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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 licensed securities dealer or registered institution 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(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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:
LIU Jinlan, *Chairman*
LIU Xiang
TAO Jinxiang
ZHANG Yuxiao

Independent Non-executive Directors:
Mr. Koo Fook Sun, *Louis*
Mr. William John Sharp, *Vice Chairman*
Ms. Xu Chunhua

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Central, Hong Kong

21 June 2019

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2018**

INTRODUCTION

On 28 March 2019, it was announced that, among other things, the board of directors of Xingda International Holdings Limited (the “**Company**”)(the “**Board**”) recommended the payment of a final dividend of 15.0 HK cents per share of HK\$0.1 each in the capital of the Company (the “**Share**”) for the

year ended 31 December 2018 (the “**2018 Final Dividend**”) payable to the shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company (the “**Register of Members**”) as at the close of business on Thursday, 6 June 2019 (the “**Record Date**”). At the annual general meeting of the Company held on Tuesday, 28 May 2019, the 2018 Final Dividend was approved. The Shareholders were provided with an option to receive an allotment of new Shares of HK\$0.1 each in the capital of the Company (the “**Scrip Shares**”) in lieu of cash only for the 2018 Final Dividend (the “**Scrip Dividend Scheme**”).

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder has the choice of receiving:

- (a) a cash dividend of 15.0 HK cents for each Share held on the Record Date; or
- (b) a scrip dividend of Scrip Shares at an Issue Price (as defined below), subject to any fractional entitlement being disregarded as mentioned below; or
- (c) a combination of partly in (a) and partly in (b) above.

The Scrip Shares issued in respect of the 2018 Final Dividend will, when they are issued, rank *pari passu* in all respects with the existing issued Shares of the Company except that such Scrip Shares will not be entitled to the 2018 Final Dividend. The right to receive Scrip Shares instead of all or part of the cash dividend is non-transferable.

Based on 1,492,531,072 Shares in issue as at the Record Date, if no elections for the Scrip Shares were received, the total cash dividend payable by the Company in respect of the 2018 Final Dividend would be approximately HK\$223.88 million. If all Shareholders elect to receive their entitlement in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be 119,721,743 Shares, representing approximately 8.02% of the existing issued share capital of the Company and approximately 7.43% of the issued share capital of the Company as enlarged by the issue of the Scrip Shares.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

For the purpose of calculating the number of Scrip Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme, the issue price of the Scrip Shares has been determined at HK\$1.87 per Share (the “**Issue Price**”), which is the average closing price of the Shares quoted on The Stock Exchange of Hong

Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days from Friday, 31 May 2019 to Thursday, 6 June 2019 (both days inclusive), less a 10% discount. Accordingly, the number of Scrip Shares which each Shareholder will receive under the Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{l} \text{Number of Scrip Shares to be} \\ \text{received (rounded down to the} \\ \text{nearest whole number)} \end{array} = \begin{array}{l} \text{Number of existing Shares held} \\ \text{on the Record Date for which} \\ \text{the election for Scrip Shares is} \\ \text{made} \end{array} \times \frac{\text{HK\$0.15}}{\text{HK\$1.87}}$$

The number of Scrip Shares to be received by each Shareholder pursuant to his/her election will be rounded down to the nearest whole number. No Shareholder will be entitled to be issued any fraction of a Share under the Scrip Dividend Scheme. If you elect to receive the maximum number of Scrip Shares in lieu of your cash dividend, a residual dividend entitlement may arise, representing the difference between the total cash equivalent of the Scrip Shares based on the Issue Price to be issued to you and the maximum dividend available in respect of your shareholdings. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

Scrip Shares issued to a Shareholder pursuant to an election to receive some or all of his/her 2018 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

You may elect to receive Scrip Shares in respect of all or part of your holding of Shares. No fraction of a Share will be issued. If you choose to take only part of your dividends as Scrip Shares, you will receive the balance in cash.

ACTION TO BE TAKEN

An election form (the “**Election Form**”) is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive the whole of the 2018 Final Dividend in cash, you need not complete the Election Form.

If you wish to elect to receive an allotment of Scrip Shares, or partly in cash and partly in Scrip Shares in respect of the 2018 Final Dividend, you must COMPLETE, SIGN and RETURN the Election Form to the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited (the “Share Registrar”) of Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong no later than 4:30p.m. on Tuesday, 9 July 2019.

No acknowledgement of receipt of the Election Form will be issued.

The latest time for submission of the Election Forms will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force in Hong Kong:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 9 July 2019. Instead, the deadline for submission of the Election Forms will be extended to 5:00p.m. on the same business day;
- (ii) at any time between 12:00 noon and 4:00p.m. on Tuesday, 9 July 2019. Instead, the deadline for submission of the Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00a.m. and 4:00 p.m.

No elections in respect of the 2018 Final Dividend may, after the relevant Election Forms are signed and returned to the Share Registrar, be in any way withdrawn, revoked, superseded or altered.

If you sign the Election Form but do not specify the number of Shares in respect of which you wish to receive your 2018 Final Dividend in Scrip Shares or, if you elect to receive your 2018 Final Dividend in Scrip Shares in respect of a greater number of Shares than your registered holding on the Record Date, then in either case you will be deemed to have exercised your election of Scrip Shares in respect of all your Shares.

OVERSEAS SHAREHOLDERS

The Board is aware that, after making legal enquiries by the Company, for the Shareholders with addresses in Australia and the People’s Republic of China (the “**PRC**”) respectively, Shareholder(s) in Australia will be entitled to participate in the Scrip Dividend Scheme but local approval and/or registrations or other formalities in relation to the Scrip Dividend Scheme need to be observed before Shareholder(s) who are individual(s) in the PRC can participate in the Scrip Dividend Scheme. As the Board, after having considered the time, costs and legal uncertainties involved in ensuring compliance with local legal requirements against a small number of shareholders in the PRC, considered that it would not be cost-effective or expedient for the Company to make available the Scrip Dividend Scheme to Shareholders who are individual(s) in the PRC, it has decided to exclude such PRC Shareholders (the “**Excluded Shareholder(s)**”) from the Scrip Dividend Scheme. Accordingly, Election Forms will not be sent to the Excluded Shareholder(s) and they will only receive this circular for information.

Notwithstanding the above, any Excluded Shareholder who is able to prove to the satisfaction of the Company that such Excluded Shareholder may legally participate in the Scrip Dividend Scheme will be entitled to participate in the Scrip Dividend Scheme. Excluded Shareholders who wish to participate in the Scrip Dividend Scheme should notify the Company forthwith. Election Forms will only be sent to those shareholders falling within the category of Excluded Shareholders if such shareholders can prove to the satisfaction of the Company that such action will not result in contravention of any applicable legal or regulatory requirements.

It is the responsibility of Shareholders with registered addresses outside Hong Kong or otherwise residing outside Hong Kong to consult their professional advisers as to whether they are permitted to receive the Scrip Shares under the Scrip Dividend Scheme or if any governmental or other consent is required or other formalities need to be observed, the taxation consequences of their decision and whether there are any restrictions on their handling of any Scrip Shares so acquired (such as the sale of them).

No Shareholder receiving in any territory outside Hong Kong a copy of this circular and/or an Election Form may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to such person without the Company being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Shareholder residing outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including procedures or any other similar formalities. It is also the responsibility of any person who receives Scrip Shares in lieu of cash dividend to comply with any restrictions on the resale of the Scrip Shares which apply outside Hong Kong.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon listing approval being granted by the Stock Exchange in respect of the Scrip Shares to be issued pursuant thereto. If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective, the Election Forms will be void and the 2018 Final Dividend will then be paid wholly in cash.

STOCK EXCHANGE LISTING, CLEARING AND SETTLEMENT

Application has been made to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares. Subject to the approval being granted by the Stock Exchange, it is expected that cheques for cash entitlements and/or share certificates for Scrip Shares will be despatched to the Shareholders by ordinary mail at their own risk on Thursday, 18 July 2019.

Dealings in the Scrip Shares on the Stock Exchange are expected to commence on Friday, 19 July 2019. The Shares of the Company are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange.

Dealings in the Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investments in the Company at the Issue Price without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the

Shareholders elect to receive Scrip Shares, in whole or in part in lieu of cash dividend, the cash which would otherwise have been paid to the Shareholders will be retained for use by the Company as general working capital.

RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to elect to receive Scrip Shares in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, must be solely the responsibility of each Shareholder.

If any Shareholder is in any doubt as to any aspect of this circular, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

TIMETABLE OF EVENTS

Events	Date
Date of Annual General Meeting	Tuesday, 28 May 2019
Announcement in relation to the Poll Results of the Annual General Meeting	Tuesday, 28 May 2019
Latest date for dealings in Shares on a cum-entitlement basis	Thursday, 30 May 2019
Shares quoted ex-dividend	Friday, 31 May 2019
Latest time for lodging forms of transfer of Shares to ensure entitlements to 2018 Final Dividend	4:30p.m. on Monday, 3 June 2019
Closure of Registers of Members for ascertaining the entitlement to 2018 Final Dividend	Tuesday, 4 June 2019 to Thursday, 6 June 2019 (both days inclusive)
Record Date	Thursday, 6 June 2019
Final Date for receipt by Share Registrar of Election Forms	Tuesday, 9 July 2019 not later than 4:30p.m.
Payment of 2018 Final Dividend of 15.0 HK cents per Share	Thursday, 18 July 2019
Despatch of share certificates for Scrip Shares	Thursday, 18 July 2019
Expected first day of dealings in Scrip Shares (subject to the granting of listing by the Stock Exchange)	Friday, 19 July 2019