

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ZHONGDA INTERNATIONAL HOLDINGS LIMITED

(中大國際控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00909)

RULE 13.09 ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION

This is a voluntary announcement made by the Company pursuant to Rule 13.09 of the Listing Rules.

On 23 December 2009, the Company entered into a non-binding memorandum of understanding with ZIG, a company incorporated in the PRC and a connected person of the Company, in relation to the proposed acquisition of the Sale Shares of the Target Company. The consideration for the Proposed Acquisition is expected to be not more than RMB27,125,000, to be satisfied in cash.

The Board wishes to emphasise that no formal agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. The Memorandum of Understanding does not constitute legally binding commitments as to the Proposed Acquisition.

As the Proposed Acquisition may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in the Shares.

The Proposed Acquisition may or may not proceed. The Proposed Acquisition if proceeded with will constitute connected and discloseable transactions of the Company under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such possible transactions.

This is a voluntary announcement made by the Company pursuant to Rule 13.09 of the Listing Rules.

On 23 December 2009, the Company entered into a non-binding memorandum of understanding (the “**Memorandum of Understanding**”) with ZIG, a company incorporated in the PRC and a connected person of the Company, in relation to the proposed acquisition of the Sale Shares of the Target Company.

** For identification purpose only*

Date of the Memorandum of Understanding

23 December 2009

Parties to the Memorandum of Understanding

- (a) the Company; and
- (b) ZIG.

Subject matter

The Sale Shares of the Target Company

Summary of the terms of the Memorandum of Understanding

Consideration for Proposed Acquisition

The consideration for the Proposed Acquisition is expected to be not more than RMB27,125,000, to be satisfied in cash.

the Target Company and the Nanjing Company

The Target Company is a company incorporated in the PRC and the holding company of the Nanjing Company. The Nanjing Company is a company incorporated in the PRC and is engaged in the business of the development of electric power systems for vehicles. ZIG holds 100% equity interest of the Target Company.

ZIG has entered into an agreement with Hubei Bao Kang Qing Shan Energy Research Laboratory (湖北保康青山能源研究所) and Hubei Xiang Fan Qing Shan Electric Vehicle Company Limited (湖北襄樊青山電動汽車有限公司) to develop electric power system (including battery, motor and control system) to be used in electric vehicle. ZIG has subsequently entered into an agreement with Mr. Cao Qing Shan (曹青山) and Mr. Cao will use the intellectual property of the core technology of the power system developed by him as capital to invest in Nanjing Company to develop electric vehicle.

Benefits of Proposed Acquisition

It is a global trend to look for new or alternative energy resources. Recently, the PRC government has released some policies to encourage the development of new energy vehicle. We believe by acquiring the Target Company, the Company could participate in new energy vehicle manufacturing industry. The Company would therefore benefit from product diversification and hence enhance our revenue stream.

General

The Board wishes to emphasise that no formal agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. The Memorandum of Understanding does not constitute legally binding commitments as to the Proposed Acquisition.

As the Proposed Acquisition may or may not proceed, public investors and shareholders of the Company are urged to exercise caution when dealing in Shares.

The Proposed Acquisition if proceeded with will constitute connected and discloseable transactions of the Company under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to such transactions.

Further announcement(s) will be made by the Company if any formal sale and purchase agreement for the Proposed Acquisition is entered into.

Definitions

“Board”	the board of Directors of the Company;
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability;
“connected person”	as defined in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nanjing Company”	Nanjing Zhongda Qing Shan Electric Vehicle Company Limited (南京中大青山電動汽車有限公司), a company incorporated in the PRC and engaged in the business of the development of electric power systems for vehicles;
“PRC”	the People’s Republic of China;
“Proposed Acquisition”	the proposed acquisition by the Company of the Sale Shares of the Target Company from ZIG;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	50% equity interest of the Target Company;
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Zhongda Electric Vehicle Company Limited (中大電動汽車有限公司), a company incorporated in the PRC with limited liability, which is the holding company of the Nanjing Company;
“Target Group”	the Target Company and its subsidiaries;

“ZIG” Zhongda Industrial Group Corporation (中大工業集團公司), a company incorporated in the PRC and is jointly controlled by Mr. Xu Lian Guo and Mr. Xu Lian Kuan, Directors and substantial shareholders of the Company, and connected person of the Company; and

“%” per cent.

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

Hong Kong, 23 December 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 Xinzhong as independent non-executive Directors.