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Zhongda International Holdings Limited
中大國際控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 909)

**DISCLOSURE PURSUANT TO RULE 13.09 OF THE
LISTING RULES
AND
FURTHER DELAY IN PUBLICATION OF ANNUAL
RESULTS ANNOUNCEMENT AND DESPATCH OF THE
ANNUAL REPORT FOR THE YEAR ENDED 31
DECEMBER 2005**

The Company had been informed by its wholly-owned subsidiary, Zhongda International Automobile Industrial Limited, that it had been served with the Writ of Summons issued by the Chengdu Intermediate People's Court of the PRC. Details of the Writ of Summons, the transaction giving rise to the claims of the Writ and the legal opinion obtained by the Company in respect thereof are set out below.

The publication of the annual results announcement and the annual report of the Company for the year ended 31 December 2005 will be further delay and is expected to be released on or before 21 August 2006.

At the request of the Company, trading in the Company's securities has been suspended from 9:30 a.m. on 2 May 2006 pending the release of the annual results of the Group for the year ended 31 December 2005 and will remain suspended until further notice.

DISCLOSURE PURSUANT TO RULE 13.09 OF THE LISTING RULES

Pursuant to the requirement under rule 13.09 of the Listing Rules, the Company discloses details of the Writ of Summons, the transaction giving rise to the claims of the Writ and the legal opinion obtained by the Company in respect thereof. The Company notes that there is a delay in disclosing the matters concerned herein, which however is regarded as unavoidable, as a substantial amount of time has been spent by the Company to investigate into and take legal advice on the relevant matters so as to enable an announcement with sufficient and relevant particulars to be released.

Details of the Writ and Transaction

Plaintiff and Defendant

On 20 July 2006, the Defendant had been served with the Writ of Summons issued by the Chengdu Intermediate People's Court of the PRC, and endorsed therewith was the Writ issued by the Plaintiff against the Defendant. The Plaintiff is a company incorporated in the PRC whilst the Defendant is a company incorporated in the British Virgin Islands, the entire share capital of which is wholly-owned by the Company.

Alleged Transaction and Facts

Under the Writ, the Plaintiff alleged that the Defendant did not pay for the outstanding capital contribution pursuant to the terms of the Joint Venture Agreement and the Revised Agreement entered into between the Plaintiff and the Defendant on 19 November 2004 and 29 July 2005 respectively. Pursuant to the Joint Venture Agreement, the JV Company was incorporated in the PRC with a registered capital of RMB22.45 million, in which RMB16 million in cash and RMB6.45 million in assets were to be contributed by the Defendant and the Plaintiff respectively, which were in proportion to their respective shareholdings of 71.27% and 28.73%. All of the legal and administration procedures for the establishment of the JV Company had been completed upon the obtaining of a business licence on 15 December 2004.

In the Writ, the Plaintiff also alleged that, among other things: (i) the Defendant was required to make its capital contribution in the amount of RMB16 million within the period prescribed in the Joint Venture Agreement; (ii) at the request of the Defendant, the Joint Venture Agreement was amended on 29 July 2005 to postpone the time for the Defendant to inject its capital contribution. As a result, the Defendant agreed to settle RMB9 million and RMB7 million on or before 30 September 2005 and 15 December 2005 respectively. However, the Defendant had failed to make its capital contribution; (iii) as at the date of the Writ, a total amount of RMB5.3 million had been provided by the Defendant indirectly to the Plaintiff. However, such payments were not given in accordance with the manner as prescribed by the Joint Venture Agreement and the Revised Agreement; and (iv)

the failure of the Defendant to make its capital contribution has led to a number of negative effects to the JV Company, which include, among other things, the lack of operational fund, and the paralysis of daily operation.

Remedies

Under the Writ, the Plaintiff sought declarations from the Chengdu Intermediate People's Court of the PRC: (i) that the Defendant has breached the Joint Venture Agreement; (ii) that the Joint Venture Agreement shall be terminated; and (iii) that the costs of legal actions shall be borne by the Defendant.

Legal Opinion

The Company obtained a legal opinion on 26 July 2006 from its PRC legal counsel, which advises, among other things, that: (i) according to the Several Provisions and the Joint Venture Agreement, the sum of RMB5.3 million already provided to the JV Company cannot be regarded as capital contribution since it was not paid in the manner as prescribed by the Joint Venture Agreement and had not been subject to capital verification; (ii) as the aforesaid amount of RMB5.3 million should not be regarded as capital contribution, the Defendant is entitled to claim the same back by a separate litigation upon the termination of the Joint Venture Agreement; (iii) the obligation of the Defendant to pay its capital contribution would be released upon the termination of the Joint Venture Agreement; (iv) according to the Several Provisions and the Joint Venture Agreement, the Defendant, as a default party, is liable to compensate the Plaintiff, as a non-default party the sum of 5% of the registered capital of the JV Company, due from it, that is, approximately RMB1,122,500; and (v) according to the Several Provisions, the Plaintiff, as a non-default party is entitled to apply for governmental approval to dissolve the Joint Venture Company or invite a new joint venture partner. The PRC legal counsel also suggests that during the litigation process, a negotiation for an amicable settlement can be sought between the litigation parties so as to minimize their potential loss.

According to the Writ of Summons, the Defendant was required to attend the court on 20 September 2006 for the purpose of exchanging evidences with the Plaintiff. The Company will make further announcement on the material progress of the litigation contemplated herein as and when appropriate. Save as disclosed, the Company is not aware of any further claims and/or litigations against the Group up to the date of this announcement.

FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND DESPATCH OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

References are made to the announcements of the Company dated 28 April 2006 and 30 May 2006 regarding the delay in release of the annual results announcement and the dispatch of the annual report of the Company for the year ended 31 December 2005.

The Company announces that there will be a further delay in the publication of the annual results announcement and the annual report of the Company for the year ended 31 December 2005 as assessment of legal costs and impacts have to be made regarding the claims concerned herein. The Company expects that both the release of the annual results announcement and the annual report for the year ended 31 December 2005 will be delayed to on or before 21 August 2006.

Pursuant to Rules 13.46(2)(a) and 13.49(1) of the Listing Rules, an issuer is required to publish on the newspaper its annual results and dispatch its annual report to its shareholders not later than four months after the date upon which the financial period ended.

The directors of the Company acknowledge that the delay constitutes a breach of Rules 13.46(2)(a) and 13.49(1) of the Listing Rules and that the Stock Exchange reserves its rights to take appropriate actions against the Company and/or its directors in respect of the breach.

At the request of the Company, trading in the Company's securities has been suspended from 9:30 a.m. on 2 May 2006 pending the release of the annual results of the Group for the year ended 31 December 2005 and will remain suspended until further notice.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement :

“Defendant”	Zhongda International Automobile Industrial Limited
“Group”	the Company and its subsidiaries
“JV Company”	Sichuan Zhongda Emei Coach Manufacturing Limited (四川中大峨嵋客車制造有限公司), a sino-foreign joint venture company incorporated in the PRC pursuant to the Joint Venture Agreement
“Joint Venture Agreement”	A joint venture agreement entered into between the Plaintiff and the Defendant on 19 November 2004
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong
“PRC”	the People's Republic of China
“Plaintiff”	Sichuan Bus Manufacture Limited
“Revised Agreement”	The revised Joint Venture Agreement entered into between the Plaintiff and the Defendant on 29 July 2005

“RMB”	Renminbi
“Several Provisions”	Several Provisions Concerning the Investment of Sino-foreign Equity Joint Venture (中外合資企業出資的若干規定)
“Writ”	The writ dated 26 June 2006 issued by the Plaintiff against the Defendant
“Writ of Summons”	The writ of summons dated 19 July 2006 served by the Chengdu Intermediate People’s Court of the PRC to the Defendant on 20 July 2006

By Order of the Board of
Zhongda International Holdings Limited
Xu Lian Guo
Chairman

Hong Kong, 1 August 2006

As at the date of this announcement, the Board of the Company comprises six directors, of which three are executive directors, namely, Mr. Xu Lian Guo, Mr. Xu Lian Kuan and Mr. Zhang Yuqing, and three are independent non-executive directors, namely, Mr. Gu Yao Tian, Mr. Chan Wai Dune and Mr. Li Xin Zhong.

* *for identification purpose only*

Please also refer to the published version of this announcement in The Standard.