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ZHONGDA INTERNATIONAL HOLDINGS LIMITED

(中大國際控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00909)

PLACING OF NEW SHARES

Placing Agent



KGI Capital Asia Limited

THE PLACING AGREEMENT

The Board is pleased to announce that after trading hours on 4 March 2010, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to act as agent for the Company, to place, on a best-effort basis, the 18,450,000 new Shares, representing (i) approximately 1.78% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.75% of the issued share capital of the Company as enlarged by the issue of the Placing Shares respectively. The Placing Shares will be placed by the Placing Agent to the Placee, who and whose ultimate beneficial owners are Independent Third Parties.

Completion of the Placing Agreement is subject to the satisfaction of the Placing Conditions as set out in the paragraph headed "The Placing Conditions" under the section headed "1. The Placing Agreement" below.

The Directors consider that the terms of the Placing, which have been negotiated on an arm's length basis in accordance with normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company intends to use the estimated net proceeds of approximately HK\$14.8 million from the Placing for various proposed investment opportunities in South Africa relating to public transport and as working capital of the Group.

The Placing Shares will be issued under a specific mandate to be approved by the Shareholders at the SGM. The Placing Shares, when allotted and issued, shall be free and clear from all encumbrances and with all rights attaching thereto as at the Placing Completion Date, including the right to receive all dividends and other distributions which may be declared, made or paid where the relevant record date shall fall on or after the Placing Completion Date.

** For identification purposes only*

Completion of the Placing is subject to the satisfaction of the Placing Conditions. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

1. THE PLACING AGREEMENT

Date: 4 March 2010 (after trading hours)

Issuer: the Company

Placing Agent: KGI Capital Asia Limited

The Placing Agent has conditionally agreed, on a best-effort basis and as agent for the Company, to procure the Placee to subscribe for the Placing Shares, amounting to 18,450,000 new Shares under the Placing Agreement, at the Placing Price. The Placing Agent will receive a placing commission of 0.4% on the gross proceeds of the Placing Shares. The placing commission rate was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate. To the best of the information, knowledge and belief of the Directors and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placee

The Placing Shares will be placed by the Placing Agent to the Placee, who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, the Placee will not become a substantial shareholder of the Company.

Number of Placing Shares

The 18,450,000 new Shares in total will be placed by the Placing Agent, on a best-effort basis, to the Placee, representing (i) approximately 1.78% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.75% of the issued share capital of the Company as enlarged by the issue of the Placing Shares respectively.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, shall be free and clear from all encumbrances and with all rights attaching thereto as at the Placing Completion Date, including the right to receive all dividends and other distributions which may be declared, made or paid where the relevant record date shall fall on or after the Placing Completion Date.

Placing Price

The Placing Price of HK\$0.813 per Placing Share represents:

- (i) a premium of approximately 4.23% to the closing price of HK\$0.780 per Share as quoted on the Stock Exchange on 4 March 2010, being the date of the Placing Agreement;
- (ii) a premium of approximately 3.17% to the average closing price of approximately HK\$0.788 per Share as quoted on the Stock Exchange from 26 February 2010 to 4 March 2010, being the last five trading days up to and including the date of the Placing Agreement; and
- (iii) a premium of approximately 3.83% to the average closing price of approximately HK\$0.783 per Share as quoted on the Stock Exchange from 19 February 2010 to 4 March 2010, being the last 10 trading days up to and including the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement, including the Placing Price and the placing commission payable to the Placing Agent, are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

The Placing Conditions

Completion of the Placing Agreement is conditional on the Placing Conditions as follows:

- (a) the passing by the Shareholders of a resolution to approve the Placing Agreement and the transactions contemplated thereunder at the SGM;
- (b) the Listing Committee of the Stock Exchange granting to the Company the listing of, and permission to deal in, the Placing Shares; and
- (c) the obtaining by the Company of all other necessary consents, approvals, authorizations and/or waiver to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement (including but not limited to the allotment and issue of the Placing Shares), if applicable.

None of the Placing Conditions can be waived. If (i) the Placing Agent shall not have given its notification to the Company in relation to, among other things, the Placing Shares as procured by it under the Placing, (ii) the Placing Conditions are not fulfilled in full on or before 12 April 2010 (or such later date as may be agreed between the Placing Agent and the Company in writing), the Placing Agreement shall be terminated and none of the parties thereto shall have any claim against any other in respect of the Placing.

Completion of the Placing

Completion of the Placing shall take place on the Placing Completion Date (or such other date to be agreed in writing amongst the Company and the Placing Agent). Upon completion of the Placing, the Placing Shares shall be allotted and issued by the Company to the Placee at the Placing Price.

2. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing, is as follows:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Zhong Da (BVI) Limited (Note 1)	294,004,000	28.44	294,004,000	27.94
Placee (Note 2)	—	—	18,450,000	1.75
Other Public	<u>739,869,719</u>	<u>71.56</u>	<u>739,869,719</u>	<u>70.31</u>
TOTAL	<u>1,033,873,719</u>	<u>100.00</u>	<u>1,052,323,719</u>	<u>100.00</u>

Notes:

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.
2. The Placing Shares will be placed by the Placing Agent to the Placee, who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, the Placee will not become a substantial shareholder of the Company. Accordingly, the shareholding held by the Placee is regarded as held by the public.

3. REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company. The principal activities of the Company's subsidiaries are the development, manufacture and sales of automobile equipment and buses and trading of commercial vehicles and automobile spare parts. In view of the current capital market conditions, the Directors consider that the Placing represents a good opportunity for the Company to raise funds. It will also increase the capital base of the Company and broaden its shareholder base.

The Company intends to use the estimated net proceeds of approximately HK\$14.8 million from the Placing for various proposed investment opportunities in South Africa relating to public transport and as working capital of the Group.

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

4. FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company had not conducted any fund-raising activities in the past twelve months immediately prior to the date of this announcement.

Date of announcement	Capital raising activity	Net proceeds raised (HK\$)	Intended use of proceeds	Actual use of proceeds
21 May 2009	Open offer of 319,887,744 Shares at the subscription price of HK\$0.28 per Share offered on the basis of three offer shares for every five Shares held	Approximately 85.1 million	For the development of alternative energy vehicles and as general working capital of the Group	HK\$59 million was utilised for the general working capital requirement of the Group and HK\$24.2 million was utilised for redemption of the convertible bonds of the Company in the principal amount of HK\$21 million in accordance with the terms of the convertible bonds. The remaining HK\$1.9 million has been deposited at the bank accounts of the Group which will be utilized for the development of alternative energy vehicles and as general working capital of the Group.
12 November 2009	Top-up placing of 105,000,000 Shares at HK\$0.713 per Share	71.5 million	To be used for various investment opportunities in South Africa relating to public transport and as general working capital of the Group	HK\$21 million was utilised for the general working capital requirements of the Group. The remaining HK\$50.5 million has been deposited at the bank accounts of the Group which will be utilised for the development of alternative energy vehicles and the various investment opportunities in South Africa relating to public transport and as general working capital of the Group.
	Total	<u>156.6 million</u>		

5. GENERAL

The Placing Shares will be issued under a specific mandate subject to the Shareholders' approval at the SGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The SGM will be convened and held for the purpose of considering and, if thought fit, approving the Placing Agreement, and the transactions contemplated thereunder.

A circular of the Company containing, among other things, (i) details of the Placing Agreement, together with the transactions contemplated thereunder; (ii) a notice convening the SGM will be despatched to the Shareholders as soon as possible.

Completion of the Placing is subject to the satisfaction of the Placing Conditions. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

6. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meaning:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong are open for general banking business
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors 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 PRC
“Independent Third Party(ies)”	third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected person
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee”	Midway International Holding Limited, an investment holding company incorporated in Hong Kong with limited liability, to be procured by the Placing Agent to subscribe for the Placing Shares under the Placing
“Placing”	the placing of the Placing Shares by the Placing Agent on a best-effort basis pursuant to the Placing Agreement
“Placing Agent”	KGI Capital Asia Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 4 March 2010 entered into between the Company and the Placing Agent in relation to the placing of the 18,450,000 new Shares by the Placing Agent on a best-effort basis
“Placing Completion Date”	the next Business Day immediately after the date upon which the last of the Placing Conditions has been fulfilled (or such other date as may be agreed between the Company and the Placing Agent in writing)
“Placing Conditions”	the conditions precedent to the Placing Agreement
“Placing Price”	HK\$0.813 per Placing Share
“Placing Shares”	the 18,450,000 new Shares to be placed through the Placing Agent on a best-effort basis under the Placing Agreement
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, to approve the Placing Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“0%”

per cent.

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

Hong Kong, 4 March 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 Xinzong as independent non-executive Directors.