

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



XINGDA

兴 达

XINGDA INTERNATIONAL HOLDINGS LIMITED

興達國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1899)

**DISCLOSEABLE TRANSACTION
CAPITAL REDUCTION OF TARGET COMPANY**

CAPITAL REDUCTION

On 25 June 2025 (after trading hours), Faith Maple and the Target Company entered into the Capital Reduction Agreements with Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire respectively. Further, on 25 June 2025 (after trading hours), the Target Company entered into the Dongying Capital Reduction Agreement with Dongying Rongju. Pursuant to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, approximately RMB151.62 million (equivalent to approximately HK\$165.89 million) in the registered capital of the Target Company will be reduced.

Before the Capital Reduction, the Target Company is a non-wholly owned subsidiary of the Company and is owned as to approximately 70.32% by Faith Maple (a wholly owned subsidiary of the Company), 0.728% by Chengshan Group, 0.728% by Sailun Group, 0.728% by Triangle Tyre, 0.728% by Linglong Tire, 2.386% by Dongying Rongju and 24.382% by the other shareholders of the Target Company. Immediately after the Capital Reduction, the registered capital of the Target Company shall reduce from approximately RMB2,862.26 million (equivalent to approximately HK\$3,131.58 million) to approximately RMB2,710.64 million (equivalent to approximately HK\$2,965.69 million). After the Capital Reduction, the Target Company is owned as to approximately 74.25% by the Company and 25.75% by the other shareholders. After the Capital Reduction, the Target Company will remain a subsidiary of the Company and the financial results of the Target Group continue to be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Reduction exceeds 5% but is less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 25 June 2025 (after trading hours), Faith Maple and the Target Company had entered into the Capital Reduction Agreements with Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire respectively. Further, on 25 June 2025 (after trading hours), the Target Company entered into the Dongying Capital Reduction Agreement with Dongying Rongju. Pursuant to the Capital Reduction Agreements and the Dongying Capital Reduction Agreement, approximately RMB151.62 million (equivalent to approximately HK\$165.89 million) in the registered capital of the Target Company will be reduced.

CAPITAL REDUCTION AGREEMENTS

Set out below are the principal terms of the Capital Reduction Agreements and the Dongying Capital Reduction Agreement:

Date

25 June 2025 (after trading hours)

Parties to the Capital Reduction Agreement with Chengshan Group:

- (1) the Target Company;
- (2) Faith Maple; and
- (3) Chengshan Group.

Parties to the Capital Reduction Agreement with Sailun Group:

- (1) the Target Company;
- (2) Faith Maple; and
- (3) Sailun Group.

Parties to the Capital Reduction Agreement with Triangle Tyre:

- (1) the Target Company;
- (2) Faith Maple; and
- (3) Triangle Tyre.

Parties to the Capital Reduction Agreement with Linglong Tire:

- (1) the Target Company;
- (2) Faith Maple; and
- (3) Linglong Tire.

Parties to the Dongying Capital Reduction Agreement with Dongying Rongju:

- (1) the Target Company; and
- (2) Dongying Rongju.

Subject Matter of the Capital Reduction Agreements and the Dongying Capital Reduction Agreement

Reference is made to the announcements of the Company dated 21 August 2020, 18 November 2020, 20 November 2020, 16 December 2020 and 22 December 2020 in relation to, among others, the capital increase agreements, the deemed disposal of equity interest in the Target Company and the grant of share repurchase options by Faith Maple to Chengshan Group, Sailun Group, Triangle Tyre, and Linglong Tire respectively.

Each of the Capital Reduction Agreements were entered into as a supplemental agreement to the Capital Increase Agreements (as defined under the paragraph headed “**REASONS FOR AND BENEFITS OF THE CAPITAL REDUCTION**”), whereby the parties agreed to supplement the manner of exiting the Target Company. Apart from the exit mechanism set out in the Capital Increase Agreements, each of Chengshan Group, Sailun Group, Triangle Tyre, and Linglong Tire shall be entitled to request the Target Company to reduce their shareholding in the registered capital of the Target Company at the consideration which is calculated by 100% of the amount of capital contribution made, plus interest calculated based on 100% of the amount of capital contribution made, at a simple annual interest rate of 8% from the date of full payment of the capital contribution until the date of full payment of the repurchase price. As agreed by the parties, interests will be calculated from 16 December 2020 to 25 June 2025, the date of exit of the capital contribution by Chengshan Group, Sailun Group, Triangle Tyre, and Linglong Tire.

Further, pursuant to the Dongying Capital Reduction Agreement, Dongying Rongju shall also cease to be a shareholder of the Target Company by way of capital reduction.

Capital Reduction and the Consideration

The amount of the Capital Reduction and the consideration in each of the Capital Reduction Agreements and the Dongying Capital Reduction Agreement are set out below:

Name	Reduction in Registered Capital (RMB)	Consideration (RMB)
Chengshan Group	20,833,328	55,986,114.88
Sailun Group	20,833,328	55,986,114.88
Triangle Tyre	20,833,328	55,986,114.88
Linglong Tire	20,833,328	55,986,114.88
Dongying Rongju	<u>68,289,558</u>	<u>183,516,864.86</u>
Total	<u><u>151,622,870</u></u>	<u><u>407,461,324.38</u></u>

Before the completion of the Capital Reduction, the total registered capital of the Company is RMB2,862,262,865 divided into 2,862,262,865 shares. According to the Capital Reduction Agreements, each share of the Target Company is cancelled at approximately RMB2.69 per share.

After the completion of the Capital Reduction, the shareholding of the Group in the Target Company increased from approximately 70.32% to approximately 74.25%.

The consideration is determined based on arm's length negotiation between the parties with reference to the terms of the Capital Increase Agreements, the details of which are set out under the section headed "REASONS FOR AND BENEFITS OF THE CAPITAL REDUCTION".

The Target Company will pay the consideration to Chengshan Group, Sailun Group, Triangle Tyre, Linglong Tire, and Dongying Rongju respectively with the Company's internal resources.

REGISTERED CAPITAL OF THE TARGET COMPANY

The following table sets out the registered capital of the Target Company before and after the Capital Reduction:

	Before the Capital Reduction		After the Capital Reduction	
	Registered capital	Shareholding percentage	Registered capital	Shareholding percentage
	<i>(RMB'000)</i>		<i>(RMB'000)</i>	
Faith Maple	2,012,773	70.32%	2,012,773	74.25%
Chengshan Group	20,833	0.728%	0	0%
Sailun Group	20,833	0.728%	0	0%
Triangle Tyre	20,833	0.728%	0	0%
Linglong Tire	20,833	0.728%	0	0%
Dongying Rongju	68,290	2.386%	0	0%
Others	<u>697,868</u>	<u>24.382%</u>	<u>697,868</u>	<u>25.75%</u>
Total	<u><u>2,862,263</u></u>	<u><u>100%</u></u>	<u><u>2,710,641</u></u>	<u><u>100%</u></u>

INFORMATION OF THE TARGET COMPANY, CHENGSHAN GROUP, SAILUN GROUP, TRIANGLE TYRE, LINGLONG TIRE AND DONGYING RONGJU

The Target Company is a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company. The Target Company is principally engaged in the manufacture and distribution of radial tire cords, bead wires and other wires.

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

Chengshan Group is a company established in the PRC and is principally engaged in the business of design, research and development, manufacture and sale of tires. Please refer to the announcement of the Company dated 22 December 2020 for the information on the ultimate beneficial owners of Chengshan Group.

Sailun Group is a company listed on The Shanghai Stock Exchange (stock code: 601058) and is principally engaged in the business of design, research and development, manufacture and sale of tires.

Triangle Tyre is a company listed on The Shanghai Stock Exchange (stock code: 601163) and is principally engaged in the business of design, research and development, manufacture and sale of tires.

Linglong Tire is a company established in the PRC and is principally engaged in the business of design, research and development, manufacture and sale of tires. It is a subsidiary of Shandong Linglong Tire Co., Ltd, which is a company listed on The Shanghai Stock Exchange (stock code: 601966).

Dongying Rongju was established as a limited partnership in the PRC and is principally engaged in investment. Please refer to the announcement of the Company dated 18 November 2020 for the information on the ultimate beneficial owners of Dongying Rongju.

According to the audited financial statements of the Target Company prepared in accordance with the International Financial Reporting Standards, the key financial information of the Target Company for its two financial years ended 31 December 2024 and 31 December 2023 is as follows:

	For the year ended 31 December	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
	(Audited)	(Audited)
Net Profit (before tax)	488.8	752.4
Net Profit (after tax)	417.4	644.6

As at 31 December 2024, the audited net asset value of the Target Company is RMB7,994.3 million.

REASONS FOR AND BENEFITS OF THE CAPITAL REDUCTION

Reference is made to the announcements of the Company dated 21 August 2020, 18 November 2020, 20 November 2020, 16 December 2020 and 22 December 2020 in relation to, among others, the capital increase agreements, the deemed disposal of equity interest in the Target Company and the grant of share repurchase options by Faith Maple to Chengshan Group, Sailun Group, Triangle Tyre, and Linglong Tire respectively.

Pursuant to the capital increase agreements dated 16 December 2020, Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire made capital contributions to the Target Company in the amount of RMB50,000,000, RMB50,000,000, RMB50,000,000 and RMB50,000,000 respectively (the “**Capital Increase Agreements**”). The capital contributions constituted pre-IPO investment in relation to a proposed spin-off and separate listing of the tire-related business operated by Jingsu Xingda, by way of A shares listing on a stock exchange in the PRC (the “**Proposed Spin-off**”).

Due to the change in circumstances in the international business environment, the Proposed Spin-off of Jiangsu Xinda was discontinued. According to the terms and conditions of the Capital Increase Agreements and the Capital Reduction Agreements, if the Target Company did not complete the Proposed Spin-off by 31 December 2022, Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire are entitled to withdraw their capital contributions from Jiangsu Xingda at the amount of 100% of the capital contributions plus interests calculated based on 100% of the amount of the

capital contributions at a simple annual rate of 8% from the date of full payment of the capital contributions to the date of payment of the repurchase price, with the dividends (tax included) declared and distributed by the Target Company in respect of the relevant equity interest to be deducted (the “**Reduction Amount**”).

Hence, each of Chengshan Group, Sailun Group, Triangle Tyre and Linglong Tire entered into the Capital Reduction Agreement to withdraw their capital contributions at the Reduction Amount, as agreed under the Capital Increase Agreements. As agreed by the parties, interests on the capital contribution will be calculated from 16 December 2020 to 25 June 2025, the date of exit of the capital contribution by each of Chengshan Group, Sailun Group, Triangle Tyre, and Linglong Tire. The total consideration for withdrawal of the capital contribution of RMB50,000,000 is calculated at 55,986,114.88. As a consequent, 20,833,328 shares in the Target Company will be respectively cancelled, and the share cancellation price is equivalent to approximately RMB2.69 per share in the Target Company (the “**Share Cancellation Price**”).

As the Proposed Spin-off was discontinued, Dongying Rongju, one of the shareholders of the Target Company, also opted to withdraw its capital contribution from the Target Company. In consideration of the Share Cancellation Price and the equitable treatment of the shareholders of the Target Company, the Target Company and Dongying Rongju agreed to adopt the Share Cancellation Price to cancel Dongying Rongju’s shares in the Target Company.

As at the date of this announcement, none of the other shareholders of the Target Company has expressed its intention to withdraw from the Target Company.

The Directors (including the independent non-executive Directors) consider that the Capital Reduction Agreements are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better to the Group, and the terms thereof are fair and reasonable. Entering into the Capital Reduction Agreement is in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPACT OF THE CAPITAL REDUCTION

After the Capital Reduction, the registered capital of the Target Company shall reduce from approximately RMB2,862.26 million (equivalent to approximately HK\$3,131.58 million) to approximately RMB2,710.64 million (equivalent to approximately HK\$2,965.69 million). After the Capital Reduction, the Target Company will remain a subsidiary of the Company while Chengshan Group, Sailun Group, Triangle Tyre, Linglong Tire, and Dongying Rongju will cease to be shareholders of the Target Company. After the Capital Reduction, the financial results of the Target Group continue to be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Capital Reduction, exceeds 5% but is less than 25%, the Capital Reduction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	:	the board of directors
“Capital Reduction”	:	reduction of approximately RMB151.62 million in the registered capital of the Target Company by Chengshan Group, Sailun Group, Triangle Tyre, Linglong Tire and Dongying Rongju
“Capital Reduction Agreements”	:	the five capital reduction agreements (each a capital reduction agreement) entered into between the Faith Maple, the Target Company and Chengshan Group, Sailun Group, Triangle Tyre, Linglong Tire and Dongying Rongju respectively in respect of the Capital Reduction on 25 June 2025
“Chengshan Group”	:	成山集團有限公司 (Chengshan Group Co., Ltd.*), a company established in PRC and is a shareholder of the Target Company before Capital Reduction
“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)
“Directors”	:	the director(s) of the Company
“Dongying Rongju”	:	東營融聚投資中心(有限合夥) (Dongying Rongju Investment Centre (Limited Partnership)*), a limited partnership established in PRC and is a shareholder of the Target Company before Capital Reduction
“Faith Maple”	:	Faith Maple International Ltd, a wholly owned subsidiary of the Group and a controlling shareholder of the Target Company
“Group”	:	the Company and its subsidiaries

“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Linglong Tire”	:	玲瓏輪胎有限公司 (Linglong Tire Co., Ltd.*), a company established in PRC and is a shareholder of the Target Company before Capital Reduction
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	:	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Sailun Group”	:	賽輪集團股份有限公司 (Sailun Group Co., Ltd.*), a company established in PRC and is a shareholder of the Target Company before Capital Reduction
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Target Company”	:	江蘇興達鋼簾線股份有限公司 (Jiangsu Xingda Steel Tyre Cord Co., Ltd*), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Target Group”	:	the Target Company and its subsidiaries
“Triangle Tyre”	:	三角輪胎股份有限公司 (Triangle Tyre Co., Ltd*), a company established in PRC and is a shareholder of the Target Company before Capital Reduction
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	:	Renminbi, the lawful currency of the PRC
“%”	:	per cent

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

Shanghai, the PRC, 25 June 2025

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

** for identification purposes only.*