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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of Zhongda International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2011 together with the comparative figures for the corresponding period of 2010.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		For the six months ended 30 June	
		2011	2010
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**211,375**	252,847
Cost of sales		**(172,810)**	(209,589)
Gross profit		**38,565**	43,258
Other revenue		**4,592**	4,228
Change in fair value of investment properties		**–**	(539)
Selling and distribution expenses		**(13,183)**	(10,851)
Administrative expenses		**(35,293)**	(32,035)
Finance costs	*5*	**(14,933)**	(11,446)
Share of loss of associates		**(4,535)**	(1,460)
Loss before tax	*6*	**(24,787)**	(8,845)
Income tax expense	*7*	**(2,406)**	(2,056)
Loss for the period		**(27,193)**	(10,901)
Loss for the period attributable to:			
Owners of the Company		**(26,918)**	(5,972)
Non-controlling interests		**(275)**	(4,929)
		(27,193)	(10,901)
		RMB	*RMB*
Loss per share	*9*		
– Basic and diluted (cents per share)		**(2.49 cents)**	(0.53 cents)

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(27,193)**	(10,901)
Other comprehensive expense		
Exchange differences arising on translation	**(3,559)**	(496)
Total comprehensive expense for the period	**(30,752)**	(11,397)
Total comprehensive expense attributable to:		
Owners of the Company	**(30,477)**	(6,468)
Non-controlling interests	**(275)**	(4,929)
	(30,752)	(11,397)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Notes	30 June 2011 *RMB'000* (Unaudited)	31 December 2010 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**52,570**	56,460
Prepaid lease payments		**6,663**	6,755
Investment properties		**106,320**	123,016
Interests in associates		**14,972**	19,507
Prepayments for investments		**94,799**	78,894
		275,324	284,632
Current assets			
Prepaid lease payments		**184**	184
Inventories		**26,239**	30,128
Amounts due from related companies		**55,430**	62,743
Amounts due from associates		**195,822**	101,480
Trade receivables	*10*	**54,147**	52,575
Amounts due from customers for contract work		**46,928**	44,293
Held for trading investments		**3,080**	4,964
Prepayments and other receivables		**59,251**	49,514
Restricted deposit placed in a financial institution		**40,000**	6,000
Deposits placed in financial institutions		**–**	15,023
Restricted bank balances		**121,955**	80,066
Pledged bank deposit		**–**	9,729
Bank balances and cash		**192,530**	225,746
		795,566	682,445
Current liabilities			
Amounts due to customers for contract work		**38,343**	38,861
Trade and bills payables	*11*	**395,888**	267,817
Advance receipt from customers		**6,354**	5,706
Other payables and accruals		**62,049**	48,222
Amount due to an associate		**–**	4,661
Amounts due to related companies		**3,983**	3,766
Amounts due to directors		**562**	7,178
Tax payable		**32,645**	33,049
Bank borrowings		**118,826**	145,361
Derivative financial instruments		**8,624**	–
		667,274	554,621
Net current assets		**128,292**	127,824
Total assets less current liabilities		**403,616**	412,456

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30 June 2011

	30 June 2011 *RMB'000* (Unaudited)	31 December 2010 *RMB'000* (Audited)
Capital and reserves		
Share capital	**103,720**	100,784
Reserves	**292,307**	303,781
Equity attributable to owners of the Company	**396,027**	404,565
Non-controlling interests	**1,967**	2,242
Total equity	**397,994**	406,807
Non-current liability		
Deferred tax liabilities	**5,622**	5,649
	403,616	412,456

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except as described below.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In current interim period, the Group has applied, for the first time, the following new or revised standards and interpretations ("new or revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangement[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]

[1] Effective for annual periods beginning on or after 1 January 2013.

The five new or revised standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all five new or revised standards are applied early at the same time. The directors of the Company anticipate that these new or revised standards will be applied in the Group's consolidated financial statements for financial year ending 31 December 2013 and the potential impact is described below.

2. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only one basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements; (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The directors of the Company are in the process of assessing the impact from the application of HKFRS 10 on the results and consolidated financial position of the Group.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. The directors of the Company are in the process of assessing the impact from the application of HKFRS 11 on the results and consolidated financial position of the Group.

Other than disclosed above, the directors of the Company anticipate that the application of the new or revised standards will have no material impact on the results and the financial position of the Group.

3. **SEGMENT INFORMATION**

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment for the period under review.

For the six months ended 30 June 2011 (Unaudited)

	Automobile equipment	**Buses**	**Automobile spare parts**	**Property investment**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
REVENUE	**131,080**	**1,722**	**74,573**	**4,000**	**211,375**
RESULTS					
Segment results	**2,489**	**1,657**	**5,583**	**4,000**	**13,729**
Unallocated corporate expenses					**(20,475)**
Share of loss of associates					**(4,535)**
Interest income					**1,427**
Finance costs					**(14,933)**
Loss before tax					**(24,787)**

3. **SEGMENT INFORMATION (Cont'd)**

Segment revenues and results (Cont'd)

For the six months ended 30 June 2010 (Unaudited)

	Automobile equipment *RMB'000*	Buses *RMB'000*	Automobile spare parts *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
REVENUE	86,656	53,086	109,105	4,000	252,847
RESULTS					
Segment results	2,214	(7,223)	8,103	4,517	7,611
Unallocated corporate expenses					(4,166)
Share of loss of associates					(1,460)
Interest income					616
Finance costs					(11,446)
Loss before tax					(8,845)

Segment assets

The following is an analysis of the Group's assets as at 30 June 2011 and 31 December 2010 by reportable segments:

	30 June 2011 ***RMB'000*** **(Unaudited)**	31 December 2010 *RMB'000* (Audited)
Automobile equipment	**254,638**	277,508
Buses	**758**	5,507
Automobile spare parts	**178,076**	103,981
Property investment	**106,320**	123,016
Total segment assets	**539,792**	510,012
Unallocated corporate assets	**531,098**	457,065
Consolidated assets	**1,070,890**	967,077

4. REVENUE

	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Sales of goods	**191,500**	240,842
Revenue from construction contracts	**14,153**	5,853
Commission income	**1,722**	2,152
Rental income	**4,000**	4,000
	211,375	252,847

5. FINANCE COSTS

	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank overdrafts, bank borrowings wholly repayable within five years	**6,768**	7,293
Interest on discounted bills	**8,165**	4,153
	14,933	11,446

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation on property, plant and equipment	**3,205**	4,345
Amortisation on prepaid lease payments	**92**	485
Gain on disposal of property, plant and equipment	**–**	(1,495)
Loss on disposal of investment property	**240**	–

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
– PRC Enterprise Income Tax ("EIT")	**2,406**	2,279
Deferred tax:		
– Current period	**–**	(223)
	2,406	2,056

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2011 and 2010 as the Group does not have any assessable profits subject to Hong Kong Profits Tax for the period.

In accordance with the relevant rules and regulations in the PRC, all PRC subsidiaries are subject to EIT at a rate of 25% (2010: 25%).

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of an interim dividend (2010: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the Group's loss attributable to owners of the Company of approximately RMB26,918,000 (2010: RMB5,972,000) and the weighted average number of ordinary shares of approximately 1,081,631,000 (2010: 1,135,819,000) in issue during the period.

No diluted loss per share is presented for the six months ended 30 June 2011 and 30 June 2010 as the exercise of share options and warrants would result in reduction in loss per share.

10. TRADE RECEIVABLES

		31 December
	30 June 2011	2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**137,664**	136,092
Less: Impairment loss recognised	**(83,517)**	(83,517)
	54,147	52,575

The Group allows credit period ranging from 30 to 180 days to its trade customers as at 30 June 2011 (31 December 2010: 30 to 180 days). The following is an aged analysis of trade receivables net of impairment loss recognised on trade receivables presented based on the invoice date at the end of the reporting period.

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 180 days	**48,495**	40,816
181 to 365 days	**4,823**	11,759
Over 1 year	**829**	–
Total	**54,147**	52,575

Included in the Group's trade receivables are debtors with an aggregate carrying amount of approximately RMB40,236,000 (2010: RMB47,724,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable by the directors. The Group does not hold any collateral over these balances.

11. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period.

	30 June 2011	31 December 2010
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 180 days	**86,495**	89,881
181 to 365 days	**20,053**	11,591
1 to 2 years	**9,402**	8,997
Over 2 years	**17,027**	8,030
	132,977	118,499
Bills payable	**262,911**	149,318
	395,888	267,817

The average credit period on purchases of goods is ranging from one to six months as at 30 June 2011 (31 December 2010: one to six months). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

At 30 June 2011, the Group's bills payable was secured by restricted bank balances and restricted deposit placed in financial institution of approximately RMB121,955,000 (31 December 2010: RMB80,066,000) and RMB40,000,000 (31 December 2010: RMB6,000,000) respectively and corporate guarantees issued by Zhongda Industrial Group, a related company of the Company, and certain assets of Zhongda Industrial Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

During the period under review, the global economic environment remains uncertain. The Group's revenue was dropped by 16.4% to approximately RMB211.4 million as compared with last year. The main reason behind was due to the restructure of the bus manufacturing business. Consequently, the revenue of that segment was dropped from approximately RMB53.1 million to RMB1.7 million accordingly.

Automobile Repair and Maintenance Equipment

This segment comprises mainly automobile spray booths and car lifters sales. Although export sales remained sluggish, it recorded a turnover of approximately RMB11.5 million, representing a slightly increase by 5.1% when compared with the previous period. Regarding the PRC market sales, it recorded a turnover of RMB104.9 million which showed growth of 39.1% when compared with last year. The overall turnover increased by 34.8% up to approximately RMB116.5 million when compared with last year. We will continue maintaining our competitiveness in the industry.

Trading of Automobile Spare Parts

Yancheng Zhongda Automobiles Equipment Co. Ltd. is the procurement center for both the Group and the Zhongda Industrial Group Corporation. The turnover of this segment was approximately RMB74.6 million with a decrease of 31.7% when compared with last period. It was mainly due to the adverse economic environment amongst Europe and United States of America which slowed down the demand of materials. Moving forward, we are still planning to upgrade this platform to serve our affiliate companies and joint ventures. In the long run, we would expand and open this platform to serve outside customers.

Zhongwei Bus

Zhongwei Bus is our associated company which is specialized in manufacturing long-haul coaches. Its products have been exported to over 40 countries around the world. During the first six months of the year, the export sales of Zhongwei Bus have dropped as a result of the uncertainty of global economy. Consequently, this segment recorded an operating loss. Meanwhile, the situation is going to be improved when the export orders to South Africa begins.

Overseas Project

During the period, the Group is still in the process of concluding a joint venture with South Africa National Taxi Council ("SANTACO") to build and operate the first nationwide electronic fare management system in South Africa exclusively. At the same time, we and SANTACO will also focus to sell and deliver our tailor-made minibus and coaches to the country.

FINANCIAL REVIEW AND LIQUIDITY

Gross Margin

Due to market consolidation of automobile repair and maintenance equipment, the gross profit margin of the period increased from 17.1% to 18.2% when compared with the same period last year.

Net Loss

The Group has recorded a net loss of approximately RMB27.2 million when compared with a net loss of approximately RMB10.9 million of last period. Basic loss per share for the period was RMB2.49 cents.

Liquidity

Liquidity as measured by current ratio (defined as "Current Assets/Current Liabilities") with a ratio of 1.2x during the period was considered as still acceptable. Regarding the current assets, approximately 44.6% were cash and bank deposit.

Leverage

Net gearing ratio (defined as "Total bank debts – Cash available/Total Net Worth") was null during the period which in line with the financial year ended 2010. The Group will continue to take effort to retain its leverage at a very satisfactory level.

As at 30 June 2011, cash and bank balances of the Group amounted to approximately RMB354.5 million (31 December 2010: RMB336.6 million). Cash is mainly denominated in Renminbi and Hong Kong Dollars. The short term bank loans was amounted to approximately RMB118.8 million (31 December 2010: RMB145.4 million) which representing a decrease of approximately RMB26.5 million.

The interest rates of bank borrowings ranged between 2.05% and 6.73% per annum (31 December 2010: between 2.03% and 7.00%). The collaterals provided for these bank borrowings mainly comprised certain land use rights and buildings of the subsidiaries of the Group. The revenue of the Group was mainly denominated in Renminbi and US Dollar, and the borrowings were mainly settled in Renminbi. The directors are of the view that since the exchange rate between Renminbi and US Dollar is relatively stable, there is no significant risk in relation to foreign exchange fluctuation.

Assets

As at 30 June 2011, the net asset value of the Group amounted to approximately RMB398.0 million (31 December 2010: RMB406.8 million), representing a decrease of approximately 2.2%. Net current assets amounted to approximately RMB128.3 million (31 December 2010: RMB127.8 million), an increase of approximately 0.4% from last year.

PROSPECT

The recent outbreak of sovereign debt crisis amongst western countries is still casting its effect over all sectors globally. With worldwide co-operation to curb the spread of an economic depression, the situation is still fluctuating and the signal of recovery is still blur. With the co-operation with SANTACO, the Group will continue to develop and explore our business in these areas. In addition, we have increased our effort to exploit domestic markets especially in those provinces in western and north-western part in the PRC.

Looking ahead, the Group will implement a prudent strategy of steady growth while seek to capture more new business opportunities so as to generate satisfactory return to our stakeholders.

EMPLOYEE REMUNERATION POLICIES

As at 30 June 2011, the Group employed a total of 1,300 (31 December 2010: 1,300) full time employees.

The Group provides remuneration package to employees largely based on industry practice, individual performance, qualification and experience. In addition, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance and individual performance. The Group also provides other benefits to its employees such as medical and statutory retirement benefits for both the directors and employees.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2011.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2011.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors (the "Code of Conduct") on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

Having made specific enquiry with all directors, each of whom has confirmed compliance with the required standard set out in the Code of Conduct throughout the six months ended 30 June 2011.

AUDIT COMMITTEE

The Company established an audit committee with terms of reference no less exacting than the required standard as set out in the code provisions of the CG Code. The primary duties of the audit committee are to review and supervise the financial reporting process and the internal control system of the Group. The audit committee has three members comprising all the independent non-executive directors of the Company. The unaudited consolidated results of the Group for the six months ended 30 June 2011 have been reviewed by the audit committee of the Company.

By Order of the Board
Xu Lian Guo
Chairman

Hong Kong, 31 August 2011

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