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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)

PLACING OF NEW SHARES AND RESUMPTION OF TRADING

Placing Agent



3V Capital Limited

On 30 May 2007, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, 30,000,000 Placing Shares at the Placing Price of HK\$2.130 per Placing Share.

The Placing Shares represent about 6.25% of the existing issued share capital of the Company and about 5.88% of the issued share capital of the Company as enlarged by the Placing Shares, respectively.

The Placing Price represents (i) a discount of approximately 4.91% to the closing price of HK\$2.240 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 4.14% over the average closing price per Share of about HK\$2.222 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a discount of about 1.89% over the average closing price per Share of about HK\$2.171 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date. The net Placing Price per Placing Share is approximately HK\$2.00.

The Placing is conditional upon, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. The Company shall make an application to Stock Exchange for the listing of, and permission to deal in, the Placing Shares. Please refer to the section headed "Conditions Precedent" for details.

The gross proceeds from the Placing will be approximately HK\$63.9 million and the net proceeds from the Placing will be approximately HK\$60 million which will be applied for the general working capital requirement of the Company for its existing businesses and any future potential investments.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on 31 May 2007 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 5 June 2007.

I. THE PLACING AGREEMENT

Date

30 May 2007

Parties involved

Issuer: Zhongda International Holdings Limited

Placing Agent: 3V Capital Limited

Placing Agent

The Placing Agent has conditionally agreed with the Company to place 30,000,000 Placing Shares, on a best endeavour basis, to independent institutional, professional and/or individual investors for the Placing Shares. The Placing Agent will receive a placing commission of 3% on the gross proceeds of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent, payable on the date of completion of the Placing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

The Placees and its ultimate beneficial owners are not connected person(s) of the Company and are third parties independent of and not connected with the Company, connected persons of the Company and any of the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

Placing Shares

The Placing Shares represent (i) approximately 6.25% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 5.88% of the issued share capital of the Company as enlarged by the Placing Shares, respectively.

The Placing Shares will rank, upon issue, pari passu in all respect with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$2.130 represents (i) a discount of approximately 4.91% to the closing price of HK\$2.240 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 4.14% over the average closing price per Share of about HK\$2.222 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date; and (iii) a discount of about 1.89% over the average closing price per Share of about HK\$2.171 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date. The net Placing Price per Placing Share is approximately HK\$2.00.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent average closing prices of the Shares over the five and ten trading days immediately preceding the Last Trading Date of approximately HK\$2.222 and HK\$2.171, representing a discount of approximately 4.14% and 1.89%, respectively. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the Placing Commission which were determined at the prevailing market conditions) to be fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Conditions Precedent

The Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares and (ii) the Company obtaining all consents and approvals from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

If the above conditions precedent of the Placing Agreement are not fulfilled on or prior to 30 June 2007 or such later date as may be agreed between the parties in writing, the Placing Agreement shall terminate and either party shall have no claim against each other and holds each other harmless save as expressly provided in the Placing Agreement. In case the Placing Agreement is terminated, a further announcement will be issued by the Company.

The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares in due course.

Completion of the Placing

Completion of the Placing Agreement is expected to take place within three Business Days upon the fulfillment of the conditions precedent of the Placing Agreement.

Mandate to Issue the New Shares

The Placing Shares will be issued pursuant to the General Mandate which was granted in the annual general meeting of the Company held on 22 September 2006 and under which a maximum of 80,000,800 Shares may be issued. The Company has not issued any Shares pursuant to the General Mandate.

Use of net proceeds

The gross proceeds from the Placing will be approximately HK\$63.9 million and the net proceeds from the Placing will be approximately HK\$60 million which will be applied for the general working capital requirement of the Company for its existing businesses, including any potential capital expenditure of the Group, as well as any future potential investments. As at the date hereof, save for the intended investment of the Company regarding the proposed establishment of a joint venture company of the Company in Vietnam, details of which are disclosed in the press announcement of the Company dated 27 March 2007, there is no specific plans identified by the Company in utilising the net proceeds for its existing business and no specific investments has been identified by the Company.

Reason for the Placing

The Directors consider that it is in the interests of the Company to raise capital from the equity market for the general working capital of the Group as well as any future potential investments. Through the Placing, the Company can broaden its capital and shareholder basis without any interest burden.

Effect on shareholding structure

The shareholding structure of the Company before and after the Placing are set out as below:

Shareholders	Notes	Immediately before the Placing		Immediately after the Placing	
		Number of Shares	%	Number of Shares	%
Zhong Da (BVI) Limited	1	204,004,000	42.5	204,004,000	40.0
Shum Yip Holdings Company Limited	2	39,576,000	8.2	39,576,000	7.7
Penta Investment Advisers Ltd.		81,890,000	17.1	81,890,000	16.1
Placees		—	—	30,000,000	5.9
Other public Shareholders		154,534,000	32.2	154,534,000	30.3
TOTAL		<u>480,004,000</u>	<u>100.0</u>	<u>510,004,000</u>	<u>100.0</u>

Notes:

1. Zhong Da (BVI) Limited is beneficially owned as to 57.22% and 42.78% by Mr. Xu Lian Guo and Mr. Xu Lian Kuan, respectively.
2. The Shares are held by Gainful Outcome Holdings Limited and Outstanding Management Limited, both being wholly-owned subsidiaries of Shum Yip Holdings Company Limited.

Fund Raising Activities of the Company in the Past 12 Months

The details of fund raising completed by the Company in the 12 months immediately preceding the date of this announcement are as follows:

Description	Date of Mandate Granted	Date of Announcement	Net Proceeds	Intended use of proceeds as announced	Actual use of proceeds
Placing of 80,000,000 new Shares	14 May 2007	17 April 2007	Approximately HK\$62 million	Intended to be used for general working capital and future potential investments	Amount of approximately HK\$12 million has been utilized as the Group's general working capital

Save from the above, the Company has not conducted any other fund-raising exercise for the past 12 months prior to the date of this announcement.

II. GENERAL

Currently, the Group is principally engaged in design, manufacture and sale of automobile repair and maintenance equipment and provision of industrial surface treatment engineering equipment. The Group has been diversifying into the manufacturing of commercial vehicles.

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TERMS AND DEFINITIONS

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Business Day”	any day (excluding Saturday or Sunday) on which commercial banks are generally open for normal banking business in Hong Kong
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	30 May 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	Canvas Capital Management LP, L-R Global Partners, L.P., L-R Global Fund, Ltd and Evolution Master Fund Ltd, SPC-Segregated Portfolio M (M-Fund) being the institutional investors procured by the Placing Agent to subscribe for the Placing Shares under the Placing Agreement
“Placing”	the placing of Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	3V Capital Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities
“Placing Agreement”	the placing agreement dated 30 May 2007 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Commission”	the placing commission payable by the Company to the Placing Agent, being 3% on the gross proceeds of the Placing
“Placing Price”	HK\$2.130 per Placing Share
“Placing Shares”	an aggregate of 30,000,000 Shares to be placed by the Placing Agent pursuant to the terms of the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 4 June 2007

As at the date hereof, the Board comprises Messrs Xu Lian Guo, Xu Lian Kuan, Zhang Yuqing and Kwok Ming Fai as executive directors, and Messrs Gu Yao Tian, Sun Ka Ziang Henry and Li Xin Zhong as independent non-executive directors of the Company respectively.

** For identification purpose only*

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