

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares and/or warrants in **Zhongda International Holdings Limited**, you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**ZHONGDA INTERNATIONAL HOLDINGS LIMITED****中大國際控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 909)**

**PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES AND WARRANTS,  
RE-ELECTION OF RETIRING DIRECTOR,  
CHANGE OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the annual general meeting of Zhongda International Holdings Limited ("Annual General Meeting") to be held at Longchamp Room I, 3/F, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 22 September 2006 at 2:30 p.m. is set out on pages 13 to 16 of this circular. A proxy form for your use at the Annual General Meeting is enclosed with this circular. If you do not propose to attend the Annual General Meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch registrar in Hong Kong, Standard Registrars Limited at 26/F, Tesbury Center, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

\* For identification purposes only

Hong Kong, 25 August 2006

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Board</b>	
Introduction .....	3
General Mandate to Issue Shares .....	4
General Mandate to Repurchase Shares and Warrants .....	4
Re-election of the Retiring Director .....	5
Change of Auditors .....	5
Annual General Meeting .....	5
Action to be Taken .....	5
Rights to Demand a Poll .....	6
Recommendation .....	7
 <b>Appendix I – Explanatory Statement</b> .....	 8
 <b>Appendix II – Detail of Director proposed to be re-elected</b> .....	 12
 <b>Notice of Annual General Meeting</b> .....	 13

---

## DEFINITIONS

---

*In this circular, the following expressions have the following meanings unless the context requires otherwise:–*

“Annual General Meeting”	the annual general meeting of the Company to be held at Longchamp Room I, 3/F, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 22 September 2006 at 2:30 p.m.
“Bye-laws”	the existing bye-laws of the Company adopted on 24 June 2004
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Zhongda International Holdings Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“KLL”	KLL Associates CPA Limited
“Latest Practicable Date”	Friday, 18 August 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of Annual General Meeting
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 4B of the notice of the Annual General Meeting

---

## DEFINITIONS

---

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase during the period as set out in the Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution and Warrants up to a maximum of 10% of the aggregate nominal amount of the Warrants of the Company outstanding as at the date of passing the Repurchase Resolution
“Share(s)”	share(s) of \$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution no. 4A up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Warrants”	warrants issued by the Company entitling the holders thereof to subscribe for shares at an initial subscription price of HK\$0.675 per share (subject to adjustment) at any time on or before 31 October 2006
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

---

LETTER FROM THE BOARD

---



**ZHONGDA INTERNATIONAL HOLDINGS LIMITED**

**中大國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 909)**

*Executive Directors:*

Mr. XU Lian Guo (*Chairman*)

Mr. XU Lian Kuan (*Vice-chairman and chief executive officer*)

Mr. ZHANG Yuqing (*Vice-chairman*)

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-executive Director:*

Mr. GU Yao Tian

Mr. CHAN Wai Dune

Mr. LI Xin Zhong

*Principal Place of Business  
in Hong Kong:*

Unit 702

7th Floor

Concordia Plaza

1 Science Museum Road

Tsim Sha Tsui East

Kowloon

Hong Kong

Hong Kong, 25 August 2006

*To the shareholders and for information only,  
to warrant holders,*

Dear Sir or Madam,

**PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES AND WARRANTS,  
RE-ELECTION OF RETIRING DIRECTOR,  
CHANGE OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed Share Issue Mandate, Repurchase Mandate, extension of the Share Issue Mandate, re-election of the retiring director and change of auditors and to seek your approval of the ordinary resolutions relating to these matters at the Annual General Meeting.

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 23 June 2005, a general mandate was given to the Directors to exercise the powers of the Company to issue and allot Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the Share Issue Mandate at the Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to issue and allot Shares.

It will be proposed at the Annual General Meeting two ordinary resolutions respectively (i) granting to the Directors the Share Issue Mandate, and (ii) authorizing an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions no. 4A and 4C respectively in the notice of Annual General Meeting.

### **GENERAL MANDATE TO REPURCHASE SHARES AND WARRANTS**

At the annual general meeting of the Company held on 23 June 2005, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares and Warrants. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the Repurchase Resolution at the Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares and Warrants.

An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors the Repurchase Mandate, details of which is set out in Ordinary Resolution no. 4B in the notice of Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,004,000 Shares. There are 49,996,000 Warrants in issue on the basis of subscription price of HK\$0.675 per Share (subject to adjustment). Assuming that there is no change in the issued share capital and the Warrants in issue between the period from the Latest Practicable Date and the date of passing the Repurchase Resolution, the maximum number of Shares and Warrants which may be repurchased pursuant to the Repurchase Mandate as at the date of passing the Repurchase Resolution will be 40,000,400 Shares and 4,999,600 Warrants respectively.

An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Mandate is set out in the Appendix I to this circular.

---

## LETTER FROM THE BOARD

---

### RE-ELECTION OF THE RETIRING DIRECTOR

As at the Latest Practicable Date, the executive directors of the Company are Mr. XU Lian Guo, Mr. XU Lian Kuan, Mr. ZHANG Yuqing, and the independent non-executive directors of the Company are Mr. GU Yao Tian, Mr. CHAN Wai Dune and Mr. LI Xin Zhong.

Pursuant to Bye-laws 87 of the Company, Mr. XU Lian Kuan will be retiring from his office at the Annual General Meeting and being eligible for re-election. Mr. Chan Wai Dune will be retiring from his office at the Annual General Meeting and will not seek for re-election. Detail of the Director proposed to be re-elected at the Annual General Meeting is set out in Appendix II to this circular.

### CHANGE OF AUDITORS

References are made to the announcements of the Company dated 15 November 2005 and 5 December 2005 relating to the change of auditors of the Group. The Board announced that KLL has resigned as auditors of the Company with effect from 11 November 2005, as a result of the combination of their practice with BDO McCabe Lo Limited which took place on 1 August 2005 and the Board failed to reach an agreement with BDO McCabe Lo Limited on audit fees for the year ended 31 December 2005. KLL confirmed that there are no circumstances in relation to their resignation which they considered should be brought to the attention of the members or creditors of the Group.

On 11 November 2005, the Board appointed ShingWing (HK) CPA Ltd as the auditors of the Group to fill the casual vacancy and to hold the office until the conclusion of next annual general meeting of the Company. The Board confirmed that there are no circumstances with respect to the change of auditors which it considers should be brought to the attention of the members of the Group.

### ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of the retiring director and the re-appointment of auditors of the Company. The notice of Annual General Meeting is set out on pages 13 to 16 of this circular.

### ACTION TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you are not able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch registrar in Hong Kong, Standard Registrars Limited at 26/F, Tesbury Center, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so desire.

---

## LETTER FROM THE BOARD

---

### RIGHTS TO DEMAND A POLL

Pursuant to existing Bye-law 66 of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the rules of any designated stock exchange or unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:—

- (i) by the chairman of the meeting;
- (ii) by at least three shareholders present in person (or in the case of a shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting;
- (iii) by a shareholder or shareholders present in person (or in the case of a shareholder being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) by a shareholder or shareholders present in person (or in the case of a shareholder being a corporation by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

On a show of hands, every shareholder present in person (or being a corporation, is present by a representative duly authorized under Section 78 of the Companies Act), or by proxy shall have one vote. On a poll, every shareholder present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid up Share of which he is the holder. Notwithstanding anything contained in the Bye-laws, where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee), each such proxy shall have one vote on a show of hands. Pursuant to existing Bye-law 72, a shareholder entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses the same way.



---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Directors are pleased to recommend the retiring Director, detail of whom is set out in Appendix II to this circular, for re-election in the Annual General Meeting. The Directors consider that the Share Issue Mandate, the Repurchase Mandate and the extension of the Share Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting to give effect to them.

Yours faithfully  
By Order of the Board  
**Zhongda International Holdings Limited**  
**XU Lian Guo**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution and Warrants up to a maximum of 10% of the outstanding Warrants as at the date of the Repurchase Resolution.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,004,000 Shares. There are 49,996,000 Warrants in issue on the basis of subscription price of HK\$0.675 per Share (subject to adjustment).

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased or no Warrants are exercised or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 40,000,400 Shares and 4,999,600 Warrants representing not more than 10% of the issued share capital and not more than 10% of the outstanding Warrants of the Company at the Latest Practicable Date.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders and warrant-holders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares and Warrants, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The laws of Bermuda provide that any repurchase by the Company may be made out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium accounts.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the Company's annual report for the year ended 31 December 2005 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARES AND WARRANT PRICES

The highest and lowest prices at which the Shares and Warrants of the Company have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:–

	Shares Price		Warrants	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2005</b>				
May	0.32	0.265	0.018	0.015
June	0.29	0.24	0.015	0.015
July	0.33	0.25	0.036	0.015
August	0.34	0.29	0.041	0.036
September	0.30	0.25	0.040	0.040
October	0.27	0.25	0.045	0.040
November	0.31	0.25	0.045	0.040
December	0.25	0.21	0.040	0.035
<b>2006</b>				
January	0.217	0.188	0.030	0.020
February	0.229	0.195	0.020	0.020
March	0.22	0.19	0.02	0.01
April	0.223	0.201	0.01	0.01
May	Suspended	Suspended	Suspended	Suspended
June	Suspended	Suspended	Suspended	Suspended
July	Suspended	Suspended	Suspended	Suspended
August to the Latest Practicable Date	Suspended	Suspended	Suspended	Suspended

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association and Bye-laws of the Company and any applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register of interests in shares and short positions maintained by the Company pursuant to Section 336 of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Buyback Mandate is exercised in full
Mr. XU Lian Guo ( <i>Note 1</i> )	234,720,000	58.68%	65.20%
Mr. XU Lian Kuan ( <i>Note 1</i> )	234,720,000	58.68%	65.20%
Zhong Da (BVI) Limited ( <i>Note 2</i> )	234,720,000	58.68%	65.20%
Shum Yip Holdings Company Limited ( <i>Note 3</i> )	39,576,000	9.90%	11.00%

*Notes:*

- (1) This interest represents the number of Shares held by Zhong Da (BVI) Limited where Mr. XU Lian Guo and Mr. XU Lian Kuan are taken to be interested in such Shares under SFO. The entire issued share capital of Zhong Da (BVI) Limited is beneficially owned as to 57.22% and 42.78% by Mr. XU Lian Guo and Mr. XU Lian Kuan respectively.
- (2) This interest of Zhong Da (BVI) Limited is duplicated in the interest of Mr. XU Lian Guo and Mr. XU Lian Kuan.
- (3) This interest of Shum Yip (Holdings) Company Limited is held indirectly through Gainful Outcome Holdings Limited and Outstanding Management Limited both of which are wholly-owned subsidiaries of Shum Yip (Holdings) Company Limited.

The Directors are not aware of any consequences which may arise under Rule 26 of the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Company has no present intention to repurchase Shares to such extent as to result in the number of Shares held by the public being reduced to less than 25%. The Directors will use their best endeavours to ensure that the Repurchase Mandate will not be exercised to the extent that the number of shares held by public would be reduced to less than 25% of the issued share capital of the Company.

**7. SHARES AND WARRANTS REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any Shares or Warrants (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

---

## APPENDIX II      DETAIL OF DIRECTOR PROPOSED TO BE RE-ELECTED

---

The following is the particulars of the Director proposed to be elected at the Annual General Meeting in accordance with the Bye-laws:

**Mr. XU Lian Kuan**, aged 40, is the vice-chairman and chief executive officer of the Group. He is also a director of various subsidiaries of the Group. Mr. Xu has about 20 years' experience in the automobile maintenance and repair industry. He joined the Group in 1993. Mr. Xu was appointed as a member of a surface treatment engineering technology committee in the PRC (全國金屬與非金屬協會標準化技術委員會塗裝分技術委員會) and a member of Jiangsu People's Political Consultative Committee. Mr. Xu was also appointed as an anti-corruption supervisor of the Intermediary People's Court of Yancheng, Jiangsu Province. Mr. Xu is the younger brother of Mr. XU Lian Guo. Save as disclosed above, Mr. Xu does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. In the past three years, Mr. Xu does not hold other directorship in any listed public companies.

As at the Latest Practicable Date, Mr. Xu is interested in 234,720,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Xu entered into a service contract with the company for a term of three years starting from 24 June 2004 and ending on 23 June 2007 or the date of the re-election of directors at the annual general meeting to be held in 2007, whichever is earlier. Pursuant to the service contract, he received emolument to a total value of HK\$476,190 in 2005. He did not receive any fixed or discretionary bonus during the year. His emoluments are determined by the board of directors with reference to the Company's performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Xu has confirmed that there are no other matters in connection with his re-election that need to be brought to the attention of the shareholders of the Company and there is nothing which needs to be disclosed pursuant to rule 13.51(2)(h) to rule 13.51(2)(v).

---

## NOTICE OF ANNUAL GENERAL MEETING

---



### ZHONGDA INTERNATIONAL HOLDINGS LIMITED

中大國際控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 909)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Longchamp Room I, 3/F, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 22 September 2006 at 2:30 p.m. for the following purposes:-

1. To receive and consider the financial statements and the reports of the Directors and Auditors for the year ended 31 December, 2005.
2. To re-elect Directors and to authorise the Board of Directors to fix the remuneration of Directors.
3. To re-appoint Shing Wing (HK) CPA Ltd as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
4. As special business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures,

\* For identification purposes only

---

## NOTICE OF ANNUAL GENERAL MEETING

---

notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends in accordance with the bye-laws of the Company from time to time; or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any bonds, warrants, debenture, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”



---

## NOTICE OF ANNUAL GENERAL MEETING

---

**B. “ THAT:–**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company and warrants issued by the Company to subscribe for shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the warrants issued by the Company which the Directors are authorized to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the aggregate nominal amount of warrants of the Company outstanding as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:–
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “THAT** subject to the passing of Ordinary Resolutions Nos. 4A and 4B set out in the notice convening this meeting, the aggregate nominal amount of Shares and warrants in the capital of the Company which are repurchased by the Company under the authority granted pursuant to ordinary resolution No. 4B set out in the notice convening this meeting shall be added to the aggregate nominal amount of share capital that may be allotted or agreed

---

## NOTICE OF ANNUAL GENERAL MEETING

---

conditionally or unconditionally to be allotted by the Directors pursuant to ordinary resolution No. 4A set out in the notice convening this meeting, provided that such amount of shares shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

By Order of the Board  
**Zhongda International Holdings Limited**  
**XU Lian Guo**  
*Chairman*

Hong Kong, 25 August 2006

*Principal place of business:*  
Unit 702, Concordia Plaza  
1 Science Museum Road  
Tsim Sha Tsui East  
Kowloon  
Hong Kong

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy in respect of the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon.
3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited with the Company's branch registrar in Hong Kong, Standard Registrars Limited at 26/F, Tesbury Center, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.
4. With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Director, namely Mr. XU Lian Kuan be re-elected as Director of the Company. Detail of the said retiring Director is set out in the Appendix II to the circular to shareholders dated 25 August 2006.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting if the shareholder of the company so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any Shares, any one of such holders may vote at the Annual General Meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose names stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any Share stands shall for this purpose be deemed joint holders thereof.