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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)

SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that on 30 January 2024 (after trading hours), the Company (as issuer) entered into three Subscription Agreements with three Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 257,680,000 Subscription Shares at the Subscription Price of HK\$1.31 per Subscription Share. The Subscriptions are subject to various conditions set out below under the paragraph headed “Conditions of the Subscriptions” of this announcement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) approximately 15.50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Price of HK\$1.31 per Subscription Share represents (i) a discount of approximately 19.63% to the closing price of HK\$1.63 per Share as quoted on the Stock Exchange on 30 January 2024, being the date of the Subscription Agreements; and (ii) a discount of approximately 17.71% to the average closing price per Share of HK\$1.592 as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Subscription Agreements.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximately HK\$337.56 million. The estimated net proceeds from the Subscriptions after deduction of expenses, will amount to approximately HK\$337.06 million, representing the net price of approximately HK\$1.308 per Subscription Share. The proceeds are currently intended to be applied for general working capital of the Group.

Shareholders and potential investors should note that Completion of the Subscription(s) is subject to fulfillment of the conditions under each of the Subscription Agreements. As the Subscription(s) may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 30 January 2024, the Company (as issuer) entered into three Subscription Agreements with three Subscribers respectively in respect of the Subscriptions of an aggregate of 257,680,000 Subscription Shares at the Subscription Price of HK\$1.31 per Subscription Share.

THE SUBSCRIPTION AGREEMENTS

The principal terms and conditions of the Subscription Agreements are set out below:

Subscription Agreement A

Date: 30 January 2024

Parties to Subscription Agreement A:

- (1) the Company, as the issuer; and
- (2) the Subscriber A as the subscriber

Pursuant to the terms of Subscription Agreement A, the Subscriber A will subscribe for a total of 133,000,000 Subscription Shares at the Subscription Price.

Subscription Agreement B

Date: 30 January 2024

Parties to Subscription Agreement B:

- (3) the Company, as the issuer; and

(4) the Subscriber B as the subscriber

Pursuant to the terms of Subscription Agreement B, the Subscriber B will subscribe for a total of 39,900,000 Subscription Shares at the Subscription Price.

Subscription Agreement C

Date: 30 January 2024

Parties to Subscription Agreement C:

(5) the Company, as the issuer; and

(6) the Subscriber C as the subscriber

Pursuant to the terms of Subscription Agreement C, the Subscriber C will subscribe for a total of 84,780,000 Subscription Shares at the Subscription Price.

Number of Subscription Shares

The 257,680,000 Subscription Shares in aggregate represent (i) approximately 15.50% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of the Subscription Shares). The market value of the Subscription Shares is approximately HK\$420.02 million, based on the closing price of HK\$1.63 per Share as at the date of the Subscription Agreements. The aggregate nominal value of the Subscription Shares will be HK\$25,768,000.

The Subscription Price

The Subscription Price is HK\$1.31 per Subscription Share, which represents:

- (a) a discount of approximately 19.63% to the closing price of HK\$1.63 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (b) a discount of approximately 17.71% to the average closing prices of approximately HK\$1.592 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiation between the Company and each of the Subscribers after taking into account the prevailing market price of the Shares and the market condition. The Directors are of the view that the Subscription Price is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the Completion.

Conditions of the Subscriptions

Completion of the respective Subscription Agreements is conditional upon the fulfilment or waiver of the following conditions:

- (1) the listing of the Shares of the Company has not been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt or suspension due to the Subscriptions, if any);
- (2) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (3) the Company has complied with the Listing Rules in all material respects in respect of the Subscriptions;
- (4) all necessary and relevant approvals and consents in relation to the relevant Subscriptions having been obtained by the Company and the relevant Subscribers; and
- (5) the representations and warranties of the Company under the Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the Completion.

If any of the conditions precedent under the Subscription Agreement(s) set out above is not fulfilled on or before 29 February 2024 (or such other date as may be agreed between the Company and the Subscriber(s) in writing), all rights and obligations of the parties of the relevant Subscription Agreement(s) shall cease and determine and none of the parties thereto shall have any claim against the others in respect of the relevant Subscription Agreement(s) (save for any antecedent breaches thereof).

Completion

The Completion shall take place on a date falling within five Business Days after the fulfillment of the conditions set out above (or such other date as may be agreed between the Company and the Subscribers in writing).

Completion of the Subscription(s) is subject to above-mentioned conditions under the paragraph headed “Conditions of the Subscriptions” and the Subscription(s) may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Lock-up Restriction

Each of the Subscribers undertakes to the Company that, within 24 months after completion of the Subscription, it shall not, directly or indirectly transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Subscription Shares or any interest in such Subscription Shares;

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

No Shareholders' approval is required for the Subscriptions and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 8 June 2023, under which the Directors may allot and issue up to 332,489,039 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Subscription Agreements, the Company has not issued any Shares under the General Mandate.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

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

The Completion of the Subscriptions are conditional upon, *inter alia*, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

INFORMATION OF THE COMPANY AND THE GROUP

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

INFORMATION OF THE SUBSCRIBERS

Each of the Subscribers is a company principally engaged in investment holding. The details of the Subscribers are listed out as follows:

Name of Subscribers	Background of the Subscribers	Number of Subscription Shares
<p>JINYU TIRE (HONGKONG) CO., LIMITED (金宇輪胎(香港)有限公司)</p>	<p>JINYU TIRE (HONGKONG) CO., LIMITED, a company incorporated in Hong Kong with limited liability which is primarily engaged in investment holding, is wholly-owned by Shandong Jinyu Tire Co., Ltd.* (山東金宇輪胎有限公司) (“Shandong Jinyu”), a company established in the PRC, which is ultimately controlled by Mr. Yan Wanhua. Shandong Jinyu is primarily engaged in the research and development and manufacturing of automotive tyres. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, JINYU TIRE (HONGKONG) CO., LIMITED and its ultimate beneficial owners are Independent Third Parties.</p>	<p>133,000,000</p>
<p>HAOHUA TIRE CO., LIMITED</p>	<p>HAOHUA TIRE CO., LIMITED, a company incorporated in Hong Kong with limited liability, is wholly-owned by Ms. Li Huixiang, who is a PRC citizen and a businesswoman. HAOHUA TIRE CO., LIMITED is primarily engaged in the tyre import and export business. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, HAOHUA TIRE CO., LIMITED and its ultimate beneficial owners are Independent Third Parties.</p>	<p>39,900,000</p>

Name of Subscribers	Background of the Subscribers	Number of Subscription Shares
<p>Longmarch Hongkong Holding Limited (長征香港控股有限公司)</p>	<p>Longmarch Hongkong Holding Limited, a company incorporated in Hong Kong with limited liability which is primarily engaged in investment holding, is wholly-owned by Huaqin Rubber Industrial Group Co., Ltd.* (華勤橡膠工業集團有限公司) (“Huaqin Rubber”), a company established in the PRC, which is owned as to 70% by Mr. Niu Teng and 30% by Mr. Niu Yishun. Huaqin Rubber is primarily engaged in the production of high-performance tyres and high-end engineering rubbers. As at the date of this announcement, Huaqin Rubber holds 40.00% equity interest in Xingda (Jining) Steel Cord Co., Ltd.* (興達(濟寧)鋼簾線有限公司) (“Xingda (Jining)”), which is a non-wholly-owned subsidiary of the Company, and therefore, a substantial shareholder of a subsidiary of the Company. As the Xingda (Jining) is an insignificant subsidiary of the Company pursuant to Rule 14A.09 of the Listing Rules, Huaqin Rubber is not regarded as a connected person of the Company under Chapter 14A of the Listing Rules. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, save for Huaqin Rubber’s equity interest in the Xingda (Jining), Longmarch Hongkong Holding Limited and Huaqin Rubber and their ultimate beneficial owners are Independent Third Parties as at the date of this announcement.</p>	<p>84,780,000</p>

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Subscriptions will be approximately HK\$337.56 million and the net proceeds from the Subscriptions will be approximately HK\$337.06 million after deducting professional fees and all relevant expenses, representing the net price of approximately HK\$1.308 per Subscription Share. The Company intends to use the net proceeds raised from the Subscriptions for general working capital of the Group.

As disclosed in the interim report of the Group for the six months ended 30 June 2023 dated 30 August 2023, the sales volume increased from approximately 527,400 tonnes for the six months ended 30 June 2022 to approximately 594,300 tonnes for the six months ended 30 June 2023, accounting for an increase of approximately 66,900 tonnes or 12.7%.

The Directors are of the view that (a) given the increasing trend of sales volume, it is desirable for the Group to raise and reserve sufficient cash for its general working capital so as to accommodate its needs for operating cashflow; (b) as compared with other alternative fundraising methods such as debt financing, rights issue or open offer, the Subscriptions by way of allotment and issue of new Shares under the General Mandate is relatively cost-effective without incurring any financing burden to the Group; and (c) the Subscriptions will enlarge the shareholders and capital base of the Group, increase the overall liquidity of the Shares and strengthen the financial position of the Group.

In view of the above, the Board is of the view that the Subscriptions represent a good opportunity for the Group to raise additional capital to strengthen its financial position, achieve continuous business operations, foster future developments and broaden the shareholders base and capital base of the Company.

The Board considers that the terms of the Subscription Agreements are on normal commercial terms and are fair and reasonable, and these are in the interests of both the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion, is as follows:

Shareholders	Immediately before the Completion		Immediately upon the Completion	
	<i>No. of Shares</i>	<i>Approximate % (Note 1)</i>	<i>No. of Shares</i>	<i>Approximate % (Note 1)</i>
Mr. Liu Jinlan and his associates <i>(Note 2)</i>	666,201,457	40.07	666,201,457	34.70
Tao Jinxiang <i>(Note 2)</i>	126,523,000	7.61	126,523,000	6.59
Pandanus Associates Inc. <i>(Note 3)</i>	131,686,747	7.92	131,686,747	6.86
Zhao Yue <i>(Note 4)</i>	166,329,409	10.01	166,329,409	8.66
Public Shareholders	571,704,586	34.39	571,704,586	29.77
Subscriber A	0	0	133,000,000	6.93
Subscriber B	0	0	39,900,000	2.08
Subscriber C	0	0	84,780,000	4.42
Total:	1,662,445,199	100%	1,920,125,199	100%

Note:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. Mr. Liu Jinlan has been a party acting in concert with Mr. Hang Youming, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Zhang Yuxiao pursuant to a five parties' agreement dated 29 August 2005, as supplemented by supplemental agreements dated 15 November 2005 and 29 November 2022 (the "**Five Parties' Agreement**"), and also a party acting in concert with Great Trade Limited, In-Plus Limited, Perfect Sino Limited, Power Aim Limited, Wise Creative Limited, Widen Success Holdings Limited and Mr. Liu Tao pursuant to an agreement dated 29 November 2022 (the "**AIC Agreement**") (collectively, the "**Acting in Concert Arrangements**"). The Company was informed that (i) Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Perfect Sino Limited and Power Aim Limited had unilaterally terminated the Acting in Concert Arrangements with effect from 5 January 2024 by giving a termination notice to the other parties; and (ii) a party to the Acting in Concert Arrangements has thereafter taken legal actions against Mr. Tao Jinxiang and Mr. Zhang Yuxiao in respect of the said termination. The respective shareholdings of Mr. Liu Jinlan and his associates and Mr. Tao Jinxiang as set out in the table above are equivalent to the figures as disclosed in the latest notices of disclosure of interests by the substantial shareholders and are subject to the determination of disputes over the said termination.
3. Pandanus Associates Inc. holds 100.00% of Pandanus Partners L.P., which in turn owns 39.60% of the issued share capital of FIL Limited. For the purpose of Part XV of the SFO, Pandanus Associates Inc. and Pandanus Partners L.P. are deemed to be interested in the shares of the Company held by FIL Limited.
4. As at the date of this announcement, as Super Auspicious Inc. is owned as to 70% by Always Blooming Holdings Limited, which is in turn wholly owned by Zhao Yue, Always Blooming Holdings Limited and Zhao Yue are deemed to be interested in the 166,329,409 Shares held by Super Auspicious Inc for the purpose of Part XV of the SFO.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Directors confirm that the Company has not conducted any fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

As completion of the Subscription(s) is subject to the satisfaction of a number of conditions under each of the Subscription Agreement(s). As the Subscription(s) may or may not complete, Shareholders and potential investors are reminded to exercise caution when dealing or contemplate dealing in the shares or other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM" the annual general meeting of the Company held and convened on 8 June 2023

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	means a day (other than Saturday, Sunday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	Xingda International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1899)
“Completion”	completion of the Subscriptions
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 20.00% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Subscriber A”	JINYU TIRE (HONGKONG) CO., LIMITED (金宇輪胎(香港)有限公司)

“Subscriber B”	HAOHUA TIRE CO., LIMITED
“Subscriber C”	Longmarch Hongkong Holding Limited (長征香港控股有限公司)
“Subscribers”	collectively Subscriber A, Subscriber B and Subscriber C, and each a “Subscriber”
“Subscription Agreement A”	the subscription agreement dated 30 January 2024 entered into between the Company and the Subscriber A
“Subscription Agreement B”	the subscription agreement dated 30 January 2024 entered into between the Company and the Subscriber B
“Subscription Agreement C”	the subscription agreement dated 30 January 2024 entered into between the Company and the Subscriber C
“Subscription Agreements”	collectively Subscription Agreement A, Subscription Agreement B and Subscription Agreement C, and each a “Subscription Agreement”
“Subscription Price”	HK\$1.31 per Subscription Share
“Subscription Shares”	an aggregate of 257,680,000 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the Subscription Agreements
“Subscriptions”	collectively the subscriptions of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements, and each a “Subscription”
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“trading day”	means a day on which the Exchange is open for the trading of securities
“%”	per cent

* *For identification purposes only, the English translation of the Chinese names are for identification purpose and should not be regarded as the official English translation of such Chinese names.*

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

Shanghai, the PRC, 30 January 2024

As at the date of this announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. ZHANG Yuxiao, Mr. HANG Youming, Mr. WANG Jin and Ms. WANG Yu and the independent non-executive Directors are Mr. KOO Fook Sun, Louis, Mr. Luo Tiejun and Ms. XU Chunhua.