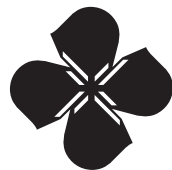

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Xingda International Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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

ESTABLISHMENT OF A JOINT VENTURE COMPANY

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DEFINITIONS

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

“8th Factory Project”	the expansion and upgrade project of the Company focusing on high performance (new structures) radial tire cords;
“associate”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Xingda International Holdings Limited 興達國際控股有限公司, a company incorporated under the laws of the Cayman Islands with limited liability on 19 April 2005, whose shares are listed on the Main Board of the Stock Exchange;
“Directors”	the director(s) of the Company;
“Faith Maple”	Faith Maple International Ltd., a limited liability company incorporated in the British Virgin Islands on 26 January 2004 and a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;
“Jiangsu Xingda”	江苏兴达钢帘线股份有限公司 (Jiangsu Xingda Steel Tyre Cord Co., Ltd.*), established as a joint stock limited company in the PRC on 27 March 1998 and converted into a sino-foreign joint stock limited company on 10 December 2004, a 69.54% owned subsidiary of the Company;
“Joint Venture Contract”	the contract entered into between Faith Maple and Jiangsu Xingda in relation to the establishment of the JV Company in the PRC as referred to under the section headed “The Joint Venture Contract” of this circular;
“JV Company”	江苏兴达特种金属复合线有限公司 (Jiangsu Xingda Special Cord Co., Ltd.*), a PRC joint venture company to be established by Faith Maple and Jiangsu Xingda pursuant to the Joint Venture Contract;
“Latest Practicable Date”	22 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

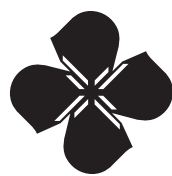
DEFINITIONS

“Mr. Zhang”	Mr. Zhang Yuxiao (张宇晓), an executive Director of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan;
“Prospectus”	the prospectus of the Company dated 8 December 2006;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TIAC”	兴化市兴戴贸工农总公司 (Xinghua Municipality Xingdai Trading, Industrial and Agricultural Company*), a collectively-owned enterprise established in the PRC on 1 June 1993 and a promoter of Jiangsu Xingda;
“US\$”	the lawful currency for the time being of the United States;
“Xing Hong Da”	江苏兴宏达实业有限公司 (Jiangsu Xing Hong Da Industrial Co., Ltd.*), a limited liability company incorporated in the PRC on 24 September 1997 and a promoter of Jiangsu Xingda. It is held by Mr. Ge Hong, a director of Jiangsu Xingda as to 80% and Ms. Liu Shunying as to 20%; and
“Xingda Labour Union”	江苏兴达钢帘线股份有限公司工会 (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.

For the purpose of this circular, conversion of US\$ into HK\$ or vice versa has been calculated by using an exchange rate of US\$1 to HK\$7.80.

** denotes an English translation of a Chinese name*

LETTER FROM THE BOARD



XINGDA

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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)

Executive Directors:

Mr. Liu Jinlan (*Chairman*)
Mr. Liu Xiang
Mr. Tao Jinxiang
Mr. Wu Xinghua
Mr. Cao Junyong
Mr. Zhang Yuxiao

Non-executive Directors:

Mr. Lu Guangming George
Ms. Wu Xiaohui
Mr. Zhou Mingchen

Independent non-executive Directors:

Mr. Koo Fook Sun, Louis
Mr. William John Sharp
Ms. Xu Chunhua

Registered office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Level 28
Three Pacific Place
1 Queen's Road East
Hong Kong

27 June 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
ESTABLISHMENT OF A JOINT VENTURE COMPANY**

INTRODUCTION

Reference is made to the announcement of the Company dated 8 June 2007 in which the Company announced that on 8 June 2007, Faith Maple and Jiangsu Xingda entered into a joint venture contract to set up the JV Company in the PRC for, *inter alia*, the manufacture and distribution of radial tire cords and bead wires. After the establishment of the JV Company, Faith Maple and Jiangsu Xingda will hold 90% and 10% of the equity interests in the JV Company respectively.

LETTER FROM THE BOARD

As each of the assets ratio (as defined in the Listing Rules) and the consideration ratio (as defined in the Listing Rules) which are applicable for determining the classification of the transaction under the Joint Venture Contract is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the entering into of the Joint Venture Contract constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and circular requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide the Shareholders with further details of the Joint Venture Contract.

THE JOINT VENTURE CONTRACT

Date: 8 June 2007

Parties: Faith Maple, a wholly-owned subsidiary of the Company

Jiangsu Xingda, a non wholly-owned subsidiary of the Company, which is held by Xingda Labour Union, Xing Hong Da, Faith Maple, Mr. Zhang and TIAC as to 8.17%, 22.29%, 69.54%, less than 0.01% and less than 0.01% respectively.

JV Company: 江苏兴达特种金属复合线有限公司 (Jiangsu Xingda Special Cord Co., Ltd.)*, a PRC joint venture company to be established by Faith Maple and Jiangsu Xingda pursuant to the JV Contract for , *inter alia*, the manufacture and distribution of radial tire cords and bead wires.

Total investment amount and registered capital:

According to the Joint Venture Contract, the total investment amount of the JV Company is US\$90,000,000 (equivalent to approximately HK\$702,000,000) and the total registered capital is US\$60,000,000 (equivalent to approximately HK\$468,000,000).

Faith Maple will contribute 90% of the registered capital, being US\$54,000,000 (equivalent to approximately HK\$421,200,000) by cash. Jiangsu Xingda will contribute 10% of the registered capital, being US\$6,000,000 (equivalent to approximately HK\$46,800,000) by injecting certain production facilities of the 8th Factory Project in Dainan Town, Xinghua Municipality, Jiangsu Province of the PRC owned by Jiangsu Xingda into the JV Company at net book value as at 30 April 2007 as capital contribution in kind. All the registered capital of the JV Company shall be fully contributed by Faith Maple and Jiangsu Xingda within 3 months of the issue of the business licence of the JV Company.

Equity Interests:

Faith Maple and Jiangsu Xingda will hold 90% and 10% of the equity interests in the JV Company respectively upon the establishment of the JV Company. The JV Company will become a 96.95% owned subsidiary of the Company upon its establishment.

LETTER FROM THE BOARD

Board Composition:

The board of directors of the JV Company shall comprise 5 directors, 4 directors of which will be appointed by Faith Maple and 1 director of which will be appointed by Jiangsu Xingda.

Profit Distribution:

Profits will be distributed to Faith Maple and Jiangsu Xingda in proportion to their equity interests in the JV Company.

Effective Date:

The Joint Venture Contract will take effect on the date of approval by the relevant PRC approval authority. As at the Latest Practicable Date, such approval has been obtained.

REASONS FOR ENTERING INTO THE JOINT VENTURE CONTRACT

The main business area of the Group is manufacturing and distributing radial tire cords and bead wires. The Directors are of the view that the establishment of the JV Company is consistent with one of the core business strategies for the Group. The establishment of the JV Company will provide cost benefits to the Group for the radial tire cords and bead wires manufacturing and distributing business and will increase the overall profit of the Group.

The Directors are also of the view that the entering into of the Joint Venture Contract is in the usual and ordinary course of business of the Group after negotiations on an arm's length basis and the terms and conditions of the Joint Venture Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

The Directors do not expect that there will be any immediate material impact on the earnings of the Group upon the establishment of the JV Company as the JV Company is still in the initial set-up stage. The Company will have more than 90% interest in the JV Company and the JV Company will become a subsidiary of the Company upon its establishment. Accordingly, the assets, liabilities and results of the JV Company will be consolidated with that of the Group, and the Directors do not expect that there will be significant impact on the assets and liabilities of the Group as a result of the establishment of the JV Company.

INFORMATION ABOUT THE GROUP

The Company is a holding company incorporated in the Cayman Islands which, through Faith Maple, an investment holding company, has an indirect 69.54% interest in Jiangsu Xingda, the operating subsidiary of the Company which is principally engaged in the manufacture and distribution of radial tire cords and bead wires.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
Xingda International Holdings Limited
Liu Jinlan
Chairman of the Board

** denotes an English translation of a Chinese name*

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of ordinary shares	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
Mr. Liu Jinlan	Interest of a controlled corporation and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>notes 1 and 5</i>)	801,174,164	62.30%
Mr. Liu Xiang	Interest of a controlled corporation and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>notes 2 and 5</i>)	801,174,164	62.30%

Name of Director	Capacity	Number of ordinary shares	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
Mr. Tao Jinxiang	Interest of a controlled corporation and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>notes 3 and 5</i>)	801,174,164	62.30%
Mr. Zhang Yuxiao	Interest of a controlled corporation and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>notes 4 and 5</i>)	801,174,164	62.30%
Mr. Lu Guangming George	Interests of controlled corporations (<i>note 6</i>)	215,549,000	16.76%

Notes:

1. Mr. Liu Jinlan owned 100% of the issued share capital of Great Trade Limited for and on behalf of the 98 Owners (as defined in the Prospectus) (including himself) and Mr. Wu Xinghua subject to the terms of the Five Parties' Agreement (as defined in the Prospectus). As at the Latest Practicable Date, Great Trade Limited held 251,848,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Jinlan was deemed to be interested in the shares held by Great Trade Limited. Mr. Liu Jinlan was also a party to the Five Parties' Agreement, and was deemed to be interested in the shares in which the other parties to the Five Parties' Agreement (being Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming) were interested for the purpose of Part XV of the SFO.
2. Mr. Liu Xiang owned 100% of the issued share capital of In-Plus Limited for and on behalf of the 98 Owners (including himself) and Mr. Wu Xinghua subject to the terms of the Five Parties' Agreement. As at the Latest Practicable Date, In-Plus Limited held 142,714,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Liu Xiang was deemed to be interested in the shares held by In-Plus Limited. Mr. Liu Xiang was also a party to the Five Parties' Agreement, and was deemed to be interested in the shares in which the other parties to the Five Parties' Agreement (being Mr. Liu Jinlan, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming) were interested for the purpose of Part XV of the SFO.
3. Mr. Tao Jinxiang owned 100% of the issued share capital of Perfect Sino Limited for and on behalf of the 98 Owners (including himself) and Mr. Wu Xinghua subject to the terms of the Five Parties' Agreement. As at the Latest Practicable Date, Perfect Sino Limited held 117,529,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Tao Jinxiang was deemed to be interested in the shares held by Perfect

Sino Limited. Mr. Tao Jinxiang was also a party to the Five Parties' Agreement, and was deemed to be interested in the shares in which the other parties to the Five Parties' Agreement (being Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Zhang Yuxiao and Mr. Hang Youming) were interested for the purpose of Part XV of the SFO.

4. Mr. Zhang Yuxiao owned 100% of the issued share capital of Power Aim Limited for and on behalf of the 98 Owners (including himself) and Mr. Wu Xinghua subject to the terms of the Five Parties' Agreement. As at the Latest Practicable Date, Power Aim Limited held 41,975,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Zhang Yuxiao was deemed to be interested in the shares held by Power Aim Limited. Mr. Zhang Yuxiao was also a party to the Five Parties' Agreement, and was deemed to be interested in the shares in which the other parties to the Five Parties' Agreement (being Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Hang Youming) were interested for the purpose of Part XV of the SFO.
5. Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Zhang Yuxiao, being parties to each of the Tetrad Bond Agreement (as defined in the Prospectus) and the Henda Bond Agreement (as defined in the Prospectus), were deemed to be interested in the shares in which the other parties to such agreements (being Mr. Hang Youming, Tetrad Ventures Pte. Ltd and Henda Limited) were interested for the purpose of Part XV of the SFO. Tetrad Ventures Pte. Ltd and Henda Limited were holders of convertible bonds issued by the Company which are convertible into an aggregate of 205,133,164 shares in the Company subject to the terms and conditions thereof.
6. Mr. Lu Guangming George legally owned 100% of the issued share capital of Surfmax Corporation, which was the member manager of Surfmax-Estar Fund A, LLC. As at the Latest Practicable Date, Surfmax-Estar Fund A, LLC held 207,269,000 shares in the Company. Mr. Lu Guangming George also legally owned approximately 45.48% of the issued share capital of Win Wide International Ltd., which held 8,280,000 shares in the Company as at the Latest Practicable Date. For the purpose of Part XV of the SFO, Mr. Lu Guangming George was deemed to be interested in the shares held by Surfmax-Estar Fund A, LLC and Win Wide International Ltd. respectively.

(2) Long positions in shares, underlying shares and debentures of the associated corporation of the Company

Name of Director	Capacity	Associated corporation	Number of ordinary shares in associated corporation	Approximate percentage of registered capital of the associated corporation as at the Latest Practicable Date
Mr. Zhang Yuxiao	Beneficial Owner	Jiangsu Xingda	100	0.000074%

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than Directors or chief executives of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (excluding, for the avoidance of doubt, interests held by the Company or any of its subsidiaries).

(1) Long positions in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of ordinary shares	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
Great Trade Limited	Beneficial owner	251,848,000	19.58%
In-Plus Limited	Beneficial owner	142,714,000	11.10%
Perfect Sino Limited	Beneficial owner	117,529,000	9.14%
Mr. Hang Youming	Interest of a controlled corporation and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>note 1</i>)	801,174,164	62.30%
Surfmax-Estar Fund A, LLC	Beneficial owner	207,269,000	16.12%
Surfmax Corporation	Interest of a controlled corporation (<i>note 2</i>)	207,269,000	16.12%
Tetrad Ventures Pte. Ltd	Beneficial owner and interests of parties to an agreement required to be disclosed under section 317 of the SFO (<i>note 3</i>)	763,297,942	59.35%

Name of shareholder	Capacity	Number of ordinary shares	Approximate percentage of issued share capital of the Company as at the Latest Practicable Date
GIC Special Investments Pte. Ltd.	Interest of a controlled corporation (<i>notes 3 and 4</i>)	763,297,942	59.35%
Government of Singapore Investment Corp. Pte. Ltd.	Interest of a controlled corporation (<i>notes 3 and 4</i>)	763,297,942	59.35%
Government of Singapore Investment Corporation (Ventures) Pte. Ltd.	Interest of a controlled corporation (<i>notes 3 and 4</i>)	763,297,942	59.35%
Minister of Finance (Incorporated)	Interest of a controlled corporation (<i>notes 3 and 4</i>)	763,297,942	59.35%
The Goldman Sachs Group, Inc.	Interests of controlled corporations (<i>note 5</i>)	77,208,008	6.00%

Notes:

- Mr. Hang Youming owned 100% of the issued share capital of Wise Creative Limited for and on behalf of the 98 Owners (as defined in the Prospectus) (including himself) and Mr. Wu Xinghua subject to the terms of the Five Parties' Agreement (as defined in the Prospectus). As at the Latest Practicable Date, Wise Creative Limited held 41,975,000 shares in the Company. For the purpose of Part XV of the SFO, Mr. Hang Youming was deemed to be interested in the shares held by Wise Creative Limited. Mr. Hang Youming was also a party to the Five Parties' Agreement, and was deemed to be interested in the shares in which the other parties to the Five Parties' Agreement (being Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang and Mr. Zhang Yuxiao) were interested for the purpose of Part XV of the SFO. Mr. Hang Youming, being a party to each of the Tetrad Bond Agreement (as defined in the Prospectus) and the Henda Bond Agreement (as defined in the Prospectus), was also deemed to be interested in the shares in which the other parties to such agreements (being Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao, Tetrad Ventures Pte. Ltd and Henda Limited) were interested for the purpose of Part XV of the SFO. Tetrad Ventures Pte. Ltd and Henda Limited were holders of convertible bonds issued by the Company, which are convertible into an aggregate of 205,133,164 shares in the Company subject to the terms and conditions thereof.
- Surfmax Corporation was the member manager of Surfmax-Estar Fund A, LLC. For the purpose of Part XV of the SFO, Surfmax Corporation was deemed to be interested in the shares in the Company held by Surfmax-Estar Fund A, LLC.

3. Tetrads Ventures Pte. Ltd was the holder of convertible bonds issued by the Company, which were convertible into an aggregate of 167,256,942 shares in the Company subject to the terms and conditions thereof. Tetrads Ventures Pte. Ltd, being a party to the Tetrads Bond Agreement, was deemed to be interested in the shares in which the other parties to such agreement (being Mr. Liu Jinlan, Mr. Liu Xiang, Mr. Tao Jinxiang, Mr. Zhang Yuxiao and Mr. Hang Youming) were interested for the purpose of Part XV of the SFO.
4. Tetrads Ventures Pte. Ltd is a wholly owned subsidiary of Government of Singapore Investment Corporation (Ventures) Pte. Ltd., which in turn is a wholly-owned subsidiary of Minister of Finance (Incorporated). Tetrads Ventures Pte. Ltd is also an investment vehicle managed by GIC Special Investments Pte. Ltd., the private equity investment arm of Government of Singapore Investment Corp. Pte. Ltd., which in turn is a wholly-owned subsidiary of Minister of Finance (Incorporated).
5. The Goldman Sachs Group, Inc. was deemed to be interested in 77,208,008 shares in the Company as at the Latest Practicable Date by virtue of its control over its subsidiary companies. The following companies controlled by The Goldman Sachs Group, Inc. had direct interest in the shares of the Company: Goldman Sachs Strategic Investment Asia L.L.C. held 52,639,008 shares, Goldman Sachs (Asia) Finance held 7,431,000 shares, Goldman Sachs International held 11,919,000 shares, Goldman, Sachs & Co. Bank held 58,000 shares and Goldman Sachs & Co. held 5,161,000 shares.

The following table shows the posts of the Directors held in the above companies which have an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date:

Name of the company	Name of Director	Posts held
Great Trade Limited	Mr. Liu Jinlan	Director
In-Plus Limited	Mr. Liu Xiang	Director
Perfect Sino Limited	Mr. Tao Jinxiang	Director
Surfmax Corporation	Mr. Lu Guangming George	Director

(2) **Interests in other members of the Group (other than interests held by the Company or any of its subsidiaries)**

Name of member of the Group	Name of substantial shareholder	Approximate percentage of registered capital as at the Latest Practicable Date
Jiangsu Xingda	Xing Hong Da	22.29%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, no other persons (other than Directors or chief executives of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (excluding, for the avoidance of doubt, interests held by the Company or any of its subsidiaries).

SERVICE AGREEMENTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years. Thereafter, the term will continue subject to termination by the Company by giving three months' prior written notice to the relevant Director.

Each of the non-executive Directors has entered into a service agreement with the Company for a period of three years, upon the expiration of which the service agreement shall lapse and expire, and subject to termination at any time by either party giving not less than three months' prior notice in writing to the other party.

In accordance with the service agreements entered into with the executive Directors and non-executive Directors, the Company and/or its subsidiaries shall pay an annual salary to each of the executive Directors and non-executive Directors and such annual salary may be adjusted subject to the discretion of the remuneration and management development committee of the Company. Each of the executive Directors and non-executive Directors will be entitled to a discretionary bonus as decided by the Board and the remuneration and management development committee of the Company. Each of the executive Directors and non-executive Directors will be entitled to reimbursement of traveling expenses and all reasonable out-of-pocket expenses properly incurred in the performance of his/her duties under the employment.

Each of the independent non-executive Directors has signed a letter of appointment for a term of three years which is determinable by either party at any time by giving to the other not less than three months' prior written notice. Thereafter, the term shall continue subject to termination by either party by giving to the other not less than three months' prior written notice. The initial annual fee payable to each independent non-executive Director is US\$50,000.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and his/her respective associates had any competing interests (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

LITIGATION

As far as the Directors are aware, there was no litigation or claims of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries, as at the Latest Practicable Date.

MISCELLANEOUS

1. The qualified accountant and the company secretary of the Company is Mr. Tse Shiu Wah, who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

2. The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong.
3. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
4. In the event of any inconsistency, the English text of this circular prevails over the Chinese text.