



Zhongda International Holdings Limited

中大國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 909)

LETTER OF INTENT FOR ASSIGNMENT OF THE JV LETTER OF INTENT ON INVESTMENT AND ESTABLISHMENT OF A CHASSIS MANUFACTURING JOINT VENTURE IN VIETNAM

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 6 February 2007, Zhongwei Bus and the Company entered into a non-legally binding Letter of Intent, pursuant to which Zhongwei Bus agreed to assign all its rights, obligations and liabilities under the JV Letter of Intent to the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

INTRODUCTION

On 1 November 2006, Zhongwei Bus and VINAMOTOR entered into a non-binding JV Letter of Intent at the China-ASEAN Exposition in Guangxi, the PRC. Pursuant to the JV Letter of Intent, Zhongwei Bus and VINAMOTOR agreed to establish a joint venture (the “Joint Venture”) in Hanoi, Vietnam for the production of chassis for buses and coaches. The proposed co-operation with VINAMOTOR marks for a first start-up in localization of production for the commercial vehicles in Vietnam.

The duration of operation of the Joint Venture shall be for a term of 20 years. The initial annual production of the Joint Venture shall be approximately 3,000 sets of chassis and the annual production in full shall be approximately 20,000 sets of chassis respectively. The Joint Venture shall be the first producer of chassis for commercial vehicles in Vietnam.

Zhongwei Bus is a subsidiary of Zhongda Industrial Group which is controlled by Messrs. Xu Lian Guo and Xu Lian Kuan, the Directors and substantial shareholders of the Company.

VINAMOTOR is an enterprise under the Ministry of Transport, Vietnam. VINAMOTOR is principally engaged in motors and parts production in Vietnam.

THE LETTER OF INTENT

On 6 February 2007, Zhongwei Bus and the Company entered into a non-legally binding Letter of Intent, pursuant to which Zhongwei Bus agreed to assign all its rights, obligations and liabilities under the JV Letter of Intent to the Company. Further announcements shall be made by the Company under the Listing Rules in due course.

REASONS FOR ENTERING INTO THE LETTER OF INTENT

The Group is principally engaged in the development, manufacture and sales of automobile equipment and buses and provision of industrial treatment engineering equipment.

The Directors consider that the proposed investment in the Joint Venture shall enhance the income streams of the Group and benefits the Group with horizontal economies in the automobile development into the South East Asian region. It is expected that the proposed business development will contribute business and earning potentials in the medium and long term and capture commercial opportunities in Vietnam in the area of chassis manufacturing, automobile parts and components markets.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“JV Letter of Intent”	the letter of intent dated 1 November 2006 entered into between Zhongwei Bus and VINAMOTOR in connection with the proposed establishment of a joint venture in Vietnam
“Letter of Intent”	the letter of intent dated 6 February 2007 entered into between Zhongwei Bus and the Company assigning the rights, obligations and liabilities of Zhongwei Bus under the JV Letter of Intent
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VINAMOTOR”	Vietnam Motors Industry Corporation, a company established under the laws of Vietnam
“Zhongwei Bus”	Yancheng Zhongwei Bus Manufacturing Co., Ltd. (鹽城中威客車有限公司), a joint stock company with limited liability incorporated in the PRC and is a subsidiary of Zhongda Industrial Group

“Zhongda Industrial
Group”

Zhongda Industrial Group Corporation (中大工業集團公司), a joint stock company with limited liability, which is controlled by Messrs. Xu Lian Guo and Xu Lian Kuan, Directors and substantial shareholders of the Company

By order of the Board
ZHONGDA INTERNATIONAL HOLDINGS LIMITED
Xu Lian Guo
Chairman

Hong Kong, 6 February 2007

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. Xu Lian Guo (*Chairman*)
Mr. Xu Lian Kuan
Mr. Zhang Yuqing
Mr. Kwok Ming Fai

Independent Non-executive Directors

Mr. Gu Yao Tian
Mr. Sun Ka Ziang Henry
Mr. Li Xin Zhong

* *For identification purposes only*

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