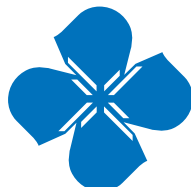


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XINGDA

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)

DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE COMPANY

On 28 July 2011, Faith Maple, a wholly-owned subsidiary of the Company, entered into the Agreement with Hong Kai and Hong Yuan for the formation of the JVC. Upon its formation, the JVC will be owned as to 51% by Faith Maple, 24.5% by Hong Kai and 24.5% by Hong Yuan.

The total investment amount and the registered capital of the JVC are US\$219,460,000 and US\$75,000,000, respectively. The maximum investment amount to be contributed by Faith Maple to the JVC will not be more than US\$182,710,000 (equivalent to approximately RMB1,176,652,400), being the total investment amount of the JVC less the aggregate registered capital of the JVC committed to be contributed by Hong Kai and Hong Yuan.

As the relevant percentage ratios in respect of the Group's total investment amount in the JVC are more than 5% but less than 25%, the entering into of the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

On 28 July 2011, Faith Maple, a wholly-owned subsidiary of the Company, entered into the Agreement with Hong Kai and Hong Yuan for the formation of the JVC. Upon its formation, the JVC will be owned as to 51% by Faith Maple, 24.5% by Hong Kai and 24.5% by Hong Yuan.

DETAILS OF THE AGREEMENT

Date : 28 July 2011

Parties : (1) Faith Maple;
(2) Hong Kai; and
(3) Hong Yuan.

The JVC is to be owned as to 51% by Faith Maple, 24.5% by Hong Kai and 24.5% by Hong Yuan.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Hong Kai, Hong Yuan and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s).

Scope of business : The production and sale of radial tyre cords and hose wires, and the distribution, import and export of self-produced products and products of the same type.

Total investment amount : US\$219,460,000

Registered capital : US\$75,000,000

The registered capital will be contributed into the JVC in one lump sum by the parties according to their respective interests in the JVC, within three months from the date on which the business licence of the JVC is issued.

The total investment amount of the JVC is determined after taking into account factors including the land for the construction of the factory and the machinery and equipment to be acquired for the manufacturing of the radial tyre cords and hose wires.

Upon formation, the JVC will be accounted for as a non-wholly owned subsidiary of the Company and, therefore, will be consolidated into the Company's consolidated financial statements in accordance with its interest in the JVC.

The maximum investment amount to be contributed by Faith Maple to the JVC will not be more than US\$182,710,000 (equivalent to approximately RMB1,176,652,400), being the total investment amount of the JVC less the aggregate registered capital of the JVC committed to be contributed by Hong Kai and Hong Yuan. The registered capital of the JVC to be contributed by Faith Maple (i.e. US\$38,250,000 (equivalent to approximately RMB246,330,000)) will be funded by the Group's internal resources. The difference between the registered capital and the total investment amount of the JVC will be funded by bank loans and/or shareholders loans.

Board composition : The board of the JVC will consist of five directors, three of whom will be appointed by Faith Maple, one of whom will be appointed by Hong Kai and one of whom will be appointed by Hong Yuan. The chairman of the board of the JVC will be appointed by Faith Maple.

Transfer of equity interest : The Agreement contains standard restrictive provisions (such as pre-emption rights) in relation to the transfer of the equity interests by the parties.

As the Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People's Republic of China had been obtained on 26 May 2011, the Agreement will become effective upon signing.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JVC

The main business of the Group is manufacturing and distributing radial tire cords, bead wires and sawing wires. The Directors are of the view that the establishment of the JVC, being consistent with one of the core business strategies for the Group, will provide cost benefits to the Group for the radial tire cords manufacturing and distributing businesses and will increase the overall profit of the Group. The Directors are of the view that the terms of the Agreement have been arrived at after arm's length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE COMPANY

The Group is principally engaged in the manufacturing and distributing of radial tire cords, bead wires and sawing wires.

INFORMATION ON HONG KAI AND HONG YUAN

Both Hong Kai and Hong Yuan are investment holding companies.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios in respect of the Group's total investment amount in the JVC are more than 5% but less than 25%, the entering into of the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

“Agreement”	the agreement dated 28 July 2011 entered into between Faith Maple, Hong Kai and Hong Yuan in relation to the formation of the JVC
“Board”	the board of Directors
“Company”	Xingda International Holdings Limited 興達國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Faith Maple”	Faith Maple International Ltd., a company incorporated in the British Virgin Islands, being a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kai”	廣饒縣鴻凱投資有限公司(Guang Rao Hong Kai Investment Company Limited), a company incorporated in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Yuan”	廣饒縣鴻源投資有限公司(Guang Rao Hong Yuan Investment Company Limited), a company incorporated in the PRC
“JVC”	山東興達鋼簾線有限公司(Shandong Xingda Steel Tyre Cord Co., Ltd.), a sino-foreign joint venture company to be established in the PRC, to be owned as to 51% by Faith Maple, 24.5% by Hong Kai and 24.5% by Hong Yuan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the lawful currency of the United States of America
“%”	per cent

For purpose of this announcement, the exchange rate of US\$1 = RMB6.44 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rates or any other rates or at all on the date or dates in question or any other date.

The English names of the PRC entities referred to in this announcement are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

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

Shanghai, the PRC, 28 July 2011

As at the date of this announcement, the executive directors of the Company are Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Zhang Yuxiao; the non-executive director of the Company is Ms. Wu Xiaohui; and the independent non-executive directors of the Company are Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua.