
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 to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Zhongda International Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular and 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 circular.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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
AND
NOTICE OF SPECIAL GENERAL MEETING**

Placing Agent



KGI Capital Asia Limited

A letter from the Board is set out on pages 3 to 9 of this circular and a notice convening the SGM to be held at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 7 April 2010 at 3:00 p.m. is set out on pages 10 to 11 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, please complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong as soon as practicable and in any event no later than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

* *For identification purposes only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Notice of SGM	10

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“Latest Practicable Date”	10 March 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midway”	Midway International Holdings Limited, an investment holding company incorporated in Hong Kong with limited liability, being the sole Placee as at the date of the Placing Agreement and the Latest Practicable Date, procured by the Placing Agent to subscribe for the Placing Shares under the Placing
“Placee(s)”	the placee(s) to be procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

DEFINITIONS

“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 Share(s)”	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(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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: 00909)

Executive Directors:

Mr. Xu Lian Guo (Chairman)

Mr. Xu Lian Kuan

(Vice-chairman and Chief Executive Officer)

Mr. Zhang Yuqing (Vice-chairman)

Mr. Kwok Ming Fai

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Gu Yao Tian

Mr. Sun Ka Ziang Henry

Mr. Li Xinzong

Principal place of business

in Hong Kong:

1609, Office Tower

Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

16 March 2010

To the Shareholders

Dear Sir or Madam,

PLACING OF NEW SHARES AND NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

After trading hours on 4 March 2010, the Board announced that 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, up to a total of 18,450,000 new Shares, at the Placing Price.

The Placing Agreement is subject to certain conditions, in particular, approval from Shareholders.

The purposes of this circular is to provide you with (i) details of the Placing Agreement, together with the transactions contemplated thereunder; and (ii) a notice convening the SGM and other information in accordance with the requirements of the Listing Rules.

* For identification purposes only

LETTER FROM THE BOARD

2. THE PLACING AGREEMENT

The Company entered into the Placing Agreement with the Placing Agent. Particulars of the Placing Agreement are set out as follows.

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(s) 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(s)

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed with the Company to place the Placing Shares, on a best-effort basis, to any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares. As at the date of the Placing Agreement and the Latest Practicable Date, the sole Placee identified by the Placing Agent was Midway, which has agreed to subscribe for the entire number of Placing Shares. The Company will make further announcement if there are any changes to the identity of the Placee(s) prior to or on the Placing Completion Date, if necessary.

The Placing Shares will be placed by the Placing Agent to the Placee(s), who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, the Placee(s) will not become substantial shareholder(s) 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(s), representing (i) approximately 1.78% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 1.75% of the issued share capital of the Company as enlarged by the issue of the Placing Shares respectively.

LETTER FROM THE BOARD

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; and
- (iv) a discount of approximately 3.21% to the closing price of HK\$0.840 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The aggregate nominal value of the Placing Shares will amount to HK\$1,845,000. The net Placing Price per Placing Share is approximately HK\$0.802.

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;

LETTER FROM THE BOARD

- (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 number of Placing Shares required to be issued by the Company under the Placing by 5 April 2010, (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.

The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

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(s) at the Placing Price.

3. CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at Latest Practicable Date; and (ii) immediately upon completion of the Placing, is as follows:

	As at the Latest Practicable Date		Immediately upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
Zhong Da (BVI) Limited ^(Note 1)	294,004,000	28.44	294,004,000	27.94
Placee(s) ^(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.

LETTER FROM THE BOARD

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

4. 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 gross proceeds of the Placing to be received by the Company from the Placing will amount to approximately HK\$15 million. 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.

LETTER FROM THE BOARD

5. 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 Latest Practicable Date.

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>		

LETTER FROM THE BOARD

6. SPECIAL GENERAL MEETING

A notice convening the SGM to be held at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, on Wednesday, 7 April 2010 at 3:00 p.m. is set out on pages 10 to 11 of this circular to approve the Placing Agreement, together with the transactions contemplated thereunder, including the issue and allotment of the Placing Shares upon completion of the Placing. No Shareholders are required to abstain from voting at the SGM.

Voting in the SGM will be taken by poll in accordance with the Listing Rules.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong as soon as practicable and in any event no later than 48 hours before the time appointed for holding of the SGM. Completion of the form of proxy will not preclude you from attending and voting in person at the SGM in person should you so wish.

7. RECOMMENDATION

The Board considers that the Placing and the terms and conditions of the Placing Agreement are fair and reasonable so far as the Shareholders are concerned, and the Placing is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Placing Agreement and the transactions contemplated thereunder.

Yours faithfully,

By order of the Board of

ZHONGDA INTERNATIONAL HOLDINGS LIMITED

Xu Lian Guo

Chairman

NOTICE OF SGM



ZHONGDA INTERNATIONAL HOLDINGS LIMITED

(中大國際控股有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00909)

NOTICE IS HEREBY GIVEN that a special general meeting of Zhongda International Holdings Limited (the “**Company**”) will be held at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 7 April 2010 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company (with or without amendments):

ORDINARY RESOLUTION

“**THAT**

- (A) the execution of the placing agreement (the “**Placing Agreement**”) dated 4 March 2010 between the Company and KGI Capital Asia Limited (the “**Placing Agent**”), a copy of which has been produced to the meeting and marked “A” and signed for the purpose of identification by the Chairman of the meeting, in relation to the placing by the Placing Agent of up to a total of 18,450,000 new share(s) of the Company (the “**Placing Share(s)**”) at HK\$0.813 per Placing Share be and are hereby confirmed, approved and ratified;
- (B) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the issue and allotment by the Company of the Placing Shares in accordance with the terms of the Placing Agreement be and is hereby approved; and
- (C) all transactions contemplated under the Placing Agreement be and are hereby approved and any one director of the Company be and is hereby authorised to sign or execute at his sole discretion such other documents or agreements or deeds on behalf of the Company and to do at his sole discretion such other things and to take at his sole discretion all such actions as he considers necessary or desirable for the purposes of giving effect to the Placing Agreement.”

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

Hong Kong, 16 March 2010

* For identification purposes only

NOTICE OF SGM

Principal place of business in Hong Kong:

1609, Office Tower,
Convention Plaza,
1 Harbour Road,
Wanchai,
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the principal place of business of the Company in Hong Kong at 1609, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
- (6) As at the date hereof, the board of directors of the Company 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 of the Company respectively.