contract will constitute a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and circular requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of the Joint Venture Contract will be dispatched to shareholders of the Company as soon as practicable in compliance with the Listing Rules.

THE JOINT VENTURE CONTRACT

Date : 8 June 2007

Parties : Faith Maple, a wholly-owned subsidiary of the Company

Jiangsu Xingda, a non wholly-owned subsidiary of the Company, which is held by Xingda Labour Union, Xing Hong Da, Faith Maple, Mr. Zhang and TIAC as to 8.17%, 22.29%, 69.54%, less than 0.01% and less than 0.01% respectively.

JV Company : 江苏兴达特种金属复合线有限公司 (Jiangsu Xingda Special Cord Co., Ltd.)*, a PRC joint venture company to be established by Faith Maple and Jiangsu Xingda pursuant to the JV Contract for, *inter alia*, the manufacture and distribution of radial tire cords and bead wires.

Total investment amount and registered capital:

According to the Joint Venture Contract, the total investment amount of the JV Company is US\$90,000,000 (equivalent to approximately HK\$702,000,000) and the total registered capital is US\$60,000,000 (equivalent to approximately HK\$468,000,000).

Faith Maple will contribute 90% of the registered capital, being US\$54,000,000 (equivalent to approximately HK\$421,200,000) by cash. Jiangsu Xingda will contribute 10% of the registered capital, being US\$6,000,000 (equivalent to approximately HK\$46,800,000) by injecting certain production facilities of the 8th Factory Project in Dainan Town, Xinghua Municipality, Jiangsu Province of the PRC owned by Jiangsu Xingda into the JV Company at net book value as at 30 April 2007 as capital contribution in kind. All the registered capital of the JV Company shall be fully contributed by Faith Maple and Jiangsu Xingda within 3 months of the issue of the business licence of the JV Company.

Equity Interests:

Faith Maple and Jiangsu Xingda will hold 90% and 10% of the equity interests in the JV Company respectively upon the establishment of the JV Company. The JV Company will become a subsidiary of the Company upon its establishment.

Board Composition:

The board of directors of the JV Company shall comprise 5 directors, 4 directors of which will be appointed by Faith Maple and 1 director of which will be appointed by Jiangsu Xingda.

Profit Distribution:

Profits will be distributed to Faith Maple and Jiangsu Xingda in proportion to their equity interests in the JV Company.

REASONS FOR ENTERING INTO THE JOINT VENTURE CONTRACT

The main business area of the Group is manufacturing and distributing radial tire cords and bead wires. The Directors are of the view that the establishment of the JV Company is consistent with one of the core business strategies for the Group. The establishment of the JV Company will provide cost benefits to the Group for the radial tire cords and bead wires manufacturing and distributing business and will increase the overall profit of the Group.

The Directors are also of the view that the entering into of the Joint Venture Contract is in the usual and ordinary course of business of the Group after negotiations on an arm's length basis and the terms and conditions of the Joint Venture Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Company is a holding company incorporated in the Cayman Islands which, through Faith Maple, an investment holding company, has an indirect 69.54% interest in Jiangsu Xingda, the operating subsidiary of the Company which is principally engaged in the manufacture and distribution of radial tire cords and bead wires.

REGULATORY ASPECTS

As each of the assets ratio (as defined in the Listing Rules) and the consideration ratio (as defined in the Listing Rules) which are applicable for determining the classification of the transaction under the Joint Venture Contract is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the entering into of the Joint Venture Contract will constitute a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and circular requirements under Chapter 14 of the Listing Rules.

GENERAL

A circular containing, among other things, details of the Joint Venture Contract will be dispatched to shareholders of the Company as soon as practicable in compliance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“8th Factory Project”	the expansion and upgrade project of the Company focusing on high performance (new structures) radial tire cords;
“Company”	Xingda International Holdings Limited 兴达国际控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability on 19 April 2005, whose shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Faith Maple”	Faith Maple International Ltd., a limited liability company incorporated in the British Virgin Islands on 26 January 2004 and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;

“Jiangsu Xingda”	江苏兴达钢帘线股份有限公司 (Jiangsu Xingda Steel Tyre Cord Co. Ltd.)*, established as a joint stock limited company in the PRC on 27 March 1998 and converted into a sino-foreign joint stock limited company on 10 December 2004, a 69.54% owned subsidiary of the Company;
“Joint Venture Contract”	the contract entered into between Faith Maple and Jiangsu Xingda in relation to the establishment of the JV Company in the PRC as referred to under the section headed “The Joint Venture Contract” of this announcement;
“JV Company”	江苏兴达特种金属复合线有限公司 (Jiangsu Xingda Special Cord Co., Ltd.)*, a PRC joint venture company to be established by Faith Maple and Jiangsu Xingda pursuant to the Joint Venture Contract;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Zhang”	Mr. Zhang Yuxiao (张宇晓), an executive Director of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TIAC”	兴化市兴戴贸工农总公司 (Xinghua Municipality Xingdai Trading, Industrial and Agricultural Company)*, a collectively-owned enterprise established in the PRC on 1 June 1993 and a promoter of Jiangsu Xingda;
“US\$”	the lawful currency for the time being of the United States;
“Xing Hong Da”	江苏兴宏达实业有限公司 (Jiangsu Xing Hong Da Industrial Co., Ltd.)*, a limited liability company incorporated in the PRC on 24 September 1997 and a promoter of Jiangsu Xingda. It is held by Mr. Ge Hong, a director of Jiangsu Xingda as to 80% and Ms. Liu Shunying as to 20%; and
“Xingda Labour Union”	江苏兴达钢帘线股份有限公司工会 (Labour Union of Jiangsu Xingda Steel Tyre Cord Co., Ltd.)*, a legal person entity established in the PRC on 8 October 1997 and a promoter of Jiangsu Xingda.

By Order of the Board of
Xingda International Holdings Limited
Liu Jinlan
Chairman of the Board

Shanghai, the PRC, 8 June 2007

** denotes an English translation of a Chinese name*

For the purpose of this announcement, conversion of US\$ into HK\$ or vice versa has been calculated by using an exchange rate of US\$1 to HK\$7.80 .

As at the date of this announcement, the executive directors of the Company are Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Wu Xinghua, Mr. Cao Junyong and Mr. Zhang Yuxiao; the non-executive directors of the Company are Mr. Lu Guangming George, Ms. Wu Xiaohui and Mr. Zhou Mingchen; and the independent non-executive directors of the Company are Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua.