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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)

**SUSPENSION OF THE DUTIES
OF TWO EXECUTIVE DIRECTORS**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board announced that at the Board Meeting, the Board resolved, among other things, that:

- (i) Mr. LG Xu and Mr. LK Xu had failed to provide reasonable and satisfactory explanation as to their failure to make the Transfer and the Use of Fund;
- (ii) the scope of investigation of the SIC be extended to the Use of Fund; and
- (iii) the duties of Mr. LG Xu and Mr. LK Xu as executive Directors and directors in the relevant members of the Group be suspended with immediate effect until the Use of Fund issue has been satisfactorily resolved and reported to the Board.

Notwithstanding the above, Mr. LG Xu and Mr. LK Xu remain as executive Directors. Furthermore, since the daily operation of the Group is managed by the senior management and will be overseen by other executive Directors during the relevant suspension period, the Company considers that the business activities of the Group have been and will be conducted as usual and the suspension has no material adverse effect to the day to day operation of the Group.

Shareholders of the Company and potential investors are advised to exercise caution in dealings in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

** For identification purpose only*

SUSPENSION OF DIRECTORS' DUTIES

On 14 June 2011, the board (the “**Board**”) of directors (the “**Directors**”) of Zhongda International Holdings Limited (the “**Company**” together with all its subsidiaries, the “**Group**”) held a board meeting at which the Board resolved that the cash deposit in the sum of approximately RMB150,000,000 (the “**Fund**”) as maintained by Yancheng Zhongda Automobiles Equipment Co., Ltd. (鹽城中大汽車設備有限公司), a subsidiary of the Company, at a bank in Shenzhen, the People’s Republic of China should be partially transferred (the “**Transfer**”) to the bank accounts of the Group maintained in Hong Kong for the repayment of certain intra-group foreign loans and the rest of the fund is to satisfy other payment obligations and bank debts of the Group. The Board had requested the two Directors, namely Mr. Xu Lian Guo (“**Mr. LG Xu**”) and Mr. Xu Lian Kuan (“**Mr. LK Xu**”) to supervise and follow up the Transfer. By the end of August 2011 and to the date of this announcement, the Transfer has not yet been made.

On 1 September 2011, the Company convened a Board meeting (the “**Board Meeting**”), to consider, among other things, the Transfer. At the Board Meeting, the Board requested Mr. LG Xu and Mr. LK Xu to provide reasons for not making the Transfer. Mr. LG Xu and Mr. LK Xu explained that under their supervision, the Fund has been drawn out and has been used for other purposes of the Group (the “**Use of Fund**”) and accordingly the Transfer had not been made.

At the Board Meeting, certain members of the Board believed that Mr. LG Xu and Mr. LK Xu did not completely disclose their knowledge of the Use of Fund to the Board for consideration. The Board further considered that the Use of Fund is non-compliant with the Board’s resolutions made on 14 June 2011 and that Mr. LG Xu and Mr. LK Xu had failed to provide a reasonable and satisfactory explanation for the failure of the Transfer.

At the Board Meeting, the Board resolved, among other things, that :

- (i) Mr. LG Xu and Mr. LK Xu had failed to provide reasonable and satisfactory explanation as to their failure to make the Transfer and the Use of Fund;
- (ii) the scope of investigation of the special investigation committee (“**SIC**”), which was formed pursuant to the Board meeting held on 28 July 2011, be extended to the Use of Fund, the details of the SIC was disclosed in the announcement of the Company dated 29 July 2011; and
- (iii) the duties of Mr. LG Xu and Mr. LK Xu as executive Directors and directors in the relevant members of the Group be suspended with immediate effect until the Use of Fund issue has been satisfactorily resolved and reported to the Board.

Notwithstanding the above, Mr. LG Xu and Mr. LK Xu remain as executive Directors. Furthermore, since the daily operation of the Group is managed by the senior management and will be overseen by other executive Directors during the relevant suspension period, the Company considers that the business activities of the Group have been and will be conducted as usual and the suspension has no material adverse effect to the day to day operation of the Group.

The Board will make further announcement in relation to the results of the investigation made by the SIC as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution in dealings in the shares of the Company.

By order of the Board
Zhongda International Holdings Limited
Kwok Ming Fai **Sun Ka Ziang Henry**
Executive Director *Independent non-executive Director*

Hong Kong, 2 September 2011

As at the date of this announcement, the Board comprises Messrs. Xu Lian Guo (suspended), Xu Lian Kuan (suspended), 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 respectively.