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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
SUBSCRIPTION OF SHARES IN AEOLUS TYRE CO., LTD.

The Board announces that on 23 December 2008, Jiangsu Xingda entered into the Subscription Agreement to subscribe for 19,500,000 non-public offer shares of Aeolus at the subscription price of RMB5.03 per share in cash pursuant to the Non-Public Offer.

The Subscription constitutes a discloseable transaction of the Company under the Listing Rules as each of the revenue ratio and the consideration ratio of the relevant percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) is more than 5% but less than 25%. A circular containing details of the Subscription will be dispatched to the Shareholders as soon as possible after the publication of this announcement for information purpose.

THE SUBSCRIPTION

The Board announces that on 23 December 2008, Jiangsu Xingda entered into the Subscription Agreement to subscribe for 19,500,000 non-public offer shares of Aeolus at the final subscription price of RMB5.03 per share in cash pursuant to the Non-Public Offer. The Subscription Shares represent approximately 7.65% of the issued share capital of Aeolus as at the date of this announcement. Assuming that 120,000,000 A shares are issued by Aeolus under the Non-Public Offer, the Subscription Shares represent approximately 5.20% of the issued share capital of Aeolus as enlarged under the Subscription Agreement and the other subscription agreement(s) entered into between Aeolus and other parties under 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.

The Subscription monies of RMB 98,085,000 will be satisfied by all or part of the trading debts owing from Aeolus to Jiangsu Xingda (which amounts will be settled upon completion of the Subscription) and, where necessary, internal resources of the Group.

INFORMATION ABOUT THE GROUP AND AEOLUS

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.

Aeolus is a joint stock limited company incorporated in the PRC principally engaged in the design, research and development, manufacture and sale of tires. Aeolus' issued A shares (stock code: 600469) are listed on the Shanghai Stock Exchange since 21 October 2003. As at the date of this announcement, the Company does not own any equity interest in Aeolus. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Aeolus is a third party independent of the Company and the connected persons of the Company.

Based on the published accounts of Aeolus for the nine months ended 30 September 2008 and the published audited accounts of Aeolus for the two years ended 31 December 2007 and 31 December 2006 respectively, the revenue of Aeolus is approximately RMB5,100,191,188, RMB6,018,582,028 and RMB5,015,839,546, respectively. For the nine months ended 30 September 2008 and the two years ended 31 December 2007 and 31 December 2006 respectively, Aeolus reported net profits of approximately RMB126,583,184, RMB123,255,514 and RMB32,958,890 before taxation and extraordinary items, respectively and approximately RMB94,218,419, RMB106,258,538 and RMB12,296,672 after taxation and extraordinary items, respectively. Based on the published accounts of Aeolus for the nine months ended 30 September 2008 and the published audited accounts of Aeolus for the two years ended 31 December 2007 and 31 December 2006 respectively, it had a total asset value of approximately RMB5,502,675,378, RMB3,353,748,471 and RMB3,108,522,161, respectively and net asset value of approximately RMB1,012,378,932, RMB919,844,227 and RMB800,692,607, respectively.

REASONS FOR THE SUBSCRIPTION

As described under the paragraph headed “Information about the Group and Aeolus”, Aeolus and the Group are operating in related industry. The Group and Aeolus have been in business relationship for more than five years and the Board is positive about the long term prospect of Aeolus. The Board considers that through the Company’s investment in Aeolus by way of the Subscription, the Company may further improve its investment return and create greater value for the Shareholders. The Board is of the view that the Subscription Agreement was entered into by Jiangsu Xingda on normal commercial terms, and the terms of the Subscription Agreement (including the final subscription price fixed by Aeolus under the Non-Public Offer, which was determined with reference to 90% of the average trading prices of the A shares of Aeolus for the 20 trading days prior to the date of board meeting of Aeolus in relation to the announcement of the Non-Public Offer) are fair and reasonable and in the interests of the Company and the Shareholders as a whole as the Board considers that the potential prospect of Aeolus in the long run will commercially justify the Group’s investment by way of the Subscription at the said subscription price.

LISTING RULES IMPLICATIONS

The Subscription constitutes a discloseable transaction of the Company under the Listing Rules as each of the revenue ratio and the consideration ratio of the relevant percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) is more than 5% but less than 25%. A circular containing details of the Subscription will be dispatched to the Shareholders as soon as possible after the publication of this announcement for information purpose.

DEFINITIONS

“Aeolus”	風神輪胎股份有限公司 (Aeolus Tyre Co., Ltd), a joint stock limited company incorporated in the PRC, whose A shares are listed on the Shanghai Stock Exchange
“Board”	the board of Directors;
“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(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;

“Faith Maple”	Faith Maple International Ltd., a limited liability company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Jiangsu Xingda”	江蘇興達鋼簾線股份有限公司 (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% indirectly owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Non-Public Offer”	the non-public offer in the PRC of not more than 120,000,000 A shares of Aeolus at a subscription price of not less than RMB5.03 per share as determined by Aeolus;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	shareholder(s) of the Company;
“Subscription”	the subscription by Jiangsu Xingda of 19,500,000 non-public offer shares of Aeolus pursuant to the Subscription Agreement, representing approximately 7.65% of the issued share capital of Aeolus as at the date of this Announcement and approximately 5.20% of the issued share capital of Aeolus as enlarged under the Subscription Agreement and the other subscription agreement(s) entered into between Aeolus and other parties under the Non-Public Offer assuming that 120,000,000 A shares are issued by Aeolus under the Non-Public Offer;
“Subscription Agreement”	an agreement dated 23 December 2008 entered into between Jiangsu Xingda and Aeolus in relation to the Subscription;

“Subscription Shares” 19,500,000 new A shares (being non-public offer shares) to be issued by Aeolus to Jiangsu Xingda pursuant to the Subscription Agreement; and

“%” per cent.

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

Hong Kong, 24 December 2008

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.

** denotes an English translation of a Chinese name*