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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)**

- (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES  
FOR EVERY FIVE EXISTING SHARES HELD  
BY QUALIFYING SHAREHOLDERS WITH  
BONUS ISSUE ON THE BASIS OF TWO BONUS SHARES FOR EVERY TEN RIGHTS  
SHARES TAKEN UP UNDER THE RIGHTS ISSUE**
- (2) PROPOSED AMENDMENTS TO THE BYE-LAWS**
- (3) PROPOSED INCREASE IN THE AUTHORISED  
SHARE CAPITAL OF THE COMPANY**
- AND**
- (4) RESUMPTION OF TRADING**

**Joint Underwriters**



**UPBEST SECURITIES COMPANY LIMITED**

**TANRICH**

**TANRICH CAPITAL LIMITED**

### **Proposed Rights Issue with Bonus Issue**

The Company proposes to raise approximately HK\$89.6 million, before expenses, by issuing 319,887,744 new Shares to the Qualifying Shareholders by way of a rights issue at a price of HK\$0.28 per Rights Share on the basis of three Rights Shares for every five existing Shares held on the Record Date. The Company will allot and issue two Bonus Shares for every ten Rights Shares taken up under the Rights Issue. The Rights Issue with the Bonus Issue is only available to the Qualifying Shareholders. Zhong Da BVI has confirmed to subscribe not less than 75,000,000 Rights Shares under its entitlement. The Rights Shares other than the Rights Shares that Zhong Da BVI has already confirmed to subscribe are fully underwritten by the Joint Underwriters.

\* For identification purpose only

The Rights Issue with the Bonus Issue is conditional upon, among others, the approval of the Rights Issue with the Bonus Issue by the Independent Shareholders and the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares as referred to in the paragraph headed “Conditions of the Rights Issue” below, and is further subject to the Joint Underwriters not terminating the Underwriting Agreement as referred to in the paragraph headed “Termination of the Underwriting Agreement” below. **As completion of the Rights Issue with the Bonus Issue is subject to a number of conditions, which may or may not be fulfilled, the Rights Issue with the Bonus Issue may or may not proceed and Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

To qualify for the Rights Issue with the Bonus Issue, a Shareholder must be registered as a member of the Company on the Record Date. Any transfer of Shares (with relevant share certificates) must be lodged for registration on or before 4:00 p.m. on 3 June 2009 with the Registrar. The register of members of the Company will be closed from 4 June 2009 to 8 June 2009, both days inclusive. No transfer of Shares will be registered during this period.

Any buying or selling of the Shares from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, are at investors’ own risk.

A circular containing, among others, further information about the Rights Issue with the Bonus Issue and a notice convening the SGM will be dispatched to the Shareholders as soon as possible.

Subject to the Rights Issue with the Bonus Issue being approved at the SGM, the Prospectus Documents setting out details of the Rights Issue with the Bonus Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

### **Proposed Amendments to the Bye-laws**

The existing Bye-laws provide that the capitalisation of the Company’s reserves by distribution of bonus shares to the Shareholders should be in the same proportion to the shareholdings of the Shareholders. To facilitate the Rights Issue with the Bonus Issue on the basis of only extending the Bonus Shares to the Qualifying Shareholders who have taken up the Rights Shares under the Rights Issue, the Directors propose to amend the Bye-laws.

### **Proposed Increase in the Authorised Share Capital of the Company**

The Board also proposes to increase the authorised share capital of the Company from HK\$100,000,000 to HK\$1,000,000,000 by the creation of an additional 9,000,000,000 Shares of HK\$0.10 each.

### **Resumption of Trading**

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m., on 4 May 2009 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 8 May 2009.

## ISSUE STATISTICS

Basis of Rights Issue with Bonus Issue	:	Three Rights Shares for every five existing Shares held on the Record Date, issued with two Bonus Shares for every ten Rights Shares taken up under the Rights Issue
Number of Shares in issue	:	533,146,240 Shares as at the date of this announcement
Number of Rights Shares	:	319,887,744 Rights Shares, representing 60% of the existing issued share capital of the Company and approximately 34.9% of the issued share capital of the Company as enlarged by the Rights Issue and the Bonus Issue
Number of Bonus Shares	:	63,977,548 Bonus Shares will be issued to the Shareholders who have taken up the Rights Shares on the basis of two Bonus Shares for every ten Rights Shares taken up, representing approximately 12.0% of the existing issued share capital of the Company and approximately 7.0% of the issued share capital of the Company as enlarged by the Rights Issue and the Bonus Issue
Subscription price per Rights Share	:	HK\$0.28 per Rights Share
Joint Underwriters	:	Upbest and Tanrich. To the best knowledge of the Directors, having made reasonable enquiries, each of the Joint Underwriters and their beneficial owners is an independent third party not connected with the Company or its connected persons. The Joint Underwriters are also independent of and not connected with each other.

As at the date of this announcement, the Company has outstanding options under the share option scheme of the Company, which was adopted in 2001 and terminated on 31 May 2007, convertible into 16,000,160 Shares, and convertible bonds in the principal amount of HK\$21,000,000 convertible into 25,000,000 Shares (the “**Conversion Shares**”) at HK\$0.84 per Share. Save as disclosed, the Company has no other outstanding options, convertible securities or warrant which confers the right to subscribe for Shares.

Since the Rights Issue with the Bonus Issue would increase the issued share capital of the Company by more than 50%, the Rights Issue with the Bonus Issue would be made conditional on approval by the Shareholders in a general meeting by a resolution on which any controlling shareholder and their associates will abstain from voting in favour of the Rights Issue with the Bonus Issue. As at the date of this announcement, Zhong Da BVI is interested in 204,004,000 Shares and convertible bonds of the Company in the principal amount of HK\$21,000,000 convertible into 25,000,000 Conversion Shares, representing approximately 38.3% and 4.7% of the issued share capital of the Company respectively. Zhong Da BVI is owned as to 57.22% and 42.78% by Mr. Xu Lian Guo and Mr. Xu Lian Kuan, both executive Directors, respectively. Save for their interests in the Company through Zhong Da BVI, each of Mr. Xu Lian Guo and Mr. Xu Lian Kuan does not own any Shares or hold any other interest in the Company. Pursuant to Rule 7.19(6)(a) of the Listing Rules, Zhong Da BVI and its associates will abstain from voting for the resolution(s) to be proposed at the SGM to approve the Rights Issue with the Bonus Issue.

## **Qualifying Shareholders**

The Company will send the Prospectus and the Application Form for the Rights Shares to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificate(s)) with the Registrar, on or before 4:00 p.m. (Hong Kong time) on 3 June 2009.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:00 p.m. on 3 June 2009.

## **Closure of Register of members**

The register of members of the Company will be closed from 4 June 2009 to 8 June 2009, both days inclusive for the purposes of establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

## **TERMS OF THE RIGHTS ISSUE**

### **Subscription price**

The subscription price for the Rights Shares is HK\$0.28 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Shares have a market value of approximately HK\$92.8 million based on the closing price of the Shares on the Last Trading Day.

The subscription price of HK\$0.28 per Rights Share was arrived at after arm's length negotiations between the Company and the Joint Underwriters with reference to recent closing prices of the Shares on the Stock Exchange and represents:

- (i) a discount of approximately 3.4% to the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on 30 April 2009, being the Last Trading Day;
- (ii) a discount of approximately 11.4% to the average closing price of HK\$0.316 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 5.2% to the theoretical ex-rights price of HK\$0.2663 per Share based on the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Directors (including the independent non-executive Directors) consider that the discount of the subscription price of the Rights Share to closing price of the Share on the Last Trading Day is reasonable on the basis that the terms of the Rights Issue (including the price) are arrived at after arms-length negotiation with the Joint Underwriters and that it is a general market practice to issue rights shares at a discount to the market price of the Shares. The Directors consider that the discount will encourage Qualifying Shareholders to take up their entitlements, so as to share the potential growth of the Company.

#### **Basis of allotments**

Three Rights Shares for every five existing Shares held by a Qualifying Shareholder on the Record Date.

#### **Status of the Rights Shares**

When fully paid, issued and allotted, the Rights Shares will rank pari passu in all respects with the then existing Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Rights Shares.

Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong. A board lot for the Rights Shares in both their nil-paid and fully-paid forms will be 2,000 new Shares.

#### **Rights of Non-Qualifying Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong and Bermuda. If there are any Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong as at the Record Date, the Company will comply with all necessary requirements under Rule 13.36(2) of the Listing Rules and will only exclude the Non-Qualifying Shareholders from the Rights Issue after making enquiry regarding the legal restrictions under the laws of the relevant places. If based on legal opinions provided

by the legal advisers, the Directors consider that (i) it is necessary or expedient not to offer the Rights Shares to any particular Shareholder because of either the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place; or (ii) the legal opinions provided by the legal advisers do not support the statement in (i) above, the Rights Shares will not be offered to such Non-Qualifying Shareholder. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Non-Qualifying Shareholders (if any) for their information only. The Company will not send the Application Forms to the Non-Qualifying Shareholders.

Any Rights Shares, which would otherwise have been allotted to any Non-Qualifying Shareholders there may be, will be underwritten by the Joint Underwriters.

### **Fractions of Rights Shares**

The Company will not allot and issue fractions of Rights Shares. The Company will sell any such Rights Shares created by adding together fractions of Rights Shares, and will keep the proceeds for its own benefit.

### **No excess Rights Shares will be offered**

No excess Rights Shares will be offered to the Qualifying Shareholders and any Rights Shares not taken up by the Qualifying Shareholders in accordance with their proportional allocation will be underwritten by the Joint Underwriters.

### **Share certificates**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares and Bonus Shares are expected to be posted to those entitled thereto by ordinary mail at their own risk on or before 30 June 2009.

### **The Bonus Issue**

Subject to the satisfaction of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” below, the Bonus Shares will be issued to the first registered holders of the Rights Shares on the basis of two Bonus Shares for every ten fully paid Rights Shares taken up under the Rights Issue. The issue of the Bonus Shares will be out of the reserves of the Company and subject to the approval of the Rights Issue with the Bonus Issue by the Independent Shareholders by way of a special resolution, the approval of the amendment to the Bye-laws of the Company by way of a special resolution and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares. Dealings in the Bonus Shares will be subject to the payment of stamp duty in Hong Kong.

On the basis of 319,887,744 Rights Shares to be issued under the Rights Issue, an aggregate of 63,977,548 Bonus Shares will be issued, representing approximately 12.0% of the issued share capital of the Company and approximately 7.0% of the issued share capital of the Company as enlarged by the Rights Issue and the Bonus Issue.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the approval of the Rights Issue with the Bonus Issue and the amendments to the Bye-laws by the Independent Shareholders at the SGM;
- (ii) the signing by or on behalf of all of the Directors of one printed copy of each of the Prospectus Documents and the certification by all Directors (or by their agents duly authorised in writing) of two copies of each of the Prospectus Documents;
- (iii) the delivery of one such signed copy of each of the Prospectus Documents to the Joint Underwriters;
- (iv) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong of the Prospectus Documents;
- (v) the filing of the Prospectus Documents with the Bermuda Registrar of Companies in accordance with the requirements of the Companies Act 1981 of Bermuda;
- (vi) the posting of copies of the Prospectus Documents to the Qualifying Holders on the Posting Date;
- (vii) compliance by the Company with all its obligations under the terms of the Underwriting Agreement;
- (viii) the Listing Committee of the Stock Exchange (a) agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares either unconditionally or subject to such conditions which the Joint Underwriters in their reasonable opinion accept and the satisfaction of such conditions (if any); and (b) not having withdrawn or revoked such listing and permission on or before 4:00 p.m. on the Settlement Date;
- (ix) the performance and compliance by Zhong Da BVI of its obligations and undertakings under the terms of the Underwriting Agreement; and
- (x) if required, the Bermuda Monetary Authority granting their consent to the Rights Issue and the Bonus Issue and the issue of the Rights Shares and the Bonus Shares.

The conditions are incapable of being waived. If the conditions have not been satisfied by the date(s) stipulated therein or by the Latest Time for Termination or such later date as the Joint Underwriters may agree with the Company, the Underwriting Agreement will terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms, and the Bonus Shares.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

Date	:	6 May 2009
Parties	:	the Company, Zhong Da BVI and the Joint Underwriters
Number of Rights Shares underwritten	:	Not less than 244,887,744 Rights Shares, being the total number of Rights Shares less the 75,000,000 Rights Shares that Zhong Da BVI has undertaken to take up, and will be underwritten by the Joint Underwriters in the following manner:  Upbest: a limit of 227,029,744 Rights Shares  Tanrich: a limit of 17,858,000 Rights Shares
Commission	:	2.5% of the subscription price for the Underwritten Shares, the Directors consider that such rate is fair and reasonable and was determined after arm's length negotiations between the Company and the Joint Underwriters

As at the date of this announcement, Zhong Da BVI has confirmed to the Company that it will subscribe not less than 75,000,000 Rights Shares under its entitlement.



## Termination of the Underwriting Agreement

- (1) The Joint Underwriters shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:
- (i) the occurrence of the following events would, in the reasonable opinion of the Joint Underwriters, materially and adversely affect the business, financial or trading position or prospects of the Group as a whole or otherwise makes it inexpedient or inadvisable for the Company or the Joint Underwriters to proceed with the Rights Issue:
    - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
    - (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 of the Underwriting Agreement) of a political, military, financial, economic, currency or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets; or
    - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities);
  - (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities);
  - (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Joint Underwriters will adversely affect the prospects of the Group as a whole, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group;
  - (iv) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue;
  - (v) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;

- (vi) the Joint Underwriters shall receive notification or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if the Joint Underwriters shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
  - (vii) the Company, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Joint Underwriters, fails to promptly send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Joint Underwriters may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.
- (2) The Joint Underwriters are also entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:
- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Joint Underwriters; or
  - (ii) the Joint Underwriters come to the knowledge of any event that would render any of the warranties in the Underwriting Agreement to be untrue or incorrect in any material respect.

## Effects on shareholding structure

The following is the shareholding structure of the Company immediately before and after completion of the Rights Issue with the Bonus Issue, assuming that (i) there is no change to the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue, and (ii) the Joint Underwriters have taken up all the Rights Shares other than the 75,000,000 Rights Shares already committed by Zhong Da BVI.

	Immediately before completion of the Rights Issue with the Bonus Issue		Immediately after completion of the Rights Issue with the Bonus Issue (assuming the Directors, the substantial shareholder and the public shareholders have taken up the Rights Shares in full)		Immediately after completion of the Rights Issue with the Bonus Issue (assuming Zhong Da BVI has only taken up 75,000,000 Rights Shares and none of the Directors and the other substantial shareholder and the public shareholders has taken up the Rights Shares and the Joint Underwriters honor their underwriting commitment)	
	Shares	Approximately %	Shares	Approximately %	Shares	Approximately %
Zhong Da BVI	204,004,000	38.26%	350,886,880	38.26%	294,004,000	32.06%
Zhang Yuqing ( <i>note</i> )	17,600,000	3.30%	30,272,000	3.30%	17,600,000	1.92%
Underwriter - Upbest	0	0%	0	0%	272,435,692	29.71%
Underwriter - Tanrich	0	0%	0	0%	21,429,600	2.34%
Public shareholders	311,542,240	58.44%	535,852,652	58.44%	311,542,240	33.97%
<b>Total</b>	<b>533,146,240</b>	<b>100.00%</b>	<b>917,011,532</b>	<b>100.00%</b>	<b>917,011,532</b>	<b>100.00%</b>

*Note: Zhang Yuqing is an executive Director.*

The above scenarios are for illustration purpose only. Upbest has already entered into sub-underwriting arrangements with sub-underwriters to sub-underwrite its commitment under the Underwriting Agreement which will result in Upbest holding less than 20% of the issued share capital of the Company after completion of the Rights Issue and the Bonus Issue.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**Existing Shares are expected to be dealt in on an ex-rights basis from 2 June 2009.**

**Dealings in the Rights Shares in nil-paid form are expected to take place from 12 June 2009 to 19 June 2009 (both days inclusive). If the Underwriting Agreement is terminated (see the section headed “Termination of the Underwriting Agreement” above), or if the conditions of the Rights Issue (see the section headed “Conditions of the Rights Issue” above) are not fulfilled or waived, the Rights Issue will not proceed.**

**Any buying or selling of the Shares from now up to the date on which all such conditions are fulfilled, and any buying or selling of nil-paid Rights Shares, are at investors’ own risk.**

**If in any doubt, investors should consider obtaining professional advice.**

## **REASONS FOR THE RIGHTS ISSUE WITH THE BONUS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE**

The Directors consider that it is prudent to finance the Group’s long-term growth by long term funding, preferably in the form of equity which will not increase the Group’s finance costs. Furthermore, the Directors consider that it is in the interest of the Company to enlarge its capital base by way of the Rights Issue with the Bonus Issue which will allow the Qualifying Shareholders the opportunity to participate in the growth of the Company.

The Company has not carried out other capital raising activities during the 12 months immediately preceding the date of this announcement. The proceeds of approximately HK\$89.6 million, representing approximately a price of HK\$0.28 per Rights Share, from the Rights Issue will be used by the Company for the development of alternative energy vehicles and as working capital of the Group.

## TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

Despatch of circular, notice of SGM . . . . .	15 May 2009
Last day of dealings in Shares on cum-rights basis . . . . .	1 June 2009
First day of dealing in Shares on ex-rights basis . . . . .	2 June 2009
Latest time for lodging transfers of Shares in order to be entitled to the Rights Issue . . . . .	4:00 p.m. on 3 June 2009
Register of members closes (both dates inclusive). . . . .	4 June 2009 to 8 June 2009
Latest time for lodging proxy forms for the SGM . . . . .	11:00 a.m. on 6 June 2009
Record Date . . . . .	8 June 2009
SGM . . . . .	11:00 a.m. on 8 June 2009
Announcement of results of SGM . . . . .	8 June 2009
Register of members reopens. . . . .	9 June 2009
Prospectus Documents expected to be despatched on . . . . .	10 June 2009
First day of dealings in nil-paid Rights Shares . . . . .	12 June 2009
Latest time for splitting of nil-paid Rights Shares . . . . .	4:00 p.m. on 16 June 2009
Latest time of dealings in nil-paid Rights Shares. . . . .	4:00 p.m. on 19 June 2009
Latest time for acceptance of application and payment for Rights Shares . . . . .	4:00 p.m. on 24 June 2009
Expected time for the Rights Issue to become unconditional. . . . .	4:00 p.m. on 26 June 2009
Announcement of results of the Rights Issue. . . . .	29 June 2009
Certificates for fully-paid Rights Shares and Bonus Shares expected to be despatched on or before . . . . .	30 June 2009
Dealings in fully-paid Rights Shares and Bonus Shares expected to commence on . . . . .	3 July 2009

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any change to the anticipated timetable for the Rights Issue will be published as and when appropriate. The Latest Time for Acceptance will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or
  - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 24 June 2009. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 24 June 2009. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on 24 June 2009, the dates mentioned in the expected timetable above may be affected. An announcement will be made by the Company in such event advising the revised dates.

## **CAPITAL-RAISING ACTIVITIES DURING PAST 12 MONTHS**

The Company has not carried out any capital raising activities during the 12 months immediately preceding the date of this announcement.

## **AMENDMENTS TO THE BYE-LAWS**

The existing Bye-laws provide that the capitalisation of the Company's reserves by distribution of bonus shares to the Shareholders should be in the same proportion to the shareholdings of the Shareholders. Since the Qualifying Shareholders who do not take up the Rights Shares will not be entitled to the Bonus Shares, the Bonus Issue will not be in the same proportion to the shareholding of the Shareholders. To facilitate the Rights Issue with the Bonus Issue, the Directors propose to amend the Bye-laws accordingly such that any declaration, making or payment of a distribution or dividend to the Shareholders otherwise than pro-rata to their shareholdings upon the capitalisation of any part of the Company's reserves or undivided profits shall require a special resolution of the Shareholders. Upon the amendment becoming effective and the necessary special resolution approving the Bonus Issue being passed, the Bonus Shares can be allotted and issued in the proportions that the Board have proposed. The Directors consider the amendments would facilitate the issue of the Bonus Shares and to provide the Company with flexibility in raising capital from its Shareholders. The Bonus Issue is subject to the Rights Issue becoming unconditional and approval by the Independent Shareholders in the SGM.

## **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY**

The authorised and issued share capital of the Company as at the date of this announcement are HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each and HK\$53,314,624 divided into 533,146,240 shares of HK\$0.10 each. In order to provide greater flexibility for the Company to issue Shares in the future, it is proposed that the authorised share capital of the Company be increased from HK\$100,000,000 to HK\$1,000,000,000 by the creation of an additional 9,000,000,000 Shares of HK\$0.10 each. After the increase, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Shares of HK\$0.10 each.

## **GENERAL**

A circular containing, among others, further information about the Rights Issue with the Bonus Issue, the amendments to the Bye-laws and the proposed increase in the authorised share capital of the Company and a notice convening the SGM will be dispatched to the Shareholders as soon as possible. Pursuant to Rule 7.19(6)(a) of the Listing Rules, Zhong Da BVI, being the controlling shareholder of the Company, and its associates will abstain from voting for the resolution(s) to be proposed at the SGM to approve the Rights Issue with the Bonus Issue.

Subject to the Rights Issue with the Bonus Issue being approved at the SGM, the Prospectus Documents setting out details of the Rights Issue with the Bonus Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading of the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 4 May 2009 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 8 May 2009.

## **DEFINITIONS USED IN THIS ANNOUNCEMENT**

“Acceptance Date”	latest day for acceptance of and payment for the Rights Shares which is expected to be on 24 June 2009
“Application Form”	the form of application for use by the Qualifying Shareholders to apply for the Rights Shares
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the issue of 63,977,548 Bonus Shares to the first registered holders of the fully-paid Rights Shares on the basis of two Bonus Shares for every ten Rights Shares subscribed and taken up under the Rights Issue
“Bonus Shares”	63,977,548 new Shares to be allotted and issued under the Bonus Issue
“Bye-laws”	the bye-laws of the Company
“Business Day”	a full day (other than a Saturday or Sunday) on which banks are generally open for business in Hong Kong
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders of the Company other than Zhong Da BVI
“Joint Underwriters”	Upbest and Tanrich
“Last Trading Day”	30 April 2009, being the date on which the Shares were last traded on the Stock Exchange prior to the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 24 June 2009, the latest time for acceptance for application forms and payment for the Rights Shares under the Rights Issue
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on the register of members of the Company on the Record Date is (are) outside Hong Kong where the Directors, based on the legal opinions provided by legal advisers, consider it necessary or expedient to exclude any such Shareholder because of either the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place
“Posting Date”	10 June 2009, the expected date for despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue



“Prospectus Documents”	the Prospectus and the Application Form
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	8 June 2009, the record date by which entitlements to the Rights Issue will be determined
“Registrar”	Tricor Standard Ltd. of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, the branch share registrar of the Company
“Rights Issue”	the issue of 319,887,744 Rights Shares at a price of HK\$0.28 per Rights Share on the basis of three Rights Shares for every five existing Shares held on Record Date
“Rights Shares”	319,887,744 Shares to be issued under the Rights Issue
“Settlement Date”	the second Business Day after the Acceptance Date or such other date as the Joint Underwriters and the Company may agree in writing
“SGM”	the special general meeting of the Company to be convened to approve the Rights Issue with the Bonus Issue, the amendments to the Bye-laws and the increase in the authorised share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of HK\$0.10 each in the existing share capital of the Company
“Share Option Schemes”	the share option schemes adopted by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tanrich”	Tanrich Capital Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities which is independent of and not connected with the Company and its connected persons

“Underwriting Agreement”	the underwriting agreement dated 6 May 2009 entered into between the Company, Zhong Da BVI and the Joint Underwriters in relation to the Rights Issue
“Underwritten Shares”	not less than 244,887,744 Right Shares, being all the Rights Shares less the number of Rights Shares confirmed to be taken up by Zhong Da BVI under its entitlement
“Upbest”	Upbest Securities Company Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities which is independent of and not connected with the Company and its connected persons
“Zhong Da BVI”	Zhong Da (BVI) Limited, a company incorporated in the British Virgin Islands and is owned as to 57.22% by Mr. Xu Lian Guo, an executive Director and as to 42.78% by Mr. Xu Lian Kuan, another executive Director, the controlling shareholder of the Company

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

Hong Kong, 7 May 2009

*As at the date of this announcement, 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 Xinzong as independent non-executive Directors.*