



XINGDA INTERNATIONAL HOLDINGS LIMITED  
興達國際控股有限公司

## XINGDA ESTABLISHES JOINT VENTURE COMPANY

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### AMBITION TO EXPAND ITS CORE BUSINESS SECURES MORE RETURNS IN THE LONG RUN

(Hong Kong, 10 Jun 2007) – the China largest radial tire cords manufacturer Xingda International Holdings Limited (“Xingda”)(Stock Code : 1899), announces that its wholly-owned subsidiary Faith Maple International Ltd. (“Faith Maple”), and its indirect non wholly-owned subsidiary 江苏兴达钢帘线股份有限公司(Jiangsu Xingda Steel Tyre Cord Co. Ltd.)\* (“Jiangsu Xingda”), entered into a joint venture contract to establish a joint venture company, 江苏兴达特种金属复合线有限公司(Jiangsu Xingda Special Cord Co., Ltd.)\* (the “JV”), in China. Faith Maple and Jiangsu Xingda will hold 90% and 10% of the equity interests in the JV respectively.

The JV will be engaged in the manufacture and distribution of radial tire cords and bead wires, which is also the core business of Xingda and its subsidiaries (the “Group”). The total investment amount of the JV is approximately HKD702 million. Of the approximately HKD468 million total registered capital, Faith Maple will contribute approximately HKD421 million by cash whereas Jiangsu Xingda will contribute approximately HKD47 million by injecting certain production facilities of the 8th Factory Project in Dainan Town, Jiangsu Province into the JV.

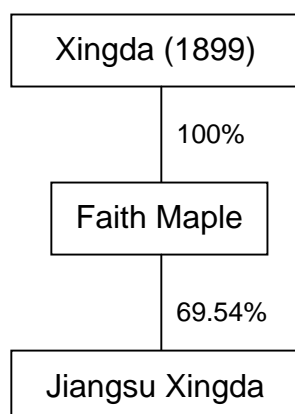
“In line with our expansion plan, our new JV will be fully devoted in the business of manufacturing and distributing radial tire cords and bead wires,” Xingda’s Chairman, Mr Liu Jinlan, commented, “with the support of Jiangsu Xingda’s production facilities, I believe that our new JV will provide cost benefits to the Group. It is expected that the JV will allow Xingda to capture more returns in the long run.”

~End~

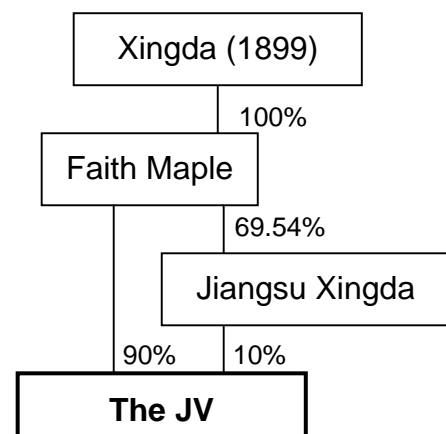
\*denotes an English translation of a Chinese name

#### SIMPLIFIED SHAREHOLDING STRUCTURE OF THE GROUP

##### BEFORE ESTABLISHMENT OF THE JV



##### AFTER ESTABLISHMENT OF THE JV



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## **About Xingda International Holdings Limited**

The Group is primarily engaged in the manufacture and distribution of backbone material of radial tire including radial tire cords that support the tire wall and bead wire that connect the tire to the wheel-rim. Boasting unique production technologies, strong research and development capabilities and stringent quality control, the Group has established solid foothold in China and is the largest manufacturer of radial tire cords in China. The Group's customers include China's top 10 radial tire manufacturers and globally renowned tire manufacturers. The Group's headquarters and production base are located in Jiangsu Province of China with total gross floor area of around 567,000 sq. m.

### **Media enquiries:**

#### **Strategic Financial Relations (China) Limited**

Karen Hung	Tel: 9155 4555	karen.hung@sprg.com.hk
Winnie Lau	Tel: 9084 2969	winnie.lau@sprg.com.chk

Fax: 2527 1271