

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

This announcement does not constitute or form a part of any offer of securities for sale in the United States. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. Any public offering of securities to be made in the United States will be made by means of an offering circular that may be obtained from the Company and will contain detailed information about the Company and management, as well as financial information.



XINGDA

兴 达

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)

**PLACING OF EXISTING SHARES,
SUBSCRIPTION FOR NEW SHARES UNDER THE GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Placing Agent



Citigroup Global Markets Asia Limited

On 2 September 2010, the Vendors entered into the Placing and Subscription Agreement with the Placing Agent and the Company. Pursuant to the Placing and Subscription Agreement, the Placing Agent agreed to place, on a best efforts basis, an aggregate of up to 175,341,000 existing Shares at the Placing Price of HK\$5.50 per Placing Share and the Vendor conditionally agreed to subscribe for the Subscription Shares at the Placing Price.

The Placing Price of HK\$5.50 per Share represents (i) a discount of approximately 7.56% to the closing price of HK\$5.95 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of approximately 5.27% to the average closing price per Share of HK\$5.806 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement; and (iii) a discount of approximately 2.91% to the average closing price per Share of HK\$5.665 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of this announcement.

The Placing Shares represent (i) approximately 12.65% of the existing issued share capital of the Company of 1,386,176,693 Shares as at the date of this announcement; and (ii) approximately 11.50% of the issued share capital of the Company of 1,524,776,693 Shares as enlarged by the Subscription.

The Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; (ii) completion of the Placing; and (iii) the Executive Director of the Corporate Finance Division of the SFC granting the Vendors a waiver from the obligation to make a general offer under the Takeovers Code with respect to its acquisition of the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company on 20 May 2010.

The gross proceeds from the Subscription is expected to be approximately HK\$762.30 million, subject to the outcome of the Placing. The net proceeds from the Subscription of approximately HK\$740.70 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for enhancing the production facilities of the Group, financing the development of new products of the Group and general working capital of the Company.

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

Assuming that the Placing Shares are placed in full, the percentage shareholding (and voting rights) of the Vendors together with parties acting in concert with them will be reduced from 43.34% to 30.70% immediately after completion of the Placing and will be increased back to 36.99% immediately after completion of the Subscription. Therefore, as a result of the Placing and Subscription, the Vendors and parties acting in concert with them will be required to make a general offer under Rule 26 of the Takeovers Code.

The Vendors will make an application to the Executive Director of the Corporate Finance Division of the SFC for a waiver from the obligation to make a general offer under Note 6 on dispensations from Rule 26 of the Takeovers Code as a result of the Placing and the Subscription.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 2 September 2010 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 3 September 2010.

THE PLACING AND SUBSCRIPTION AGREEMENT

Pursuant to the Placing and Subscription Agreement, the Placing Agent agreed to place, on a best efforts basis, an aggregate of up to 175,341,000 existing Shares at the Placing Price of HK\$5.50 per Placing Share and the Vendor conditionally agreed to subscribe for the Subscription Shares at the Placing Price.

The Vendors have agreed to sell the number of Placing Shares set out opposite their names below:

Vendors	Number of Shares to be sold by each Vendor
Great Trade	67,132,000
In-Plus	38,250,000
Perfect Sino	30,300,000
Power Aim	28,209,000
Wise Creative	<u>11,450,000</u>
TOTAL	<u>175,341,000</u>

Date

2 September 2010

Parties

- (a) the Vendors;
- (b) the Company; and
- (c) the Placing Agent.

The Placing

Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is not a connected person of the Company or any of its subsidiaries and is independent of, and not acting in concert with, the Vendors and their respective concert parties.

Placees

The Placing Agent agreed to place the Placing Shares on a best efforts basis to not less than six Placees. The Placees (and their ultimate beneficial owners) procured by the Placing Agent will not be connected persons of the Company (as defined in the Listing Rules), and will be independent of, and not acting in concert with, the Vendors and their respective concert parties. Immediately after the completion of the Placing, none of the Placees will become a substantial Shareholder.

Placing Price

The Placing Price of HK\$5.50 per Share represents:

- (i) a discount of approximately 7.56% to the closing price of HK\$5.95 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 5.27% to the average closing price per Share of approximately HK\$5.806 as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement; and
- (iii) a discount of approximately 2.91% to the average closing price per Share of approximately HK\$5.665 as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of this announcement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing, including the placing commission, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate net Placing Price, after deduction of placing commission and all other fees and expenses, subject to the outcome of the Placing, is expected to be approximately HK\$5.34 per Share.

The Placing Shares

The aggregate number of the Placing Shares represent (i) approximately 12.65% of the existing issued share capital of the Company of 1,386,176,693 Shares as at the date of this announcement; and (ii) approximately 11.50% of the issued share capital of the Company of 1,524,776,693 Shares as enlarged by the Subscription.

Rights

The Placing Shares are fully paid and were sold free from any liens, charges, options, warrants, pre-emptive rights, security interests and any other third-party rights together with all rights attaching thereto at the date of completion of the Placing.

Ranking of the Placing Shares

The Placing Shares rank pari passu among themselves and with Shares in issue as at the date of this announcement.

Completion of the Placing

The Placing is expected to be completed on 7 September 2010 or such other date as may be agreed between the Vendors and the Placing Agent.

Lock-up undertakings

Each of the Vendors has undertaken to the Placing Agent that (except for the sale of the Placing Shares) for a period commencing on the date of the Placing and Subscription Agreement and ending on the 180th day after the date of completion of the Placing, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Shares or any interests therein beneficially owned or held by the relevant Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

The Company has undertaken to the Placing Agent, and each of the Vendors has undertaken to the Placing Agent to procure, that for a period commencing on the date of the Placing and Subscription Agreement and ending on the 180th day after the date of completion of the Placing, the Company will not, except for the Subscription Shares and save pursuant to (1) any share option scheme of the Company or (2) any outstanding subscription warrants or (3) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of dividend on Shares in accordance with articles of association of the Company or (4) conversion of outstanding convertible bonds, (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Placing Agent.

Termination events

If at any time prior to completion of the Placing:

- (a) there develops, occurs or comes into force any of the following:
 - (i) any new law or regulation or any change in existing laws or regulations which in the opinion of the Placing Agent makes it impractical or inadvisable to proceed with the Placing or has or is likely to have a material adverse effect on the financial position, business or results of operation of the Group as a whole; or
 - (ii) any significant event, development or change in local, national or international economic, financial, fiscal, industrial, regulatory, political or military conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by the United States, the United Kingdom, the PRC or Hong Kong of a national emergency or other calamity or crisis, the effect of which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing or makes it impractical or inadvisable to proceed with the Placing; or
 - (iii) the declaration of a banking moratorium by United States, the United Kingdom, the PRC or Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange; or

- (iv) any suspension of dealings in the Shares for any period whatsoever, except for suspension relating to any transaction under the Placing and Subscription Agreement for no more than one (1) Business Day; or
 - (v) the commencement by any regulatory or political body or organisation of any action against the Company, any director of the Company or any of the Vendors, or an announcement by any regulatory or political body or organisation that it intends to take any such action, which has a material adverse effect on the financial position, business or results of operation of the Group as a whole; or
- (b) any breach of any of the representations, warranties and undertakings set out in the Placing and Subscription Agreement by any of the Vendors and/or the Company comes to the knowledge of the Placing Agent or any event occurs on or after the date of the Placing and Subscription Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect or there has been a material breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of any Vendor and/or the Company; or
- (c) any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agent is so material and adverse as to make it impractical or inadvisable to proceed with the Placing;

then and in any such case, the Placing Agent may terminate the Placing and Subscription Agreement without liability to the Vendors and the Company by giving notice to the Vendors and the Company.

The Subscription

The Subscription Price

The Subscription Price is HK\$5.50 per Subscription Share, which is the same as the Placing Price.

Number of Subscription Shares

The Vendors have agreed to subscribe for the number of Subscription Shares set out opposite their names as set out below:

Vendor	Number of Subscription Shares
Great Trade	52,000,000
In-Plus	29,500,000
Perfect Sino	24,000,000
Power Aim	24,400,000
Wise Creative	<u>8,700,000</u>
TOTAL	<u>138,600,000</u>

If the total number of Subscription Shares which the Vendors are obliged to subscribe for pursuant to the Placing and Subscription Agreement exceeds the total number of Placing Shares actually placed or sold in the Placing, the Company and each of the Vendors agree that the number of Subscription Shares to be subscribed for by each Vendor shall be proportionally reduced so that the number of the Subscription Shares to be subscribed for by all Vendors will be equal to the total number of Placing Shares actually placed or sold in the Placing. In any event, the number of the Subscription Shares to be subscribed for by each of the Vendors shall not exceed the number of Placing Shares actually sold by the relevant Vendor.

Ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

General mandate and the issue of the Subscription Shares

The Subscription Shares will be issued pursuant to the general mandate granted by the shareholders of the Company to the Directors on 20 May 2010. The maximum number of Shares which may be issued by the Company pursuant to the general mandate mentioned above is 277,235,338 Shares. As at the date of this announcement, no Shares have been issued under the general mandate mentioned above. Accordingly, the issue of the Subscription Shares is not subject to any approval by the Shareholders.

Conditions of the Subscription

The Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (ii) completion of the Placing; and
- (iii) the Executive Director of the Corporate Finance Division of the SFC granting the Vendors a waiver from the obligation to make a general offer under the Takeovers Code with respect to their acquisition of the Subscription Shares.

Condition precedent (iii) above cannot be waived by the Vendors. If the above conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement (or such later date as may be agreed in writing between the Company and the Vendors), the obligations and liabilities of the Vendors and the Company under the Subscription shall be null and void and neither the Company nor the Vendors shall have any claim against the other for costs, damages, compensation or otherwise.

If completion of the Subscription takes place more than 14 days after the date of the Placing and Subscription Agreement, the Subscription would not fall within the exemption under Listing Rule 14A.31(3)(d) and would be subject to Shareholders' approval and the other relevant requirements of the Listing Rules regarding connection transactions, unless waived by the Stock Exchange. A further announcement will be made if this occurs.

Completion

Completion of the Subscription will take place on the second business day after the date upon which the last of the conditions on which the Subscription is conditional upon shall have been so satisfied, provided that completion of the Subscription shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement (or such other time and/or date as the Vendors and the Company may agree in writing).

Application for listing from the Stock Exchange and waiver from SFC

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

Assuming that the Placing Shares are placed in full, the percentage shareholding (and voting rights) of the Vendors together with parties acting in concert with them will be reduced from 43.34% to 30.70% immediately after completion of the Placing and will be increased back to 36.99% immediately after completion of the Subscription. Therefore, as a result of the Placing and Subscription, the Vendors and parties acting in concert with them will be required to make a general offer under Rule 26 of the Takeovers Code.

The Vendors will make an application to the Executive Director of the Corporate Finance Division of the SFC for a waiver from the obligation to make a general offer under Note 6 on dispensations from Rule 26 of the Takeovers Code as a result of the Placing and the Subscription.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

Subject to the outcome of the Placing, the gross proceeds from the Subscription is expected to be approximately HK\$762.30 million. The net proceeds from the Subscription (assuming the Placing Shares are fully placed and after all relevant expenses) is expected to be approximately HK\$740.70 million which will be used for enhancing the production facilities of the Group, financing the development of new products of the Group and general working capital of the Company.

The Directors believe that the terms of the Placing and the Subscription are fair and reasonable and in the interests of the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming that the Placing Shares are placed in full under the Placing and Subscription Agreement, the shareholding structure of the Company before and after the Placing and the Subscription will be as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Vendors and parties acting in concert with them:</i>						
Great Trade ²	253,480,000	18.29	186,348,000	13.44	238,348,000	15.63
In-Plus ³	143,814,000	10.37	105,564,000	7.62	135,064,000	8.85
Perfect Sino ⁴	117,529,000	8.48	87,229,000	6.29	111,229,000	7.29
Power Aim ⁵	43,534,000	3.14	15,325,000	1.11	39,725,000	2.61
Wise Creative ⁶	42,475,000	3.06	31,025,000	2.24	39,725,000	2.61
Subtotal :	<u>600,832,000</u>	<u>43.34</u>	<u>425,491,000</u>	<u>30.70</u>	<u>564,091,000</u>	<u>36.99</u>
<i>Other Shareholders</i>						
Surfmax Investments LLC ⁷	74,907,600	5.40	74,907,600	5.40	74,907,600	4.91
Win Wide International Ltd. ⁸	8,280,000	0.60	8,280,000	0.60	8,280,000	0.54
E-Star Corporation ⁹	112,361,400	8.11	112,361,400	8.11	112,361,400	7.37
Sub-total of	<u>195,549,000</u>	<u>14.11</u>	<u>195,549,000</u>	<u>14.11</u>	<u>195,549,000</u>	<u>12.82</u>
<i>Public:</i>						
Placee(s)	—	—	175,341,000	12.65	175,341,000	11.50
Other public Shareholders	589,795,693	42.55	589,795,693	42.55	589,795,693	38.68
Total	<u>1,386,176,693</u>	<u>100.00</u>	<u>1,386,176,693</u>	<u>100.00</u>	<u>1,524,776,693</u>	<u>100.00</u>

Notes:

- Numbers may not add up due to rounding.
- Mr. Liu Jinlan, a Director, holds the entire issued share capital of Great Trade for and on behalf of the 98 Owners (as defined in the Prospectus) and Mr. Wu Xinghua on the terms set out in the Five Parties' Agreement (as defined in the Prospectus).

3. Mr. Liu Xiang, a Director, holds the entire issued share capital of In-Plus for and on behalf of the 98 Owners (as defined in the Prospectus) and Mr. Wu Xinghua on the terms set out in the Five Parties' Agreement (as defined in the Prospectus).
4. Mr. Tao Jinxiang holds the entire issued share capital of Perfect Sino for and on behalf of the 98 Owners (as defined in the Prospectus) and Mr. Wu Xinghua on the terms set out in the Five Parties' Agreement (as defined in the Prospectus).
5. Mr. Zhang Yuxiao, a Director, holds the entire issued share capital of Power Aim for and on behalf of the 98 Owners (as defined in the Prospectus) and Mr. Wu Xinghua on the terms set out in the Five Parties' Agreement (as defined in the Prospectus).
6. Mr. Hang Youming holds the entire issued share capital of Wise Creative for and on behalf of the 98 Owners (as defined in the Prospectus) and Mr. Wu Xinghua on the terms set out in the Five Parties' Agreement (as defined in the Prospectus).
7. Mr. Lu Guangming George, a Director holds the entire issued share capital of Surfmax Corporation, which is the member manager of Surfmax Investments, LLC.
8. Mr. Lu Guangming George also holds approximately 45.58% of Win Wide International Ltd..
9. The entire issued share capital of E-Star Corporation is held by COFCO (BVI) NO. 88 Limited which entire issued share capital is held by COFCO (BVI) Limited. The entire issued share capital of COFCO (BVI) Limited is held by COFCO Limited.

GENERAL INFORMATION

The Company is a holding company incorporated in the Cayman Islands, and the Group is principally engaged in the manufacture and distribution of radial tire cords and bead wires.

The Company has not had any equity fund raising activities over the past 12 months.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 2 September 2010 pending the release of this announcement. The Company has applied for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 3 September 2010.

DEFINITIONS

- | | |
|--------------|---|
| “associates” | has the meaning ascribed thereto under the Listing Rules; |
| “Company” | Xingda International Holdings Limited 興達國際控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited; |

“connected person”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Directors”	directors of the Company;
“Great Trade”	Great Trade Limited, a company incorporated with limited liability in the British Virgin Islands;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“In-Plus”	In-Plus Limited, a company incorporated with limited liability in the British Virgin Islands;
“Last Trading Date”	1 September 2010, being the last trading day for the Shares before the suspension of trading in the shares pending the publication of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Perfect Sino”	Perfect Sino Limited, a company incorporated with limited liability in the British Virgin Islands;
“Placee(s)”	any professional, institutional or other investor(s) whom the Placing Agent has procured to purchase any of the Placing Shares pursuant to the Placing Agent’s obligation under the Placing and Subscription Agreement;
“Placing”	the placing by or on behalf of the Placing Agent of the Placing Shares on the terms and subject to the conditions which are set out in the Placing and Subscription Agreement;
“Placing Agent”	Citigroup Global Markets Asia Limited;

“Placing and Subscription Agreement”	the placing and subscription agreement entered into between the Vendors, the Company and the Placing Agent dated 2 September 2010 in relation to the Placing and Subscription;
“Placing Price”	HK\$5.50 per Placing Share;
“Placing Shares”	an aggregate of a maximum of 175,341,000 existing Shares beneficially owned by the Vendors and to be placed pursuant to the Placing and Subscription Agreement;
“Power Aim”	Power Aim Limited, a company incorporated with limited liability in the British Virgin Islands;
“PRC”	the People’s Republic of China;
“SFC”	Securities and Futures Commission of Hong Kong;
“Shareholders”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription by the Vendors of the Subscription Shares on and subject to the terms of the Placing and Subscription Agreement;
“Subscription Price”	HK\$5.50 per Subscription Share;
“Subscription Share(s)”	a total of up to 138,600,000 new Share(s) to be issued by the Company to the Vendors pursuant to the Placing and Subscription Agreement, provided that the total number of such Share(s) to be issued to each of the Vendors shall not exceed the total number of the Placing Shares actually sold by the relevant Vendor pursuant to the Placing and Subscription Agreement;
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers;
“trading day(s)”	has the meaning ascribed thereto under the Listing Rules;

“Vendors”	Great Trade, In-Plus, Perfect Sino, Power Aim and Wise Creative;
“Wise Creative”	Wise Creative Limited, a company incorporated with limited liability in the British Virgin Islands;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Shanghai, the PRC, 2 September 2010

As at the date of this announcement, the executive directors of the Company are Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.