

[For immediate release]



## XINGDA ANNOUNCES MAIN BOARD LISTING DETAILS

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**GLOBAL OFFERING OF 386,000,000 SHARES  
AT BETWEEN HK\$2.45 AND HK\$3.08 PER OFFER SHARE  
NET PROCEEDS AMOUNT TO APPROXIMATELY HK\$979 MILLION**

### Investment Highlights

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- The largest PRC-based supplier of radial tire cords in the PRC which enjoys considerable economies of scale
- Advanced technology for production and R&D
- Long term close relationship with leading tire manufacturers
- Experienced management team
- Prominent strategic investors

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(Hong Kong, 7 December 2006) — **Xingda International Holdings Limited** (“Xingda” or the “Group”), the largest PRC-based supplier of radial tire cords in the PRC, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

The global offering entails 386,000,000 shares in aggregate, of which 38,600,000 will be Hong Kong offer shares and 347,400,000 will be for international placing. The indicative price range is between HK\$2.45 and HK\$3.08 per share.

Assuming the over-allotment option is not exercised, and based on the offer price of HK\$2.77 per offer share (being the mid-point of the stated offer price range), the net proceeds are estimated at approximately HK\$979 million.

The public offer will begin on 8 December 2006 (Friday) and end at noon on 13 December 2006 (Wednesday). Dealing in the shares of Xingda is expected to commence on the Main Board of SEHK on 21 December 2006 (Thursday) under the stock code 1899. Shares will be traded in board lots of 1,000 shares. Goldman Sachs (Asia) L.L.C. is the Global Coordinator, Sponsor, Bookrunner and Lead Manager.

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**Mr. LIU Jinlan, Chairman of Xingda**, said, “We are delighted that Xingda is heading towards an important milestone in its development. Building on our advanced technology, strong industry experience and well-established customer base, we have established a solid foothold in the radial tire cords market in the PRC. The listing will strengthen our capital base for supporting business development and hence enhance our leading position in the industry.”

Established in 1994, Xingda is engaged in the manufacturing of essential radial tire components including radial tire cords that support the tire wall and bead wires that connect the tire to the wheel-rim. To date, with an annual production capacity of 169,100 tonnes of radial tire cords and 38,300 tonnes of bead wires, Xingda was the largest PRC-based supplier of radial tire cords in the PRC.

Renowned for being a “one-stop” to tire manufacturers for all their radial tire cord requirements, Xingda enjoys long-term close relationships with leading tire manufacturers. Its customers include the top 10 radial tire manufacturers in the PRC. In 2005, Xingda was recognized by the renowned tire manufacturer in the world, Goodyear as an approved supplier of its radial tire cord products. This marked a major breakthrough in Xingda’s overseas expansion.

**Mr. ZHANG Yuxiao, Chief Financial Officer of Xingda**, said, “Along with the booming Chinese economy and its improving road infrastructure comes a growing demand for vehicles of all types. This translates into rising demand for radial tires and quality tire cords, and in turn growth opportunity for Xingda. Furthermore, with the steel cord sector being capital intensive and posing entry barriers including high level of customization and stringent safety requirements, Xingda has apparent advantages over its competitors.”

Xingda operates a scalable production base in Xinghua City, Jiangsu Province, the PRC. The production base plus its headquarters have a total gross floor area of 567,000 sq. m. To enhance productivity and cost effectiveness, the Group is embarking on its 8<sup>th</sup> Factory Project to expand production capacity by about 50,000 tonnes per year of high-performance (new structures) radial tire cords, representing an increment of about 30% of its existing production capacity. The 8<sup>th</sup> Factory Project is expected to commence trial production in January 2007.

Xingda has set up a technical centre and a product development centre to develop techniques and equipment to cater to the different steel wire specifications and structures specified by customers. The Group holds to date 64 patents in the PRC for new radial tire cord and bead wire structures and production equipment, and another 23 patent applications are in the pipeline.

Xingda’s experienced management team has played an instrumental role in its success. Chairman Mr. LIU Jinlan, with over 10 years of experiences in the industry, was recognized as a “Leader in Technology Development in the China Rubber Industry” by the China Rubber Industry Association in April 2005. His skilled management team comprises talented individuals with more than ten years of industry experience.

Boasting quality products and service, Xingda's revenues increased rapidly from RMB 963 million in 2003 to RMB 2.357 billion in 2005, representing a CAGR of 56.5%. Its revenue increased by 5.6% between 30 June 2005 and 30 June 2006. Net profit margin was 17% for the six months ended 30 June 2006.

To strengthen its shareholding base, Xingda issued convertible bonds to two strategic investors – Tetrad Venutres Pte Ltd. a wholly-owned subsidiary of Government of Singapore Investment Corporation (Ventures) Pte Ltd. and Henda Limited (an indirect wholly-owned subsidiary of Shau Kee Financial Enterprises Limited, an investment holding company owned by a family trust of Mr. Lee Shau Kee) in April 2005. Additionally, after the completion of a share transfer in September 2006, Goldman Sachs Strategic Investments (Asia) L.L.C. has become another strategic investor of Xingda.

Looking ahead, Xingda will focus on consolidating its market leadership in the PRC and at the same time stepping up international market penetration with North America and Japan as its primary focus. Dedicated sales teams will develop and capitalise on the relationships with various global tire manufacturers which have significant presence in the two countries.

Moreover, Xingda will constantly upgrade its production technology, improve quality control, enhance R&D capabilities and introduce a more advanced management system to support its growing business and boost its market share in both the PRC and worldwide.

**Mr. LIU** concluded, "Given our dominance in the PRC market and our relentless efforts to tap the international market building on our competencies, the next few years should see Xingda become a leader in the global radial tire cord industry."

## Track Records

	For the 6-months ended 30 Jun		For the year ended 31 Dec		
	<b>2006</b> <i>RMB'000</i>	<b>2005</b> <i>RMB'000</i> <i>(unaudited)</i>	<b>2005</b> <i>RMB'000</i>	<b>2004</b> <i>RMB'000</i>	<b>2003</b> <i>RMB'000</i>
Revenue	<b>1,155,339</b>	1,094,109	<b>2,357,420</b>	1,683,179	962,789
Gross profit	<b>335,419</b>	325,848	<b>709,302</b>	663,036	481,524
Net profit	<b>194,760</b>	125,001	<b>322,122</b>	398,084	299,235
Gross profit margins	<b>29%</b>	30%	<b>30%</b>	39%	50%
Net profit margins	<b>17%</b>	11%	<b>14%</b>	24%	31%

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## Details of the IPO:

### Offering Structure

Number of Offer Shares:	386,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares:	38,600,000 Shares (subject to adjustment)
Number of International Offering Shares:	347,400,000 Shares (subject to adjustment and the Over-allotment Option)
Offer Price Range:	HK\$2.45 to HK\$3.08 per Offer Share (payable in full on application and subject to refund)
Market capitalization:	Approximately HK\$3,150.7 million to HK\$3,960.9 million
Stock code:	1899

### Use of Net Proceeds

The net proceeds of the Global Offering, after deducting related expenses, and assuming an Offer Price of HK\$2.77 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$2.45 and HK\$3.08 per Offer Share) and assuming that the Over-allotment Option is not exercised in whole or in part, are estimated to amount to approximately HK\$979 million and will be applied for:

- Expansion of the production capacity of the production facilities HK\$570 million
- Overseas expansions HK\$380 million
- General working capital HK\$29 million

- end -

### About Xingda International Holdings Limited

Established in 1994, Xingda is primarily engaged in the manufacturing and distribution of essential components of radial tires including radial tire cords that support the tire wall and bead wires that connect the tire to the wheel-rim. Boasting unique production technologies, strong R&D capabilities and stringent quality control, Xingda has established solid foothold in the PRC and was the largest PRC-based manufacturer of radial tire cords in 2005. Xingda's customers include the PRC's top 10 radial tire manufacturers and the renowned tire manufacturer in the world - Goodyear. Xingda's headquarters and production base located in Jiangsu Province, the PRC has a total gross floor area of around 567,000 sq. m.

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