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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: 00909)

PLACING OF EXISTING SHARES, SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING

Placing Agent



統一證券(香港)有限公司
PRESIDENT SECURITIES (HONG KONG) LTD.

The Placing and Subscription

On 12 November 2009, the Vendor, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Vendor has agreed to sell, or procure the sale of, the Placing Shares and the Placing Agent has agreed, as agent of the Vendor, to procure Placees to purchase the Placing Shares at the Placing Price on a best effort basis. The Placing is unconditional and completion of the Placing will take place on the Completion Date.

In addition, on 12 November 2009, the Company and the Vendor entered into the Subscription Agreement, pursuant to which the Vendor has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue to the Vendor, the Subscription Shares at the Subscription Price.

The net proceeds to be received by the Company from the Subscription will amount to approximately HK\$74.9 million. The Company intends to apply the net proceeds of approximately HK\$73.9 million for various proposed investment opportunities in South Africa relating to public transport and as working capital of the Group.

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

As the Placing is subject to termination rights and the Subscription are subject to the satisfaction of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

Resumption of trading

At the request of the Company, trading in the Shares was suspended with effect from 2:30 p.m. on 12 November 2009, pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9:30 a.m. on 13 November 2009.

PLACING AGREEMENT DATED 12 NOVEMBER 2009

Parties

1. the Vendor;
2. the Company; and
3. the Placing Agent.

THE PLACING

The Placing Agent agrees, as agent of the Vendor, to procure Placees to purchase the Placing Shares at the Placing Price on a best effort basis.

Number of Placing Shares

The Vendor will sell up to 105,000,000 Shares, representing approximately 11.45% of the Company's existing issued share capital and approximately 10.27% of its issued share capital as enlarged by the issue of the Subscription Shares.

Placing Price

Placing Price per Placing Share is HK\$0.713. The Placing Price represents (i) a discount of approximately 19.89% to the closing price of HK\$0.890 per Share quoted on the Stock Exchange on 12 November 2009, being the date of the Placing Agreement; and (ii) a discount of approximately 15.12% over the average closing price of HK\$0.840 per Share quoted on the Stock Exchange from 6 November 2009 to 12 November 2009, both dates inclusive, being the last five trading days up to and including the date of the Placing Agreement.

The Placing Price has been determined after arm's length negotiations between the parties. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interest of the Company and the Shareholders as a whole.

Rights

The Placing Shares will be sold free of any encumbrances and third-party rights. The Placees will receive all dividends and distributions declared after the date of the Placing Agreement.

Independence of the Placing Agents and the Placees

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, the Placing Agent is not a connected person (as defined in the Listing Rules) of the Company or any of its subsidiaries, and is independent of, and not acting in concert with, the Vendor and parties acting in concert with it.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees (and their ultimate beneficial owners) procured by the Placing Agent are not connected persons of the Company (as defined in the Listing Rules). The Placees (and their ultimate beneficial owners) procured by the Placing Agent will be independent of, and not acting in concert with, the Vendor and parties acting in concert with it.

It is expected that there will be not less than six independent professional, institutional and/or individual investors to be procured by the Placing Agent for the placing of the Placing Shares. So far as the Company is aware, the Placing will not result in any of the placees becoming a substantial shareholder of the Company after completion of Placing.

Conditions

The Placing is unconditional.

Termination Rights

The Placing Agent may terminate the Placing Agreement in its reasonable opinion by notice in writing to the Vendor if at any time at or before 4 p.m. on the Business Day prior to the Completion Date, there occurs:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Completion of the Placing

It is expected that completion of the Placing will take place on the Completion Date.

THE SUBSCRIPTION AGREEMENT DATED 12 NOVEMBER 2009

Parties

1. the Vendor; and
2. the Company

Number of Subscription Shares

Such number of new Shares equivalent to the number of Placing Shares being sold under the Placing Agreement.

Subscription Price

The Subscription Price shall be an amount equivalent to the Placing Price. The Subscription Shares shall have an aggregate nominal value of up to HK\$10,500,000. The Subscription Price was determined after arm's length negotiations between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

The net proceeds from the Subscription after deducting the placement fee and other costs and expenses incurred by the Vendor and the Placing Agent in relation to the Placing and Subscription is approximately HK\$73.9 million which represents a net price of approximately HK\$0.704 per Subscription Share.

Mandate to issue new Shares

The Subscription Shares will be issued under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 26 June 2009. Under such general mandate, the Company is allowed to allot and issue up to 106,629,248 Shares, out of which no Share has been allotted and issued pursuant to such general mandate as at the date of this announcement.

Ranking

The Subscription Shares, when fully paid, will rank pari passu in all respects among themselves and with the existing issued shares of the Company on or prior to the date of completion of the Subscription including as to the rights to dividends and other distributions declared, made or paid at any time after the date of allotment of the Subscription Shares.

Conditions of the Subscription

The completion of the Subscription is conditional upon:

- (a) completion of the Placing having occurred pursuant to the terms of the Placing Agreement; and
- (b) the listing of, and permission to deal in, all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).

Completion of the Subscription

Completion of the Subscription will take place on the Business Day immediately after the date upon which the last of the conditions precedent of the Subscription Agreement has been satisfied.

In the event that the completion of the Subscription does not take place within 14 days after the date of the Subscription Agreement (or such later date subject to the approval of the Stock Exchange, as may be agreed between the parties), then the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

If completion of the Subscription takes place more than 14 days after the date of the Subscription Agreement, the Subscription would not fall within the exemption under Listing Rule 14A.31(3)(d) and would be subject to Shareholders' approval and the other relevant requirements of the Listing Rules regarding connected transactions, unless waived by the Stock Exchange. A further announcement will be made if this occurs.

Application for Listing from the Stock Exchange

Application will be made to the Listing Committee for the granting of the listing of, and permission to deal in, the Subscription Shares.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company before and after the Placing and the Subscription is summarised as follows:

	At the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Vendor	294,004,000	32.06	189,004,000	20.61	294,004,000	28.77
Placees	Nil	Nil	105,000,000	11.45	105,000,000	10.27
Other shareholders	623,007,532	67.94	623,007,532	67.94	623,007,532	60.96
Total	917,011,532	100.00	917,011,532	100.00	1,022,011,532	100.00

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company. The principal activities of the Company's subsidiaries are the development, manufacture and sales of automobile equipment and buses and trading of commercial vehicles and automobile spare parts. In view of the current capital market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity for the Company to raise funds. It will also increase the capital base of the Company and broaden its shareholder base. The Company is constantly looking to broaden its revenue base. The Company intends to use the estimated net proceeds of approximately HK\$73.9 million for various proposed investment opportunities in South Africa relating to public transport and as working capital of the Group.

The Directors believe that the terms of the Placing and the Subscription, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders taken as a whole.

RAISING OF FUNDS IN THE PAST 12 MONTHS

The Company has conducted the following fund raising activities in the twelve months immediately before the date of this announcement.

Date of Activity	Transaction	Net proceeds raised (approximately)	Completed	Intended use of proceeds	Actual use of proceeds
21 May 2009 (being the date of announcement of making the open offer)	Open offer of 319,887,744 shares of HK\$0.1 each in the share capital of the Company at the subscription price of HK\$0.28 per share offered on the basis of three offer shares for every five shares held	Approximately HK\$85.1 million	Yes	For the development of alternative energy vehicles and as general working capital of the Group	HK\$24.2 million was utilised for redemption of the convertible bonds of the Company and HK\$14 million was utilised for the working capital requirement of the Group. The remaining HK\$46.9 million will be utilised for the development of alternative energy vehicles and as general working capital of the Group.
	Total:	Approximately HK\$85.1 million			

Save as disclosed herein, the Company has not raised any other funds by way of issues of equity securities in the 12 months immediately preceding the date of the Placing Agreement and the Subscription Agreement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 2.30 p.m. on 12 November 2009, pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 9.30 a.m. on 13 November 2009.

DEFINITIONS

“Business Day” any day (other than a Saturday, Sunday or a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours;

“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange and is principally engaged in development, manufacture and sales of automobile equipment and buses and trading of commercial vehicles and automobile spare parts through its subsidiaries;
“Completion Date”	the second Business Day after the Trade Date (or such other date as may be mutually agreed between the Placing Agent and the Vendor) on which completion of the sale and purchase of the Placing Shares being successfully placed by the Placing Agent shall take place;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange in force for the time being;
“Placees”	professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement;
“Placing”	the placing of the Placing Shares by the Placing Agent at the Placing Price;
“Placing Agent”	President Securities (Hong Kong) Limited;
“Placing Agreement”	the placing agreement dated 12 November 2009 entered into by the Vendor, the Company and the Placing Agent in relation to the Placing;
“Placing Price”	HK\$0.713 per Placing Share;
“Placing Shares”	up to 105,000,000 Shares currently owned by the Vendor;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendor at the Subscription Price;

“Subscription Agreement”	the subscription agreement dated 12 November 2009 entered into by the Vendor and the Company in relation to the Subscription;
“Subscription Price”	an amount equivalent to the Placing Price;
“Subscription Shares”	such number of new Shares equivalent to the number of Placing Shares being sold under the Placing Agreement;
“Trade Date”	fifth Business Day after the date of the Placing Agreement (or such other date as the Vendor and the Placing Agent may agree);
“trading day”	has the meaning ascribed to it in the Listing Rules;
“Vendor”	Zhong Da (BVI) Limited, a company which is owned as to 57.22% by Mr. Xu Lian Guo and 42.78% by Mr. Xu Lian Kuan, both are Directors; and
“%”	per cent.

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

Hong Kong, 12 November 2009

As at the date of this announcement, the board of Directors 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 Xinzhong as independent non-executive Directors.

* *For identification purpose only*