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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)

GRANT OF THE EQUITY LINE FACILITY TO THE COMPANY

THE AGREEMENT

On 16 November 2010, the Company entered into the Agreement with the Purchaser, pursuant to which (a) the Company has been granted the right to require the Purchaser to subscribe for Shares for an aggregate consideration not exceeding HK\$275 million, and (b) the Company has agreed to issue 25 million Warrants.

Under the Agreement, the Company may, subject to satisfaction of certain conditions, request the Purchaser to subscribe for the Draw Down Shares during the Commitment Period, being the period commencing on (and including) the date of the Agreement and expiring upon the earliest of (i) the fifth anniversary of the date of the Agreement, (ii) the date on which the Equity Line Facility has been fully utilized by the Company by making Draw Downs of an aggregate amount equal to the Maximum Investment Amount (i.e. HK\$275 million), or (iii) the date on which the Agreement is terminated in accordance with its terms by either the Purchaser or the Company. The Company will allot and issue the Draw Down Shares under the Special Mandate.

* For identification purpose only

WARRANTS

Under the Agreement, subject to the grant of the listing of, and permission to deal in, the Warrant Shares, the Company has agreed to issue to the Purchaser the Warrants. The Warrants will carry the rights to subscribe for the Warrant Shares at the Subscription Price, which at the initial Subscription Price of HK\$1.5193 per Share would result in the issue of 25 million Warrant Shares for an aggregate consideration of HK\$37,982,500, from the date of issue of the Warrants to the expiry of the second anniversary of the issue of the Warrants. The Company will issue the Warrants and allot and issue the Warrant Shares under the Special Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Draw Down Shares, the Warrant Shares and, if any, the Activation Shares and the Implementation Shares. No application will be made for a listing of the Warrants on the Stock Exchange or any other stock exchange.

Completion of the Agreement is subject to the satisfaction of certain conditions as set out below under the paragraph headed “Conditions precedent” of the section headed “The Agreement”. As the transactions contemplated by the Agreement may or may not proceed, potential investors are advised to exercise caution when dealing in the Shares.

THE AGREEMENT

On 16 November 2010, the Company and the Purchaser entered into the Agreement, pursuant to which (a) the Company has been granted the right to require the Purchaser to subscribe for Shares for an aggregate consideration not exceeding HK\$275 million under the Equity Line Facility and (b) the Company has agreed to issue the Warrants.

Parties

Issuer: The Company

Purchaser: YA Global Master SPV Ltd.

The Purchaser is managed by Yorkville Advisors, LLC of Jersey City, New Jersey USA (“Yorkville”). Founded in January 2001, Yorkville specializes in providing flexible and cost-effective debt and equity financing to publicly listed companies worldwide. Yorkville has a broad investment mandate and the flexibility to invest across many geographies as well as sectors, including natural resources, technology media & telecommunication, healthcare, industrials and shipping.

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

Equity Line Facility

Under the Agreement, the Company has been granted the Equity Line Facility, pursuant to which the Company may require the Purchaser to subscribe for Draw Down Shares, on the terms of the Agreement and subject to the Draw Down Conditions, for up to a maximum aggregate consideration of HK\$275 million (i.e. the Maximum Investment Amount) during the Commitment Period. Each Draw Down Amount will be adjusted so that the corresponding number of Draw Down Shares is an integral multiple of 2,000, being a standard board lot of Shares.

Set out below are details of the Equity Line Facility:

- Commitment Period:* Commencing on the date of the Agreement and expiring upon the earliest of (i) the fifth anniversary of the date of the Agreement, (ii) the date on which the Equity Line Facility has been fully utilized by the Company by making Draw Downs in an aggregate amount equal to the Maximum Investment Amount (i.e. HK\$275 million); or (iii) the date on which the Agreement is terminated in accordance with its terms.
- Issue Price per Draw Down Share:* 96% of the number which is the higher of (i) the minimum price per Share nominated by the Company in a Draw Down Notice (the “**Minimum Acceptable Price**”) provided that such price may not be lower than 104.167% of the Floor Price; and (ii) the lowest daily VWAP during the Draw Down Period provided that as regards any Trading Day(s) in the Draw Down Period on which the VWAP is less than the Minimum Acceptable Price or on which trading in the Shares is suspended for any period of time, the VWAP on such Trading Day(s) will be excluded from the calculation of the lowest daily VWAP during the Draw Down Period.
- Floor Price:* HK\$0.5922 per Share, being 80% of the VWAP on the Trading Day immediately preceding the date of the Agreement, which represents:
- (i) a discount of approximately 17.75% to the closing price per Share of HK\$0.720 as quoted on the Stock Exchange on 16 November 2010, being the date of the Agreement;
 - (ii) a discount of approximately 21.25% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 5-Trading Day period ended on 16 November 2010, being HK\$0.752 per Share; and
 - (iii) a discount of approximately 23.19% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 10-Trading Day period ended on 16 November 2010, being HK\$0.771 per Share.

Draw Down Shares:

The Company may request a Draw Down at any time during the Commitment Period by delivering to the Purchaser a Draw Down Notice specifying a Draw Down Amount, which is subject to reduction by the Purchaser in accordance with the terms of the Agreement. The Purchaser will not be required to purchase and the Company will not be under any obligation to issue any Draw Down Shares to the extent that the purchase or issue would require the Purchaser or parties acting in concert with it to make a takeover offer for the Company under the Takeovers Code or any other applicable law.

Based on the Maximum Investment Amount (i.e. HK\$275 million) and the Floor Price of HK\$0.5922 per Share, the maximum number of Draw Down Shares that may be allotted and issued is 464,370,000, representing approximately 44.13% of the existing issued Shares or approximately 30.62% of the issued share capital of the Company as enlarged by such Draw Down Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Draw Down Shares which may fall to be allotted and issued upon a Draw Down.

Long Stop Date:

The Purchaser may by notice in writing to the Company terminate the Purchaser's obligations with respect to a Draw Down Notice if the Purchaser is not satisfied that each of the Company Obligations have been or will be satisfied by the fifth Trading Day immediately following the expiry of the relevant Draw Down Period. The Company Obligations include, among other things, a requirement on the Company to procure the listing of, and permission to deal in, the Draw Down Shares.

Implementation Fee

HK\$750,000, which is due and payable on the third Trading Day immediately following the day on which the Company has obtained both the approval of the Shareholders to the resolution constituting in the Special Mandate and the approval of the listing committee of the Stock Exchange of the listing of and permission to deal in the Implementation Shares. The Company may, at its sole and absolute discretion, elect to pay the Implementation Fee to the Purchaser either (i) all by way of cash, or (ii) all by way of allotment and issue of the Implementation Shares, or (iii) any combination of cash and Implementation Shares. In the event that the Company elects to pay some or all of the Implementation Fee by way of the allotment and issue of Implementation Shares, the number of Implementation Shares to be allotted and issued will be determined by dividing that portion of the Implementation Fee by HK\$0.7402 (with the result being rounded down so that only such number of Implementation Shares which is a multiple of a board lot of 2,000 Shares are issued and the remainder being paid in cash), being the VWAP on the Trading Day immediately prior to the date of the Agreement, which represents:

- (i) a premium of approximately 2.81% to the closing price per Share of HK\$0.720 as quoted on the Stock Exchange on 16 November 2010, being the date of the Agreement;
- (ii) a discount of approximately 1.57% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 5-Trading Day period ended on 16 November 2010, being HK\$0.752 per Share; and
- (iii) a discount of approximately 3.99% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 10-Trading Day period ended on 16 November 2010, being HK\$0.771 per Share.

Based on the full amount of the Implementation Fee (i.e. HK\$750,000) and the issue price of HK\$0.7402 per Share, a total of 1,012,000 Implementation Shares may be allotted and issued, representing approximately 0.10% of the existing issued Shares or approximately 0.10% of the issued share capital of the Company as enlarged by such Implementation Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Implementation Shares.

Activation Fee

HK\$2,000,000, which is due and payable on the date (the “**Activation Date**”) on which the Company serves a written notice on the Purchaser of its intended activation of the Equity Line Facility. The Company may, at its sole and absolute discretion, elect to pay the Activation Fee to the Purchaser either (i) all by way of cash, or (ii) all by way of allotment and issue of the Activation Shares, or (iii) any combination of cash and Activation Shares. In the event that the Company elects to pay some or all of the Activation Fee by way of the allotment and issue of Activation Shares, the number of Activation Shares to be allotted and issued will be determined by dividing that portion of the Activation Fee by the VWAP on the Trading Day immediately prior to the Activation Date (or by the Floor Price, if such VWAP is lower than the Floor Price) (with the result being rounded down so that only such number of Activation Shares which is a multiple of a board lot of 2,000 Shares are issued and the remainder being paid in cash).

Based on the full amount of the Activation Fee (i.e. HK\$2,000,000) and the lowest possible issue price of HK\$0.5922 per Share, a total of 3,376,000 Activation Shares may be allotted and issued, representing approximately 0.32% of the existing issued Shares or approximately 0.32% of the issued share capital of the Company as enlarged by such Activation Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Activation Shares.

Conditions precedent

The right of the Company to issue the first Draw Down Notice is subject to satisfaction of the following conditions, among others, on or before 5:00 p.m. on 15 February 2011:

- (i) the Company having paid the Implementation Fee, the Activation Fee and all and any other fees and expenses payable to the Purchaser in accordance with the Agreement and the Warrants having been issued to the Purchaser;
- (ii) the Company having obtained all necessary authorizations and shareholders’ approvals for the execution, delivery and performance by it of the transactions contemplated by the Agreement, including the grant of the Special Mandate by the Shareholders at the SGM and the listing committee of the Stock Exchange having granted the listing of, and permission to deal in, the Draw Down Shares to be allotted and issued for the first Draw Down, the Activation Shares, the Implementation Shares and the Warrant Shares;

- (iii) a Bermuda law legal opinion in form and substance required by the Purchaser in the agreed form having been received by the Purchaser from the Company's counsel; and
- (iv) the Company having served a written notice on the Purchaser of Company's intended activation of the Equity Line Facility.

The right of the Company to serve each Draw Down Notice and the obligation of the Purchaser to effect completion in respect of a Draw Down is subject to, among other things, the following further conditions:

- (i) the conditions precedent to the first Draw Down having been satisfied;
- (ii) each of the representations and warranties made by the Company in the Agreement remaining true in all material respects;
- (iii) no event or circumstances having arisen which would entitle the Purchaser to terminate the Agreement in accordance with its terms;
- (iv) the obtaining of any shareholders' approvals and authorizations necessary for the issue and delivery of the Draw Down Shares and the listing committee of the Stock Exchange having granted a listing of, and permission to deal in, the Draw Down Shares;
- (v) no statute, rule, regulation, order, decree, ruling or injunction having been enacted, entered, promulgated or endorsed by any government agency that prohibits or directly and adversely affects any of the transactions contemplated by the Agreement and/or the Warrant Instrument;
- (vi) no proceeding having been commenced that will or, to the best knowledge of the Company (having made all reasonable enquiries), may reasonably be expected to have the effect of prohibiting or adversely affecting any of the transactions contemplated by the Agreement and/or the Warrant Instrument;
- (vii) the listing or trading of the Shares not being suspended by the Stock Exchange and the Company not having received any notice threatening the continued listing and/or trading of the Shares on the Stock Exchange; and the Company not (subject to certain exceptions) having any knowledge of any event which might cause the listing and/or trading of the Shares to be suspended, withdrawn or otherwise restricted or terminated during the period from the day on which a Draw Down Notice is served and ending on the closing of the relevant Draw Down;
- (viii) during the period from the day on which a Draw Down Notice is served and ending on the closing of the relevant Draw Down, no event or series of events having occurred which may have a material adverse effect on the Group and its associated companies;

- (ix) all Draw Down Shares from prior Draw Down in respect of which the Purchaser has paid the corresponding net Draw Down Amount having been delivered to the Purchaser and remaining listed on the Stock Exchange; and
- (x) the Company not having allotted and issued to the Purchaser, in the period of the 10 Trading Days immediately preceding the date of service of a Draw Down Notice, a number of Shares which exceeds the lower of the numbers of Shares issuable as a result of a Draw Down of the size of (i) 250% of the average daily trading value of the Shares on the Stock Exchange for the 10 consecutive Trading Day period immediately prior to the date of service of the Draw Down Notice; and (ii) the maximum draw down amount, being (a) HK\$5,000,000 for the first Draw Down, (b) HK\$10,000,000 for the second Draw Down, and (c) HK\$20,000,000 in respect of any other Draw Down, subject to adjustment in accordance with the terms of the Agreement.

Warrants

Under the Agreement, subject to the grant of the listing of, and permission to deal in, the Warrant Shares, the Company has agreed to issue to the Purchaser the Warrants forthwith after the Special Mandate is granted.

PRINCIPAL TERMS OF THE WARRANTS

Number of Warrant Shares Covered by the Warrants

The Warrants will upon issue carry the rights to subscribe for the Warrant Shares at the Subscription Price, which at the initial Subscription Price of HK\$1.5193 per Share would result in the issue of 25 million Warrant Shares for an aggregate consideration of HK\$37,982,500, from the date of issue of the Warrants to the expiry of the second anniversary of the issue of the Warrants. The 25,000,000 Warrant Shares represent approximately 2.38% of the existing issued share capital of the Company and approximately 2.32% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares.

Subscription period

From the date of issue of the Warrants to the expiry of the second anniversary of the issue of the Warrants.

Subscription price

The Subscription Price per Warrant Share will be HK\$1.5193 (subject to adjustment).

The Subscription Price per Warrant Share (being HK\$1.5193) represents:

- (i) a premium of approximately 111.01% to the closing price per Share of HK\$0.720 as quoted on the Stock Exchange on 16 November 2010, being the date of the Agreement;
- (ii) a premium of approximately 102.03% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 5-Trading Day period ended on 16 November 2010, being HK\$0.752 per Share; and
- (iii) a premium of approximately 97.06% to the average of the closing prices of the Shares as quoted on the Stock Exchange during the 10-Trading Day period ended on 16 November 2010, being HK\$0.771 per Share.

The Subscription Price is subject to adjustment in the event of, among other things, subdivision or consolidation of the Shares. The Company will publish an announcement upon any adjustment to the Subscription Price.

The Subscription Price was determined after arm's length negotiations between the Company and the Purchaser, after considering the Group's existing financial position, liquidity of the Shares in the market and number of Warrant Shares.

Payment of the Subscription Price must be made in immediately available funds.

Transferability

The Warrants are freely transferable in amounts equivalent to the aggregate Subscription Price in respect of 2,000 Shares for the time being in force (or an integral multiple thereof).

Ranking of the Warrant Shares

The Warrant Shares, when issued and allotted, will rank pari passu with the fully paid Shares in issue on the date of allotment and issue of such Warrant Shares.

Call

If at any time the aggregate of the amount of exercise moneys attached to the Warrants which have not been exercised is equal to or less than 10 per cent. of the aggregate amount of exercise moneys attached to all the Warrants issued, the Company may, on giving not less than three months' notice, require Warrantholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrant(s) will be automatically cancelled without compensation to the Warrantholders.

Voting

The Warrantholders will not be entitled to attend or vote at any general meetings of the Company by reason only of it being a Warrantholder.

Listing

No application will be made for a listing of the Warrants on the Stock Exchange or any other stock exchange.

REASON FOR THE DRAW DOWN AND WARRANTS AND USE OF PROCEEDS

The Company was incorporated in Bermuda with limited liability. The Company is an investment holding company and its subsidiaries are principally engaged in the development, manufacture and sale of automobile equipment and buses and trading of automobile spare parts.

If the Draw Down is made by the Company in full, the gross proceeds and net proceeds to be raised by the Company therefrom will be HK\$275 million (i.e. the Maximum Investment Amount) and HK\$269 million respectively. The Company intends to apply the net proceeds from the allotment and issue of any Draw Down Shares as general working capital of the Group.

If the subscription rights attaching to the Warrants are fully exercised by the holder(s) thereof and 25 million Warrant Shares are allotted and issued by the Company, based on the initial Subscription Price of HK\$1.5193 per Warrant Share, the gross proceeds and net proceeds to be raised by the Company therefrom will be HK\$37,982,500.00 and HK\$37 million respectively. The Company intends to apply the net proceeds from the allotment and issue of any Warrant Shares as general working capital of the Group.

The Directors are of the view that any allotment and issue of Draw Down Shares and the Warrant Shares offer a good opportunity to raise additional capital of the Company and to strengthen the financial position of the Group. In addition, given the Draw Down will be made at the sole discretion of the Company, it is considered that the Group will have flexibility in raising funds by requesting a Draw Down during the Commitment Period. Accordingly, the Directors consider that (i) the entry into the Agreement and the transactions contemplated thereunder including, inter alia, the grant of the Equity Line Facility and the issue of the Warrants, are in the interests of the Company and the Shareholders as a whole; and (ii) all the relevant terms of the Agreement including, inter alia, the mechanism to fix the Issue Price per Draw Down Share and the Warrants Subscription Price, are fair and reasonable.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net Proceeds (approx.)	Intended use of proceeds	Actual use of proceeds
12 November 2009	Top up placing of 105,000,000 Shares at HK\$0.713 per Share	HK\$71.5 million	Investment in projects in South Africa relating to public transport and as general working capital of the Group	HK\$29 million was utilized for the general working capital requirements of the Group. The remaining HK\$42.5 million has been deposited at the bank accounts of the Group which will be utilized for the development of alternative energy vehicles and the investment in projects in South Africa relating to public transport and as general working capital of the Group.
4 March 2010	Placing of 18,450,000 new Shares of HK\$0.813 per Share	HK\$14.8 million	Investment in projects in South Africa relating to public transport and as general working capital of the Group	Not yet utilised.
8 July 2010	Placing of Warrants	HK\$1.5 million	General working capital and for the future development of the Group	Warrant issue not yet completed.
		<u>HK\$87.8 million</u>		

Save as disclosed above, the Company has not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE

Assuming that there will be no other change in the shareholding structure of the Company immediately before the Draw Down in full and the exercise in full of the Warrants, the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after issue of 464,370,000 Draw Down Shares to the Purchaser (based on the Maximum Investment Amount of HK\$275 million and the Floor Price of HK\$0.5922 per Share), (iii) immediately after issue of 25 million Warrant Shares to the Purchaser; and (iv) immediately after issue of 464,370,000 Draw Down Shares together with the 25 million Warrant Shares, 1,012,000 Implementation Shares (assuming the full amount of the Implementation Fee being settled by way of allotment and issue of the Implementation Shares) and 3,376,000 Activation Shares (assuming the full amount of the Activation Fee being settled by way of allotment and issue of the Activation Shares at the lowest possible issue price of HK\$0.5922 per Share) to the Purchaser are as follows:

Shareholders	As at the date of this announcement		Immediately after issue of 464,370,000 Draw Down Shares to the Purchaser		Immediately after issue of 25 million Warrant Shares to the Purchaser		Immediately after issue of 464,370,000 Draw Down Shares together with the 25 million Warrant Shares, 1,012,000 Implementation Shares and 3,376,000 Activation Shares to the Purchaser	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Zhongda (BVI) Limited(1)	294,004,000	27.94	294,004,000	19.38	294,004,000	27.29	294,004,000	19.02
Purchaser	–	–	464,370,000	30.62	25,000,000	2.32	493,758,000	31.93
Other public Shareholders	758,319,719	72.06	758,319,719	50.00	758,319,719	70.39	758,319,719	49.05
	<u>1,052,323,719</u>	<u>100.00</u>	<u>1,516,693,719</u>	<u>100.00</u>	<u>1,077,323,719</u>	<u>100.00</u>	<u>1,546,081,719</u>	<u>100.00</u>

Note:

- (1) Zhong Da (BVI) Limited is beneficially owned as to 57.22% by Mr. Xu Lian Guo and as to 42.78% by Mr. Xu Lian Kuan respectively.

MANDATE TO ISSUE THE OPTION SHARES AND THE WARRANT SHARES

The Company will allot and issue the Draw Down Shares, the Activation Shares, the Implementation Shares and the Warrant Shares pursuant to the Special Mandate which is to be sought from the Shareholders at the SGM and such shares will, upon issue, rank pari passu among themselves and with all other Shares in issue of the date of their respective allotment and issue.

The Directors are allowed to allot and issue a total of 210,464,743 Shares under a general mandate granted to the Directors at the annual general meeting of the Company held on 9 July 2010. As at the date of this announcement, the Company has not allotted and issued any Share under the general mandate.

GENERAL

Applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Draw Down Shares, the Activation Shares, the Implementation Shares and the Warrant Shares.

Completion of the Agreement is subject to the satisfaction of the Conditions Precedent as set out above under the paragraph headed “Conditions Precedent” of the section headed “The Agreement”. As the transactions contemplated by the Agreement may or may not proceed, potential investors are advised to exercise caution when dealing in the Shares.

DEFINITION

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Activation Fee”	HK\$2,000,000 which is due and payable by the Company to the Purchaser on the day on which the Company serves a written notice on the Purchaser of its intended activation of the Equity Line Facility
“Activation Shares”	Shares which may be issued by the Company in lieu of paying all or part of the Activation Fee in accordance with the terms of the Agreement
“Agreement”	the equity line facility agreement entered into between the Company and the Purchaser on 16 November 2010 in relation to the Equity Line Facility and the Warrants

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors of the Company
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which banks in Hong Kong are open for business
“Commitment Period”	has the meaning set forth in the paragraph headed “Equity Line Facility” under the section headed “The Agreement” of this announcement
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Company Obligations”	<p>the obligations of the Company referred to in the paragraph headed “Long Stop Date” under the section “Equity Line Facility”, which include, among other things:</p> <ul style="list-style-type: none"> (a) delivering to the Purchaser a Performance Certificate duly signed by an authorised officer of the Company dated the Draw Down Closing Date; (b) delivering the Draw Down Shares; and (c) providing evidence reasonably satisfactory to the Purchaser of the admission and delivery of the Draw Down Shares (including copies of any documents issued by the Stock Exchange evidencing the admission of the Draw Down Shares)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Draw Down”	subscription for the Draw Down Shares in accordance with the terms of the Agreement
“Draw Down Amount”	the gross amount payable by the Purchaser to the Company in connection with a Draw Down (before adjustment)

“Draw Down Conditions”	the conditions precedent to the delivery of a Draw Down Notice by the Company as set out in the Agreement
“Draw Down Notice(s)”	drawdown notice(s) from the Company to the Purchaser being delivered on any Trading Day during the Commitment Period in respect of a Draw Down
“Draw Down Period”	with regard to any Draw Down Notice served by the Company, a period of 10 consecutive Trading Days commencing on the Trading Day immediately following the service of such Draw Down Notice provided that the Purchaser may elect in its sole and absolute discretion to reduce the number of days comprising the Draw Down Period
“Draw Down Share(s)”	up to a maximum of 464,370,000 new Shares (based on the maximum investment amount of HK\$275 million and the Floor Price of HK\$0.5922 per Share) to be allotted and issued by the Company under the Agreement
“Equity Line Facility”	allotment and issue of the Draw Down Shares to the Purchaser over the Commitment Period with each Draw Down made at the discretion of the Company (subject to the Draw Down Conditions)
“Floor Price”	HK\$0.5922 per Share, being 80% of the VWAP of the Shares on 15 November 2010
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Implementation Fee”	HK\$750,000 which is due and payable by the Company to the Purchaser on the third Trading Day immediately following the day on which the Company has obtained both the approval of the Shareholders of the Special Mandate and the approval of the listing committee of the Stock Exchange of the listing of and permission to deal in the Implementation Shares
“Implementation Shares”	Shares which may be issued by the Company in lieu of paying all or part of the Implementation Fee in accordance with the terms of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

“Maximum Investment Amount”	HK\$275 million
“Purchaser”	YA Global Master SPV Ltd., an exempted company incorporated in the Cayman Islands with limited liability
“SGM”	a special general meeting of the Company to be held to approve the Special Mandate
“Shareholder(s)”	registered holder(s) of the Shares in issue
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Special Mandate”	the special mandate to allot, issue and deal with the aggregate number of the Draw Down Shares, the Activation Shares, the Implementation Shares and the Warrant Shares, to be approved and granted to the Board by the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the sum payable in respect of each Warrant Share to which the registered holder of each Warrant will be entitled upon exercise of the subscription rights represented thereby, being HK\$1.5193 or such adjusted price as may for the time being be applicable in accordance with the terms of the Warrants
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases
“Trading Day(s)”	a day (days) on which, in the usual course, the Stock Exchange is open for the conduct of trading of securities
“VWAP”	in relation to a Trading Day, the volume weighted average price per Share traded on the Stock Exchange on that Trading Day, as reported by Bloomberg LP for the period commencing at 10:00 a.m. and ending at 4:00 p.m. of that Trading Day
“Warrant Instrument”	the warrant instrument in relation to the Warrants in the agreed form

“Warrant Shares”	a total 25,000,000 new Shares (at the initial Subscription Price) to be allotted and issued by the Company upon exercise in full of the subscription rights attaching to the Warrants by the Warrantholders
“Warrantholder(s)”	holder(s) of the Warrant(s)
“Warrants”	unlisted warrants to be issued by the Company in registered form conferring rights entitling the Warrantholder(s) to subscribe for up to 25,000,000 Warrant Shares at the Subscription Price (subject to adjustment)
“%”	per cent.

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

Hong Kong, 16 November 2010

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 Xinzhong as independent non-executive Directors.