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GREAT TRADE LIMITED

(incorporated in the British Virgin Islands with limited liability)

IN-PLUS LIMITED

(incorporated in the British Virgin Islands with limited liability)

POWER AIM LIMITED

(incorporated in the British Virgin Islands with limited liability)

WISE CREATIVE LIMITED

(incorporated in the British Virgin Islands with limited liability)

WIDEN SUCCESS HOLDINGS LIMITED

(incorporated in the British Virgin Islands with limited liability)



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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)

JOINT ANNOUNCEMENT

PRE-CONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY CLSA LIMITED ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE A MAXIMUM OF 80,000,000 OFFER SHARES OF XINGDA INTERNATIONAL HOLDINGS LIMITED FROM QUALIFYING SHAREHOLDERS AND RESUMPTION OF TRADING IN SHARES

Exclusive Financial Adviser to the Joint Offerors



Independent Financial Adviser to the Independent Board Committee



THE PARTIAL OFFER

The Joint Offerors and the Company jointly announce that CLSA Limited, on behalf of the Joint Offerors, will make a pre-conditional voluntary cash partial offer to Qualifying Shareholders to acquire a maximum of 80,000,000 Offer Shares at the Offer Price of HK\$1.88 per Offer Share. **The Offer Price will not be increased, and the Joint Offerors do not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Offer Price.**

As at the date of this joint announcement, based on the total number of 1,662,445,199 Shares in issue (assuming there are no changes to the issued share capital of the Company after the date of this joint announcement), and 758,132,457 Shares (representing approximately 45.60% of the total issued share capital of the Company) held by the Joint Offerors and parties acting in concert with them, the Partial Offer will be subject to valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number of Offer Shares (i.e. 73,313,834 Offer Shares, representing approximately 4.41% of the total issued share capital of the Company) and which would result in the Joint Offerors and parties acting in concert with them holding the interest in not less than 50.01% of the Shares in issue; and the maximum number of Offer Shares to be purchased by the Joint Offerors from the Qualifying Shareholders is 80,000,000 Offer Shares, representing approximately 4.81% of the total issued share capital of the Company. Please refer to the sections headed “THE PARTIAL OFFER – Pre-Condition to the Partial Offer” and “THE PARTIAL OFFER – Conditions to the Partial Offer” below.

The Joint Offerors intend to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

CONFIRMATION OF FINANCIAL RESOURCES

Assuming valid acceptance of the Partial Offer for the relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$1.88 per Offer Share, the total cash consideration payable by the Joint Offerors to purchase (a) the Maximum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$150,400,000 and (b) the Minimum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$137,830,008.

The Joint Offerors will finance each of their proportions of consideration payable under the Partial Offer by the internal resources provided by the Joint Offerors’ Shareholders respectively.

CLSA Capital Markets, as the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to the Joint Offerors to satisfy the maximum consideration payable by the Joint Offerors under the Partial Offer.

THE CONSORTIUM AGREEMENT

On 7 December 2022, the Joint Offerors entered into the Consortium Agreement to form a consortium for the purpose of the Partial Offer. The Consortium Agreement governs (i) the Joint Offerors' relationship in respect of the Partial Offer; (ii) the conduct and implementation of the Partial Offer; and (iii) the allocation of the Offer Shares among the Joint Offerors upon completion of the Partial Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all INEDs, namely Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua, has been established to make a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable, and as to approval and acceptance of the Partial Offer.

Optima Capital Limited has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are fair and reasonable, and as to approval and acceptance of the Partial Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Joint Offerors and the Board to combine the offer document and the offeree board circular into the Composite Document which sets out, among other things, (i) the terms of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Approval and Acceptance. The Composite Document will, subject to the satisfaction of the Pre-Condition, be despatched to the Shareholders within 21 days of the date of this joint announcement in accordance with the Takeovers Code.

Qualifying Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, before deciding whether or not to approve and accept the Partial Offer.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 7 December 2022 pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 December 2022.

WARNING: As the making of the Partial Offer is subject to the fulfilment of the Pre-Condition, the making of the Partial Offer is only a possibility. Further, completion of the Partial Offer is subject to the fulfilment of the Conditions. The Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Accordingly,

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt about their positions, they should consult their professional advisers.

THE PARTIAL OFFER

The Joint Offerors and the Company jointly announce that CLSA Limited, on behalf of the Joint Offerors, will make a pre-conditional voluntary cash partial offer to Qualifying Shareholders to acquire a maximum of 80,000,000 Offer Shares at the Offer Price of HK\$1.88 per Offer Share.

As at the date of this joint announcement, based on the total number of 1,662,445,199 Shares in issue (assuming there are no changes to the issued share capital of the Company after the date of this joint announcement), and 758,132,457 Shares (representing approximately 45.60% of the total issued share capital of the Company) held by the Joint Offerors and parties acting in concert with them, the Partial Offer will be subject to valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number of Offer Shares (i.e. 73,313,834 Offer Shares, representing approximately 4.41% of the total issued share capital of the Company) and which would result in the Joint Offerors and parties acting in concert with them holding the interest in not less than 50.01% of the Shares in issue; and the maximum number of Offer Shares to be purchased by the Joint Offerors from the Qualifying Shareholders is 80,000,000 Offer Shares, representing approximately 4.81% of the total issued share capital of the Company. Please refer to the sub-sections headed “Pre-Condition to the Partial Offer” and “Conditions to the Partial Offer” below.

Offer Price

The Partial Offer will be made at the following price:

For each Offer Share HK\$1.88 in cash

The Offer Price will not be increased, and the Joint Offerors do not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Offer Price.

The Offer Shares to be acquired by the Joint Offerors from the Qualifying Shareholders shall be fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. The Company confirms that as at the date of this joint announcement, it does not have any intention to make, declare or pay any further dividend or make other distributions between the date of this joint announcement and the Final Closing Date.

If, after the date of this joint announcement and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Joint Offerors reserve the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Pre-Condition to the Partial Offer

The making of the Partial Offer will be subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

An application has been made to the Executive in relation to the Pre-Condition.

The Pre-Condition cannot be waived by the Joint Offerors. If the Pre-Condition is not satisfied by 31 March 2023 (or such later date as may be determined by the Joint Offerors at their discretion and as permitted by the Executive), the Partial Offer will not be made. The Joint Offerors will issue a further announcement as soon as practicable after the Pre-Condition has been satisfied.

WARNING: The Pre-Condition must be satisfied before the making of the Partial Offer. Therefore, the making of the Partial Offer is only a possibility. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Conditions to the Partial Offer

The Partial Offer will be subject to the fulfilment of the following Conditions:

- (i) valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number of Offer Shares (i.e. 73,313,834 Offer Shares) and which would result in the Joint Offerors and parties acting in concert with them holding the interest in not less than 50.01% of the Shares in issue at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, provided that the Joint Offerors shall purchase from the Qualifying Shareholders as many Offer Shares as are tendered by the Qualifying Shareholders up to the Maximum Number of Offer Shares (i.e. 80,000,000 Offer Shares); and
- (ii) approval of the Partial Offer pursuant to Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares not held by the Joint Offerors and parties acting in concert with them, signified by means of a separate tick box on the Form of Approval and Acceptance specifying the number of Shares in respect of which the Partial Offer is approved.

Under Rule 28.5 of the Takeovers Code, a partial offer which could result in the offeror holding 30% or more of the voting rights in a company must normally be conditional on the approval by shareholders holding over 50% of the voting rights not held by the offeror and parties acting in concert with it by means of signifying their approval on a separate box on the form of acceptance.

Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming are the sole registered shareholder of Great Trade, In-Plus, Power Aim and Wise Creative respectively; hence, each of them is a party acting in concert with the Joint Offerors. Accordingly, none of Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming are Qualifying Shareholders nor are they entitled to signify their approval of the Partial Offer under Rule 28.5 of the Takeovers Code.

Mr. Tao Jinxiang is a party to the Five Parties' Agreement; therefore, Mr. Tao Jinxiang and Perfect Sino, a company wholly-owned by Mr. Tao Jinxiang, are parties acting in concert with the Joint Offerors. The Tao Shares will be subject to the Partial Offer but Mr. Tao Jinxiang and Perfect Sino are not entitled to signify their approval of the Partial Offer under Rule 28.5 of the Takeovers Code.

As at the date of this joint announcement, the Trustee holds 2,139,665 Shares for satisfying the unvested share awards granted to the grantees under the Share Award Scheme. Pursuant to the Share Award Scheme, the Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted for the Share Award Scheme, therefore it is not entitled to signify its approval of the Partial Offer for the purposes of Rule 28.5 of the Takeovers Code. The Shares held by the Trustee will be subject to the Partial Offer but given the Trustee holds Shares for the purposes of the Share Award Scheme, the Company does not intend to give any instruction to the Trustee to accept the Partial Offer.

Whether or not the Qualifying Shareholders accept the Partial Offer, they (other than parties acting in concert with the Joint Offerors and the Trustee) may approve the Partial Offer AND specify the number of Offer Shares in respect of which they signify their approval of the Partial Offer on the Form of Approval and Acceptance.

In the event that valid acceptances are received:

- (i) for less than the Minimum Number of Offer Shares by the First Closing Date, unless the First Closing Date is extended in accordance with the Takeovers Code, the Partial Offer will not proceed and will lapse immediately; and
- (ii) for not less than the Minimum Number of Offer Shares and which would result in the Joint Offerors and parties acting in concert with them holding the interest in not less than 50.01% of the Shares in issue on or before the First Closing Date, the Joint Offerors will declare the Partial Offer unconditional as to acceptances on or before the First Closing Date.

Pursuant to Rule 15.1 of the Takeovers Code, the Partial Offer must initially be open for acceptance for at least 21 days following the Despatch Date.

Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been declared unconditional as to acceptances on the First Closing Date, the Joint Offerors cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Accordingly, if the Partial Offer is declared unconditional in all respects on or before the 7th day after the Despatch Date, then the Final Closing Date would be on (but no earlier than) the First Closing Date. If the Partial Offer is declared unconditional in all respects later than the 7th day after the Despatch Date, then the Final Closing Date would be 14 days after the date of such declaration.

Pursuant to Rule 28.4 of the Takeovers Code, if the Partial Offer has been approved for the purposes of Rule 28.5 of the Takeovers Code by Qualifying Shareholders who are registered as Shareholders in the register of members of the Company as at the First Closing Date holding over 50% of the Shares

not held by the Joint Offerors and parties acting in concert with them, and has been declared unconditional as to acceptances on the First Closing Date, the Joint Offerors cannot extend the Final Closing Date to a day beyond the 14th day after the First Closing Date.

Pursuant to Rule 28.6 of the Takeovers Code, since the Joint Offerors and parties acting in concert with them will be holding more than 50% of the voting rights of the Company if the Partial Offer becomes unconditional in all respects and full valid acceptances of the Partial Offer are received, the Joint Offerors will then be free to acquire further voting rights in the Company without incurring any obligation to make a general offer subject to Rule 28.3 of the Takeovers Code (that is, the Joint Offerors and parties acting in concert with them (including any other person who is subsequently acting in concert with them) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive).

WARNING: Shareholders and potential investors of the Company should note that the Partial Offer will be subject to the satisfaction of the Pre-Condition and the Conditions. Accordingly, the Partial Offer may or may not become unconditional and will lapse if it does not become unconditional. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Persons who are in doubt about their positions, they should consult their professional advisers.

THE CONSORTIUM AGREEMENT

On 7 December 2022, the Joint Offerors entered into the Consortium Agreement to form a consortium for the purpose of the Partial Offer. The Consortium Agreement governs (i) the Joint Offerors' relationship in respect of the Partial Offer; (ii) the conduct and implementation of the Partial Offer; and (iii) the allocation of the Offer Shares among the Joint Offerors upon completion of the Partial Offer.

Set out below are the key terms of the Consortium Agreement:

- (i) the Joint Offerors agree that all decisions relating to the Partial Offer will be made jointly by the Joint Offerors;
- (ii) each Joint Offeror shall use its reasonable efforts to do (or procure to be done), and to assist and cooperate with other Joint Offerors in doing, all things reasonably necessary, proper or advisable to consummate and make effective, as promptly as practicable, the Partial Offer;
- (iii) each Joint Offeror shall cooperate with other Joint Offerors and their professional advisers and proceed in good faith to consummate the Partial Offer (including without limitation, preparing the transaction documents and responding to any enquiries that the Executive and the Stock Exchange may have). Each Joint Offeror agrees to consult with other Joint Offerors and to keep other Joint Offerors fully informed of any relevant material developments and the status of implementation in respect of the Partial Offer;

- (iv) each Joint Offeror acknowledges and agrees that it shall be fully responsible for ensuring the accuracy of all statements of fact furnished or confirmed by it in each of the transaction documents relating to it and its associates;
- (v) in the event that the Partial Offer becomes unconditional, In-Plus, Power Aim, Wise Creative and Widen Success shall acquire 4,000,000, 10,000,000, 5,500,000 and 5,500,000 Offer Shares, respectively, and all the remaining Offer Shares which are validly tendered for acceptance by the Qualifying Shareholders under the Partial Offer shall be acquired by Great Trade; accordingly, the maximum number of Offer Shares to be acquired by Great Trade is 55,000,000 Offer Shares and the minimum number of Offer Shares to be acquired by Great Trade is 48,313,834 Offer Shares;
- (vi) each Joint Offeror agrees to advance sufficient cash in immediately available funds in HK\$ in time to fulfil its obligation to pay the Offer Price with reference to the maximum number of Offer Shares to be acquired by such Joint Offeror as set out in paragraph (v) above, together with any stamp duty that may be incurred in connection with the Partial Offer prior to the date of this joint announcement. Each Joint Offeror further agrees and undertakes to advance sufficient cash in immediately available funds in HK\$ in time to fulfil its obligation to pay any fees, expenses and costs that may be incurred in connection with the Partial Offer from time to time;
- (vii) each Joint Offeror undertakes to arrange sufficient financial resources required by the Executive to implement the Partial Offer and to fulfil its payment obligations thereunder;
- (viii) each Joint Offeror shall discharge its obligation of contribution set out in paragraph (vi) above on a several but not joint basis and shall be solely responsible for all obligations and liabilities in relation to the arrangement in connection with its financial resources;
- (ix) each Joint Offeror agrees and undertakes to other Joint Offerors that, during the Offer Period and until six months after the close of the Partial Offer, it shall not, and shall use its reasonable efforts to procure parties acting in concert with it (including any other person who is subsequently acting in concert with it) not to, enter into, solicit, facilitate or encourage any arrangement, agreement or understanding, whether or not legally binding or subject to any condition, which may constitute a “special deal” (as defined under Rule 25 of the Takeovers Code);
- (x) before the Partial Offer becomes or is declared unconditional (whether as to acceptance or in all respects), lapses or is withdrawn (whichever is the later), each Joint Offeror shall not, and shall use its reasonable efforts to procure parties acting in concert with it (including any other person who is subsequently acting in concert with it) and its associates not to, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it directly or indirectly;

- (xi) each Joint Offeror shall not, and shall use its reasonable efforts to procure parties acting in concert with it (including any other person who is subsequently acting in concert with it) and its associates not to, acquire any voting rights in the Company or otherwise deal in the Shares or other securities of the Company (i) during the Offer Period; and (ii) during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive; and
- (xii) each Joint Offeror represents and warrants to the other Joint Offerors that as at the date of the Consortium Agreement, the date of publication of (amongst others) each announcement and circular relating to the Partial Offer, and the Final Settlement Date:
 - (a) (1) the making of the Partial Offer, (2) the advancement of cash to the relevant bank account to fulfil its payment obligation in accordance with the terms of the Consortium Agreement, and (3) the settlement of the consideration payable by it to the accepting Qualifying Shareholders under the Partial Offer in accordance with the terms of the Consortium Agreement are not subject to any approval, consent or authorization under the Five Parties' Agreement; and
 - (b) (for Great Trade, In-Plus, Power Aim and Wise Creative only) the Offer Shares to be acquired by such Joint Offeror under the Partial Offer are for the benefit of Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming, respectively, as the case may be (and not for the benefit of the other ESC Members) and such Offer Shares do not constitute assets of, or are not held on trust for and on behalf of, the other ESC Members.

In the event that the Partial Offer does not become or is not declared unconditional, the Consortium Agreement shall terminate with immediate effect upon the end of the Offer Period.

THE 2nd SUPPLEMENTAL AGREEMENT TO THE FIVE PARTIES' AGREEMENT

The Shares were listed on the Main Board of the Stock Exchange on 21 December 2006. Prior to the Listing, the Five Parties entered into the Five Parties' Agreement dated 29 August 2005 (as supplemented on 15 November 2005), pursuant to which the Five Parties agreed (a) to hold, manage and dispose of their respective direct and indirect interests in the Five BVI Companies, Faith Maple and the Company on behalf of the then 98 ESC Members (including themselves) (in accordance with their proportional interests in Jiangsu Xingda immediately prior to the Faith Maple Acquisition) and Mr. Wu (who joined the Group as an employee of Jiangsu Xingda on 1 July 2005); and (b) to procure the Five BVI Companies to vote unanimously at the general meetings of the Company and Faith Maple.

In contemplation of the Partial Offer, on 29 November 2022, the Five Parties entered into the 2nd Supplemental Agreement To The Five Parties' Agreement to confirm and acknowledge that (i) the interests and rights of the Five BVI Companies and the interests and rights in the Shares held by the Five Parties through the Five BVI Companies are held by the Five Parties for their own benefit and for the benefit of the other ESC Members with reference to the proportion set out in the Five Parties' Agreement and as amended from time to time; and (ii) to the extent any Shares were acquired by any of the Five Parties and/or the Five BVI Companies using the funds provided by such member of the

Five Parties on or after 30 August 2005, such acquired Shares (together with all rights and benefits accruing and attaching thereto) shall be for the benefit of such member of the Five Parties only. Accordingly, given each of Great Trade, In-Plus, Power Aim and Wise Creative will finance each of their proportions of consideration payable under the Partial Offer by the internal cash resources provided by Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming, respectively, the Offer Shares to be acquired by Great Trade, In-Plus, Power Aim and Wise Creative under the Partial Offer shall be for the respective benefit of Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming.

Each of the ESC Members (other than Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming) has signed a written confirmation acknowledging the arrangements contemplated under the 2nd Supplemental Agreement To The Five Parties' Agreement and in particular, confirming that save for the Five Parties, other ESC Members shall have no interests and rights in the Shares acquired by any of the Five Parties and/or the Five BVI Companies using the funds provided by such member of the Five Parties on or after 30 August 2005.

THE AIC AGREEMENT

On 29 November 2022, the Five BVI Companies, the Five Parties, Widen Success and Mr. Liu Tao entered into the AIC Agreement, pursuant to which the parties agreed, confirmed and acknowledged that in respect of all the Shares held by the Five BVI Companies, the Five Parties, Widen Success and Mr. Liu Tao from time to time, whether for their own benefit or for the benefit of the other ESC Members, they shall reach a consensus before voting on any of the matters to be resolved at the general meetings of the Company and shall vote unanimously on the resolutions proposed at the general meetings of the Company. Mr. Liu Tao further agreed and confirmed that he shall agree with Mr. Liu Jinlan when reaching a consensus among the Five Parties and himself.

The AIC Agreement shall take effect on the Final Settlement Date, accordingly, if the Partial Offer does not become unconditional, lapses, does not proceed or is withdrawn due to any reason in accordance with the Takeovers Code, the AIC Agreement shall not take effect and will be terminated automatically.

VALUE OF THE PARTIAL OFFER

Comparison of value

The Offer Price of HK\$1.88 per Offer Share represents:

- (i) a premium of approximately 24.50% over the closing price of HK\$1.51 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 25.33% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;

- (iii) a premium of approximately 26.09% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 24.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 55.17% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$4.19 per Share as at 31 December 2021, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB5,699.85 million (based on the exchange rate of HK\$1: RMB0.81760, the central parity rate published by the People's Bank of China on its website as at 31 December 2021 for illustrative purposes) as at 31 December 2021 and 1,662,445,199 Shares in issue as at the date of this joint announcement; and
- (vi) a discount of approximately 52.80% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$3.98 per Share as at 30 June 2022, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB5,662.65 million (based on the exchange rate of HK\$1: RMB0.85519, the central parity rate published by the People's Bank of China on its website as at 30 June 2022 for illustrative purposes) as at 30 June 2022 and 1,662,445,199 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period preceding the date of this joint announcement and up to the Last Trading Day, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$1.62 on 20 September 2022 and 21 September 2022 and HK\$1.34 on 20 June 2022 and 21 June 2022, respectively.

Total consideration of the Partial Offer

Assuming valid acceptance of the Partial Offer for the relevant number of Offer Shares has been tendered by the Qualifying Shareholders and based on the Offer Price of HK\$1.88 per Offer Share, the total cash consideration payable by the Joint Offerors to purchase (a) the Maximum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$150,400,000 and (b) the Minimum Number of Offer Shares from the Qualifying Shareholders under the Partial Offer will be approximately HK\$137,830,008.

Confirmation of financial resources

The Joint Offerors will finance each of their proportions of consideration payable under the Partial Offer by the internal resources provided by the Joint Offerors' Shareholders respectively.

CLSA Capital Markets, as the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to the Joint Offerors to satisfy the maximum consideration payable by the Joint Offerors under the Partial Offer.

OTHER TERMS OF THE PARTIAL OFFER

Acceptance of the Partial Offer

The Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Offer Shares held by them.

Subject to the Partial Offer becoming unconditional in all respects: (i) if valid acceptances are received for not less than the Minimum Number of Offer Shares, but not more than the Maximum Number of Offer Shares as at the Final Closing Date, all Offer Shares validly accepted will be taken up; and (ii) if valid acceptances are received for more than the Maximum Number of Offer Shares as at the Final Closing Date, the total number of Offer Shares to be taken up by the Joint Offerors from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = the Maximum Number of Offer Shares as at the Final Closing Date, being the maximum number of Offer Shares for which the Partial Offer is made

B = the total number of Offer Shares validly tendered by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Joint Offerors will take up from each Qualifying Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Joint Offerors, and in any event, the total number of Offer Shares to be taken up by the Joint Offerors will not exceed the Maximum Number of Offer Shares.

Odd lots

Shareholders should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Accordingly, it is intended that a designated broker will be appointed by the Joint Offerors to match sales and purchases of odd lot holdings of Shares in the market for a reasonable time period

following the close of the Partial Offer to enable such Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangement will be disclosed in the Composite Document.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Joint Offerors that the Shares sold by it to the Joint Offerors under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Final Closing Date. The Company confirms that as at the date of this joint announcement, it does not have any intention to make, declare or pay any further dividend or make other distributions between the date of this joint announcement and the Final Closing Date.

If, after the date of this joint announcement and up to the Final Closing Date, any dividend and distributions is declared in respect of the Offer Shares and the record date of which falls on or before the Final Closing Date, the Joint Offerors reserve the right to reduce the Offer Price by an amount equal to the amount of such dividend or distributions declared, made or paid in respect of each Offer Share, in which case any reference in this joint announcement, the Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Settlement of consideration

Settlement of the consideration payable by the Joint Offerors in respect of acceptance of the Partial Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the Final Closing Date. Further details regarding the timing of settlement of the consideration payable by the Joint Offerors in respect of acceptance of the Partial Offer will be set out in the Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

Assuming that there will be no change to the issued share capital of the Company between the date of this joint announcement and up to the Closing Date, the shareholding structure of the Company, as at the date of this joint announcement and immediately upon completion of the Partial Offer, is set out below:

	Immediately upon completion of the Partial Offer					
	As at the date of this joint announcement		Assuming the Minimum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer ⁽¹²⁾		Assuming the Maximum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer ⁽¹²⁾	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Joint Offerors						
Great Trade	274,104,883	16.49%	322,418,717	19.39%	329,104,883	19.80%
In-Plus	151,114,000	9.09%	155,114,000	9.33%	155,114,000	9.33%
Power Aim	42,725,000	2.57%	52,725,000	3.17%	52,725,000	3.17%
Wise Creative	48,565,000	2.92%	54,065,000	3.25%	54,065,000	3.25%
Widen Success	–	–	5,500,000	0.33%	5,500,000	0.33%
<i>Sub-total of Joint Offerors</i>	516,508,883	31.07%	589,822,717	35.48%	596,508,883	35.88%
Parties acting in concert with the Joint Offerors						
Mr. Liu Jinlan ⁽¹⁾	49,039,275	2.95%	49,039,275	2.95%	49,039,275	2.95%
Mr. Liu Xiang ⁽²⁾	18,932,299	1.14%	18,932,299	1.14%	18,932,299	1.14%
Mr. Zhang Yuxiao ⁽³⁾	3,458,000	0.21%	3,458,000	0.21%	3,458,000	0.21%
Mr. Hang Youming ⁽⁴⁾	43,671,000	2.62%	43,671,000	2.62%	43,671,000	2.62%
Mr. Tao Jinxiang ⁽⁵⁾	10,264,000	0.62%	10,264,000	0.62%	10,264,000	0.62%
Perfect Sino ⁽⁵⁾	116,259,000	6.99%	116,259,000	6.99%	116,259,000	6.99%
<i>Sub-total of Joint Offerors and parties acting in concert with them</i>	758,132,457	45.60%	831,446,291	50.01%	838,132,457	50.42%
The INEDs						
Mr. Koo Fook Sun, Louis ⁽⁶⁾	510,824	0.031%	510,824	0.031%	510,824	0.031%
Mr. William John Sharp ⁽⁷⁾	384,000	0.023%	384,000	0.023%	384,000	0.023%
Ms. Xu Chunhua ⁽⁸⁾	50,000	0.003%	50,000	0.003%	50,000	0.003%
<i>Sub-total of the INEDs</i>	944,824	0.057%	944,824	0.057%	944,824	0.057%
The Trustee ⁽⁹⁾	2,139,665	0.13%	2,139,665	0.13%	2,139,665	0.13%

	Immediately upon completion of the Partial Offer					
	As at the date of this joint announcement		Assuming the Minimum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer ⁽¹²⁾		Assuming the Maximum Number of Offer Shares is tendered for acceptance by the Qualifying Shareholders under the Partial Offer ⁽¹²⁾	
			No. of Shares	Approximate %	No. of Shares	Approximate %
Public Shareholders						
FIL Limited ⁽¹⁰⁾	166,244,328	9.99%	166,244,328	9.99%	166,244,328	9.99%
Other Shareholders	734,983,925	44.21%	661,670,091	39.80%	654,983,925	39.40%
Total	<u>1,662,445,199</u>	<u>100.00%</u>	<u>1,662,445,199</u>	<u>100.00%</u>	<u>1,662,445,199</u>	<u>100.00%</u>

Notes:

- Mr. Liu Jinlan is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Liu Jinlan will become interested in a further 5,425,000 Shares.
- Mr. Liu Xiang is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Liu Xiang will become interested in a further 2,675,000 Shares.
- Mr. Zhang Yuxiao is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Zhang Yuxiao will become interested in a further 2,675,000 Shares.
- Mr. Hang Youming is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Hang Youming will become interested in a further 2,675,000 Shares.
- Mr. Tao Jinxiang is a party to the Five Parties' Agreement; therefore, Mr. Tao Jinxiang and Perfect Sino, a company wholly-owned by Mr. Tao Jinxiang, are parties acting in concert with the Joint Offerors. Mr. Tao Jinxiang and Perfect Sino are Qualifying Shareholders and the Tao Shares will be subject to the Partial Offer, but Mr. Tao Jinxiang and Perfect Sino are not entitled to signify their approval of the Partial Offer under Rule 28.5 of the Takeovers Code. Mr. Tao Jinxiang is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Tao Jinxiang will become interested in a further 2,675,000 Shares.
- Mr. Koo Fook Sun, Louis is an INED as at the date of this joint announcement. He is a Qualifying Shareholder and the Shares held by him will be subject to the Partial Offer. Mr. Koo Fook Sun, Louis is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. Koo Fook Sun, Louis will become interested in a further 217,000 Shares.

7. Mr. William John Sharp is an INED as at the date of this joint announcement. He is a Qualifying Shareholder and the Shares held by him will be subject to the Partial Offer. Mr. William John Sharp is a grantee under the Share Award Scheme. Upon fulfilment of the relevant vesting conditions and assuming all Award Shares granted to him are vested in full, Mr. William John Sharp will become interested in a further 217,000 Shares.
8. Ms. Xu Chunhua is an INED as at the date of this joint announcement. She is a Qualifying Shareholder and the Shares held by her will be subject to the Partial Offer.
9. As at the date of this joint announcement, the Trustee holds 2,139,665 Shares for the Share Award Scheme. Pursuant to the Share Award Scheme, the Trustee shall not exercise the voting rights in respect of any Shares held under the trust constituted for the Share Award Scheme, therefore it is not entitled to signify its approval of the Partial Offer for the purposes of Rule 28.5 of the Takeovers Code. The Shares held by the Trustee will be subject to the Partial Offer but given the Trustee holds Shares for the purposes of the Share Award Scheme, the Company does not intend to give any instruction to the Trustee to accept the Partial Offer.
10. The information of and number of Shares held by such Shareholder are based on the disclosure of interest filings made by it.
11. CLSA Capital Markets is the financial adviser to the Joint Offerors in respect of the Partial Offer. Accordingly, CLSA Capital Markets and persons controlling, controlled by or under the same control as CLSA Capital Markets (except exempt principal traders and exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) are presumed to be acting in concert with the Joint Offerors in relation to the Company in accordance with Class (5) of the definition of “acting in concert” under the Takeovers Code. Details of holdings or borrowings or lendings of, and dealings in, Shares or derivatives in respect of them by other parts of the CLSA Capital Markets group will be obtained as soon as possible after this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made if the holdings, borrowings, lendings, or dealings of the other parts of the CLSA Capital Markets group are significant. The statements in this joint announcement as to the holdings or borrowings or lendings of, or their dealings in, Shares or derivatives in respect of Shares by parties acting in concert with the Joint Offerors are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the CLSA Capital Markets group. Notwithstanding that connected exempt principal traders within the CLSA Capital Markets group are not acting in concert with the Joint Offerors, Shares held by any such connected exempt principal traders must not be assented to the Partial Offer until the Partial Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, and must not approve the Partial Offer in accordance with the requirements of Rule 35.4 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions shall originate from the client only, and if no instructions are given, then no approval of the Partial Offer shall be signified for the relevant Shares held by the relevant connected exempt principal trader. For this purpose, a written confirmation of the matters set out in points (i) and (ii) above and whether the relevant underlying clients are entitled to vote in the context of the Partial Offer will be submitted to the Executive prior to the acceptance and approval of the Partial Offer in respect of the relevant Shares held by the relevant connected exempt principal trader.

12. On the assumption that all Shares tendered for acceptance under the Partial Offer are from Other Shareholders (as listed in the table above).

As at the date of this joint announcement, there are 1,662,445,199 Shares in issue with no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or that are convertible or exchangeable into Shares or other types of equity interest, and 1,030,835,742 Shares are held by the Qualifying Shareholders.

As at the date of this joint announcement, there are 21,816,000 outstanding Award Shares awarded to the grantees under the Share Award Scheme which remain unvested, among which 5,425,000, 2,675,000, 2,675,000, 2,675,000, 2,675,000, 217,000 and 217,000 Award Shares which remain unvested were granted to Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Mr. Hang Youming, Mr. William John Sharp and Mr. Koo Fook Sun, Louis, respectively. Pursuant to the Share Award Scheme, the Trustee shall purchase Shares in the market out of cash contributed by the Company and hold such Shares until such Shares are vested in the relevant grantees. As at the date of this joint announcement, the Trustee holds 2,139,665 Shares for satisfying the unvested share awards granted to the grantees.

The Company has no intention to grant any new awards under the Share Award Scheme, and will not instruct the Trustee to purchase any Shares from the market, from the date of this joint announcement until after the end of the Offer Period.

Pursuant to Rule 28.3 of the Takeovers Code, the Joint Offerors and parties acting in concert with them (including any other person who is subsequently acting in concert with them) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive. In this regard, Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming (i.e. the Five Parties) have requested the Company not to, and the Company will not, vest any Award Shares in them until after the expiry of the 12-month period immediately following the end of the Offer Period.

Save as aforesaid, as at the date of this joint announcement, the Company has no other shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

PUBLIC FLOAT

As at the date of this joint announcement, the Company has a public float of approximately 54.21% of the Shares in issue. Assuming (i) full acceptances of the Maximum Number of Offer Shares under the Partial Offer by the Qualifying Shareholders (other than Mr. Tao Jinxiang, Perfect Sino, the Trustee and the INEDs) and (ii) that there are no changes to the issued share capital of the Company and the number of Shares held by the Trustee under the Share Award Scheme between the date of this joint announcement and up to the Closing Date, the Company will have a public float of approximately 49.40% of the Shares in issue immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 8.08 of the Listing Rules. The Joint Offerors intend to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

REASONS FOR AND BENEFITS OF THE PARTIAL OFFER AND INTENTION OF THE JOINT OFFERORS

Reference is made to the annual results announcement of the Company dated 30 March 2022. The audited revenue and net profit of the Group for the year ended 31 December 2021 increased by approximately 38.6% and 75.0% respectively as compared to the equivalent period in 2020, while the basic earnings per Share and diluted earnings per Share increased by 82.1% and 81.9% respectively as compared to the equivalent period in 2020.

Given that the global economy has been gradually recovering from the COVID-19 pandemic and the Chinese government has also strengthened organic economic development drivers to promote continuous economic growth with the help of investment policies and consumption policies alongside measures to expand domestic demand and allocate funds, the Joint Offerors expect that the global demand for automotive tire strengthening material will grow significantly in the coming few years, and in the mid and long run, the radial tire cord industry will continue to thrive. Therefore, the Joint Offerors seek to obtain further interest in the Company to consolidate their joint control in the Company.

When determining the Maximum Number of Offer Shares and the Minimum Number of Offer Shares, the Joint Offerors have taken into account the interests of the Company, the Qualifying Shareholders, the Five Parties and themselves. The Joint Offerors are of the view that the Partial Offer will benefit all the aforesaid parties.

Benefits to the Company, the Five Parties and the Joint Offerors

As at the date of this joint announcement, the Joint Offerors and parties acting in concert with them collectively own approximately 45.60% of the voting rights in the Company. Upon the Partial Offer becoming unconditional, the Joint Offerors and parties acting in concert with them will collectively own not less than 50.01% of voting rights in the Company, which allow them to exercise statutory control of the Company. At the same time, the public float of the Company will be maintained at or above the 25% level as required under the Listing Rules and it is the intention of the Joint Offerors to maintain the listing status of the Shares on the Stock Exchange upon completion of the Partial Offer.

Upon completion of the Partial Offer, the Company will have greater flexibility to manage its capital structure. As stated above, since the Joint Offerors and parties acting in concert with them only own an aggregate of approximately 45.60% of the voting rights in the Company as at the date of this joint announcement, the Company is therefore restricted from pursuing share repurchases opportunistically without potentially triggering a mandatory general offer obligation under Rule 26.1 of the Takeovers Code on the part of the Joint Offerors and parties acting in concert with them. Should the Partial Offer be completed, the Joint Offerors and parties acting in concert with them will collectively own more than 50% of the voting rights in the Company and thus they will no longer be subject to the “2% creeper rule” under Rule 26.1 of the Takeovers Code (save that pursuant to Rule 28.3 of the Takeovers Code, the Joint Offerors and parties acting in concert with them (including any other person who is subsequently acting in concert with them) may not acquire voting rights in the Company during the 12-month period immediately following the end of the Offer Period, except with the consent of the Executive). The Company can then manage its capital structure, including by way of making share repurchases, more flexibly.

The increase in shareholding in the Company by the Joint Offerors and parties acting in concert with them can also demonstrate their commitment to the Group and their confidence towards the prospects of the Group. It may possibly improve the Group's credit indicators which allow the Group to conduct future equity and debt financing at a lower cost.

Benefits to the Qualifying Shareholders

Upon the Partial Offer becoming unconditional, each Qualifying Shareholder (i) will receive a payment of HK\$1.88 in cash for every Offer Share in respect of which that Qualifying Shareholder validly accepts the Partial Offer and which is taken up by the Joint Offerors under the Partial Offer (less the seller's ad valorem stamp duty arising therefrom); and (ii) will have the opportunity of retaining an interest in the Company going forward and therefore, will be able to enjoy any further potential upside from any retained ownership in the Company post the Partial Offer.

The Joint Offerors intend to continue the existing businesses and the employment of employees of the Group and have no intention to introduce any major redeployment of fixed assets to the Group which is not in the ordinary course of business. The Joint Offerors consider that the Group should continue to review its strategy and focus to best suit the operating environment of the Group.

INFORMATION ON THE JOINT OFFERORS

Great Trade is a company incorporated in the British Virgin Islands with limited liability on 2 January 2004. As at the date of this joint announcement, Mr. Liu Jinlan, chairman of the Board and an executive Director, is the sole registered shareholder of Great Trade. Great Trade is principally engaged in investment holding.

In-Plus is a company incorporated in the British Virgin Islands with limited liability on 2 January 2004. As at the date of this joint announcement, Mr. Liu Xiang, an executive Director and the son of Mr. Liu Jinlan, is the sole registered shareholder of In-Plus. In-Plus is principally engaged in investment holding.

Power Aim is a company incorporated in the British Virgin Islands with limited liability on 2 January 2004. As at the date of this joint announcement, Mr. Zhang Yuxiao, an executive Director, is the sole registered shareholder of Power Aim. Power Aim is principally engaged in investment holding.

Wise Creative is a company incorporated in the British Virgin Islands with limited liability on 2 January 2004. As at the date of this joint announcement, Mr. Hang Youming, the son-in-law of Mr. Liu Jinlan, is the sole registered shareholder of Wise Creative. Wise Creative is principally engaged in investment holding.

The interests and rights of Great Trade, In-Plus, Power Aim and Wise Creative, and the interests and rights in the Shares held by Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming through Great Trade, In-Plus, Power Aim and Wise Creative are owned by Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming respectively for the benefit of the ESC Members, save for the Shares acquired by any of Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming in their own name or through Great Trade, In-Plus, Power Aim and Wise Creative respectively using the funds provided by themselves on or after 30 August 2005 (including the Offer Shares to be acquired by Great Trade, In-Plus, Power Aim and Wise Creative respectively

under the Partial Offer), such acquired Shares (together with all rights and benefits accruing and attaching thereto) shall be for the respective benefit of Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming only and not for the benefit of the other ESC Members.

Widen Success is a company incorporated in the British Virgin Islands with limited liability on 7 July 2022. As at the date of this joint announcement, Mr. Liu Tao, the son of Mr. Liu Jinlan, holds the entire issued share capital of Widen Success. Widen Success is principally engaged in investment holding.

INFORMATION ON THE EMPLOYEE SHAREHOLDING COMMITTEE AND THE ESC MEMBERS

As disclosed in the Prospectus, the Employee Shareholding Committee was established on 13 October 1997 by the Xingda Labour Union for the purpose of coordinating the ESC Members' interests in Jiangsu Xingda. As part of the reorganization in preparation for Listing, Faith Maple acquired the shares of Jiangsu Xingda and Jiangsu Xingda became an indirect subsidiary of the Company.

All ESC Members shall (i) be an existing or former employee of Jiangsu Xingda, its branch companies or its wholly-owned enterprises and (ii) have voluntarily contributed to the original registered capital of Jiangsu Xingda or subsequently acquired an interest in the shares of Jiangsu Xingda.

The Five Parties' Agreement was entered into to regulate and govern the interests and rights of the ESC Members in Jiangsu Xingda on 29 August 2005. Pursuant to the Five Parties' Agreement effective at the Listing, the Five Parties agreed, among other things, to hold, manage and dispose of their respective direct and indirect interests in the Five BVI Companies, Faith Maple and the Company on behalf of the then 98 ESC Members (including themselves) (in accordance with their proportional interests in Jiangsu Xingda immediately prior to the Faith Maple Acquisition) and Mr. Wu (who joined the Group as an employee of Jiangsu Xingda on 1 July 2005). Pursuant to the 2nd Supplemental Agreement To The Five Parties' Agreement, (i) the interests and rights of the Five BVI Companies and the interests and rights in the Shares held by the Five Parties through the Five BVI Companies are held by the Five Parties for their own benefit and for the benefit of the other ESC Members with reference to the proportion set out in the Five Parties' Agreement and as amended from time to time; and (ii) to the extent any Shares were acquired by any of the Five Parties and/or the Five BVI Companies using the funds provided by such member of the Five Parties on or after 30 August 2005, such acquired Shares (together with all rights and benefits accruing and attaching thereto) shall be for the benefit of such member of the Five Parties only.

As at the date of this joint announcement, the Employee Shareholding Committee has 66 ESC Members (including the Five Parties), given that since the Five Parties' Agreement was initially entered into, some of the ESC Members chose to realise their interests from the Employee Shareholding Committee when they have ceased to be an employee of the Group.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the manufacturing and trading of radial tire cords, bead wires and other wires.

The following table contains certain financial information of the Group for the six months ended 30 June 2022 as extracted from the Company's interim report for the six months ended 30 June 2022 and the two financial years ended 31 December 2020 and 2021 as extracted from the Company's annual report for the year ended 31 December 2021:

	Six months ended 30 June 2022 <i>RMB'000</i> (unaudited)	For the financial year ended 31 December	
		2021 <i>RMB'000</i> (audited)	2020 <i>RMB'000</i> (audited)
Revenue	5,539,638	10,645,310	7,679,907
Net profit before taxation	340,733	419,001	344,440
Net profit after taxation	258,505	306,965	175,448
Net asset value	7,589,974	7,610,638	7,579,042

GENERAL

Independent Board Committee and Independent Financial Adviser

In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all INEDs, namely Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua, has been established to make a recommendation to the Qualifying Shareholders as to whether the terms of the Partial Offer are fair and reasonable, and as to approval and acceptance of the Partial Offer.

Optima Capital Limited has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Partial Offer and in particular as to whether the terms of the Partial Offer are fair and reasonable, and as to approval and acceptance of the Partial Offer.

Despatch of the Composite Document

It is the intention of the Joint Offerors and the Board to combine the offer document and the offeree board circular into the Composite Document which sets out, among other things, (i) the terms of the Partial Offer; (ii) the recommendation from the Independent Board Committee to the Qualifying Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Partial Offer; and (iv) the Form of Approval and Acceptance. The Composite Document will, subject to the satisfaction of the Pre-Condition, be despatched to the Shareholders within 21 days of the date of this joint announcement in accordance with the Takeovers Code.

Qualifying Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, before deciding whether or not to approve and accept the Partial Offer.

Overseas Shareholders

The availability of the Partial Offer to persons who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of those Shareholders who wish to accept the Partial Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Partial Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Shareholders in respect of such jurisdictions).

Acceptance of the Partial Offer by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Joint Offerors that the local laws and requirements have been complied with and that the Partial Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to any overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waiver, the Composite Document will not be despatched to such overseas Shareholders. The Joint Offerors will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Hong Kong stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Partial Offer will be payable by the relevant Qualifying Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Joint Offerors in respect of the relevant acceptance of the Partial Offer, whichever is higher, which will be deducted from the cash amount payable by the Joint Offerors to such Qualifying Shareholder on acceptance of the Partial Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty will be rounded-up to the nearest HK\$1). The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Qualifying Shareholders accepting the Partial Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Partial Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Qualifying Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Partial Offer. None of the Joint Offerors, parties acting in concert with the Joint Offerors, the Company, CLSA Capital Markets, CLSA Limited and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Partial Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Partial Offer.

Interests and other arrangements

As at the date of this joint announcement,

- (i) the Joint Offerors, the Joint Offerors' Shareholders and parties acting in concert with any of them are interested in an aggregate of 758,132,457 Shares (representing approximately 45.60% of the total issued share capital of the Company as at the date of this joint announcement). Save for the foregoing and/or as disclosed in the section headed "*SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER*" above, none of the Joint Offerors, the Joint Offerors' Shareholders and parties acting in concert with any of them hold any Shares, convertible securities, warrants or options in respect of Shares or any other voting rights or rights over the Shares or any outstanding derivatives in respect of securities in the Company entered into by the Joint Offerors, the Joint Offerors' Shareholders or any party acting in concert with any of them;
- (ii) none of the Joint Offerors, the Joint Offerors' Shareholders and parties acting in concert with any of them has received any irrevocable commitment to accept or not to accept, approve or not to approve the Partial Offer;
- (iii) save for the Consortium Agreement, the AIC Agreement and the Five Parties' Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Joint Offerors or the Shares and which might be material to the Partial Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Consortium Agreement and/or as disclosed in the sections headed "THE PARTIAL OFFER – Pre-Condition to the Partial Offer" and "THE PARTIAL OFFER – Conditions to the Partial Offer" of this joint announcement, there is no agreement or arrangement to which any one of the Joint Offerors and the Joint Offerors' Shareholders is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Partial Offer;
- (v) none of the Joint Offerors, the Joint Offerors' Shareholders and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for any borrowed Shares which have been either on-lent or sold;
- (vi) other than the Offer Price under the Partial Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Joint Offerors, the Joint Offerors' Shareholders or parties acting in concert with any of them in connection with the Partial Offer;
- (vii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Joint Offerors, the Joint Offerors' Shareholders or parties acting in concert with any of them on the one hand, and Shareholders or parties acting in concert with them on the other hand; and

(viii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Company, its subsidiaries or associated companies on the other hand.

None of the Joint Offerors, the Joint Offerors' Shareholders and parties acting in concert with them has acquired any voting rights or rights over Shares during the six months immediately prior to the date of this joint announcement.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Joint Offerors (as defined under the Takeovers Code and including but not limited to any person who owns or controls 5% or more of any class of relevant securities of the Company or the Joint Offerors) are reminded to disclose their dealings in the relevant securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 7 December 2022 pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 December 2022.

WARNING

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their own professional advisers.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“2nd Supplemental Agreement To The Five Parties’ Agreement”	the supplemental agreement to the Five Parties’ Agreement dated 29 November 2022 entered into by the Five Parties, details of which are set out in the section headed “ <i>THE 2nd SUPPLEMENTAL AGREEMENT TO THE FIVE PARTIES’ AGREEMENT</i> ” of this joint announcement
“acting in concert”	has the meaning given to it under the Takeovers Code
“AIC Agreement”	the agreement dated 29 November 2022 entered into amongst the Five BVI Companies, the Five Parties, Widen Success and Mr. Liu Tao, details of which are set out in the section headed “ <i>THE AIC AGREEMENT</i> ” of this joint announcement
“associate(s)”	has the meaning given to it under the Takeovers Code
“Award Shares”	Shares awarded under the Share Award Scheme
“Board”	the board of Directors
“Closing Date”	the First Closing Date of the Partial Offer or any subsequent closing date of the Partial Offer as may be extended or revised in accordance with the Takeovers Code
“CLSA Capital Markets”	CLSA Capital Markets Limited, a corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the exclusive financial adviser to the Joint Offerors in respect of the Partial Offer, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030)

“CLSA Limited”	CLSA Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, an indirectly wholly-owned subsidiary of CITIC Securities Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6030), being the agent making the Partial Offer on behalf of the Joint Offerors
“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 (Stock Code: 1899)
“Composite Document”	the composite document to be jointly despatched by the Joint Offerors and the Company to all Shareholders in connection with the Partial Offer in compliance with the Takeovers Code
“Conditions”	the conditions to which the Partial Offer is subject, as set out under the section headed “ <i>THE PARTIAL OFFER – Conditions to the Partial Offer</i> ” of this joint announcement
“Consortium Agreement”	the consortium agreement dated 7 December 2022 entered into by and among the Joint Offerors
“Despatch Date”	the date of despatch of the Composite Document to the Shareholders as required by the Takeovers Code
“Director(s)”	director(s) of the Company for the time being
“Employee Shareholding Committee”	江蘇興達鋼簾線股份有限公司職工持股會 (Employee Shareholding Committee of Jiangsu Xingda Steel Tyre Cord Co., Ltd.*), the name of an association or organization established on 13 October 1997, not having a separate existence independent of its members under the PRC laws
“ESC Members”	members of the Employee Shareholding Committee from time to time (including the Five Parties as at the date of this joint announcement)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director

“Faith Maple”	Faith Maple International Ltd., a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this joint announcement
“Faith Maple Acquisition”	acquisition of 58.4% of registered capital in Jiangsu Xingda from Xingda Labour Union, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Wu Xinghua, respectively, pursuant to two share acquisition agreements each dated 28 June 2004, completion of which took place on 10 December 2004; details of which are disclosed in the section headed “Corporate Structure and Reorganization” of the Prospectus
“Final Closing Date”	the date which is (i) the 14th day after the date on which the Partial Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later, provided that the Partial Offer will be open for acceptance for at least 21 days following the Despatch Date
“Final Settlement Date”	the date on which all consideration payable by the Joint Offerors under the Partial Offer is paid in full pursuant to the Takeovers Code
“First Closing Date”	the date stated in the Composite Document as the first closing day of the Partial Offer, which shall be at least 21 days following the Despatch Date, or such later date as may be extended by the Joint Offerors in accordance with the Takeovers Code
“Five BVI Companies”	Great Trade, In-Plus, Perfect Sino, Power Aim and Wise Creative
“Five Parties”	Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming
“Five Parties’ Agreement”	the agreement dated 29 August 2005 (as supplemented on 15 November 2005) entered into amongst the Five Parties, as supplemented by the 2nd Supplemental Agreement To The Five Parties’ Agreement
“Form of Approval and Acceptance”	the form of approval and acceptance in respect of the Partial Offer accompanying the Composite Document

“Great Trade”	Great Trade Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Joint Offerors; Mr. Liu Jinlan is its sole registered shareholder as at the date of this joint announcement
“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 Board Committee”	an independent board committee of the Company, comprising all INEDs, formed for the purpose of making a recommendation to the Qualifying Shareholders in respect of the terms of the Partial Offer, and as to approval and acceptance of the Partial Offer
“Independent Financial Adviser”	Optima Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Partial Offer
“INEDs”	Mr. Koo Fook Sun, Louis, Mr. William John Sharp and Ms. Xu Chunhua, each being an independent non-executive Director and a member of the Independent Board Committee as at the date of this joint announcement and “INED” shall mean any one of them
“In-Plus”	In-Plus Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Joint Offerors; Mr. Liu Xiang is its sole registered shareholder as at the date of this joint announcement
“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, an indirect non-wholly owned subsidiary of the Company as at the date of this joint announcement
“Joint Offerors”	Great Trade, In-Plus, Power Aim, Wise Creative and Widen Success

“Joint Offerors’ Shareholders”	Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao, Mr. Hang Youming and Mr. Liu Tao
“Last Trading Day”	6 December 2022, being the last trading day for the Shares immediately before the publication of this joint announcement
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum Number of Offer Shares”	the maximum number of Offer Shares to be purchased by the Joint Offerors from the Qualifying Shareholders, being 80,000,000 Offer Shares
“Minimum Number of Offer Shares”	the minimum number of Offer Shares required to be tendered for acceptance by Qualifying Shareholders, being 73,313,834 Offer Shares
“Mr. Wu”	Mr. Wu Xinghua, a former Director retired on 20 May 2010
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Price”	HK\$1.88 for each Offer Share payable by the Joint Offerors to the Qualifying Shareholders accepting the Partial Offer
“Offer Share(s)”	the Shares held by the Qualifying Shareholders which are subject to the Partial Offer
“Partial Offer”	the pre-conditional voluntary cash partial offer to be made by CLSA Limited on behalf of the Joint Offerors to the Qualifying Shareholders to acquire a maximum of 80,000,000 Offer Shares on the terms and conditions set out in this joint announcement and to be set out in the Composite Document, and in compliance with the Takeovers Code
“Perfect Sino”	Perfect Sino Limited, a company incorporated in the British Virgin Islands with limited liability; Mr. Tao Jinxiang is its sole registered shareholder as at the date of this joint announcement
“Power Aim”	Power Aim Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Joint Offerors; Mr. Zhang Yuxiao is its sole registered shareholder as at the date of this joint announcement

“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Pre-Condition”	the pre-condition to the making of the Partial Offer as set out under the section headed “ <i>THE PARTIAL OFFER – Pre-Condition to the Partial Offer</i> ” of this joint announcement
“Prospectus”	the prospectus of the Company dated 8 December 2006
“Qualifying Shareholder”	Shareholder other than the Joint Offerors and the Joint Offerors’ Shareholders, and “Qualifying Shareholders” shall be construed accordingly
“relevant securities”	has the meaning ascribed to it under Note 4 to Rule 22 of the Takeovers Code
“rights over shares”	has the meaning ascribed to it under the Takeovers Code
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share”	an ordinary share with a nominal value of HK\$0.1 each in the share capital of the Company, and “Shares” shall be construed accordingly
“Shareholder”	a holder of any Share(s), and “Shareholders” shall be construed accordingly
“Share Award Scheme”	the share award scheme of the Company adopted on 4 September 2009, the principal terms of which are set out in the announcement of the Company dated 18 September 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers published by the SFC, as amended, supplemental or otherwise modified from time to time
“Tao Shares”	Shares held by Mr. Tao Jinxiang and Perfect Sino, each a party acting in concert with the Joint Offerors, details of which are disclosed under the section headed “ <i>SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER</i> ” of this joint announcement
“Trustee”	BOCI-Prudential Trustee Limited, trustee appointed under the Share Award Scheme
“Widen Success”	Widen Success Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Joint Offerors; Mr. Liu Tao holds its entire issued share capital as at the date of this joint announcement
“Wise Creative”	Wise Creative Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Joint Offerors; Mr. Hang Youming is its sole registered shareholder as at the date of this joint announcement
“Xingda Labour Union”	江蘇興達鋼簾線股份有限公司工會 (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
“%”	per cent.

By Order of the board of Great Trade Limited Liu Jinlan <i>Sole Director</i>	By Order of the board of In-Plus Limited Liu Xiang <i>Sole Director</i>	By Order of the board of Power Aim Limited Zhang Yuxiao <i>Sole Director</i>	By Order of the board of Wise Creative Limited Hang Youming <i>Sole Director</i>	By Order of the board of Widen Success Holdings Limited Liu Tao <i>Sole Director</i>	By Order of the board of Xingda International Holdings Limited Liu Jinlan <i>Chairman of the Board</i>
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Shanghai, the PRC, 7 December 2022

As at the date of this joint announcement, the executive Directors are Mr. LIU Jinlan, Mr. LIU Xiang, Mr. TAO Jinxiang and Mr. ZHANG Yuxiao and the independent non-executive Directors 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 information contained in this joint announcement (other than the information relating to the Joint Offerors and parties acting in concert with any of them, and the Five Parties), and confirm, having made all

reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by each sole director of the Joint Offerors and the Five Parties in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Great Trade Limited is Mr. LIU Jinlan; the sole director of the In-Plus Limited is Mr. LIU Xiang; the sole director of the Power Aim Limited is Mr. ZHANG Yuxiao; the sole director of the Wise Creative Limited is Mr. HANG Youming.

The sole director of each of Great Trade Limited, In-Plus Limited, Power Aim Limited and Wise Creative Limited jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (including the information on the Five Parties and the Five BVI Companies but excluding the information relating to the Group and Widen Success Holdings Limited) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors and the sole director of Widen Success Holdings Limited in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of Widen Success Holdings Limited is Mr. LIU Tao.

The sole director of Widen Success Holdings Limited accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group, the other Joint Offerors, Perfect Sino Limited and the Five Parties) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors, each sole director of the other Joint Offerors and Perfect Sino Limited, and the Five Parties in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** For identification purpose only*