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ZHONGTIAN INTERNATIONAL LIMITED

中天國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 02379)

**PROPOSED RIGHTS ISSUE IN THE PROPORTION OF
TEN RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD
ON THE RECORD DATE
AT HK\$0.03 PER RIGHTS SHARE**

Financial adviser to Zhongtian International Limited



TC Capital Asia Limited
天財資本亞洲有限公司

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$54.26 million, before expenses, by issuing 1,808,591,220 Rights Shares to the Qualifying Shareholders by way of Rights Issue at the Subscription Price of HK\$0.03 per Rights Share on the basis of ten Rights Shares for every one existing Share held on the Record Date.

Fine Mean is wholly-owned by Mr. Chen, and is the controlling Shareholder holding an aggregate of 108,042,781 Shares, representing approximately 59.74% of the existing issued share capital of the Company as at the date of this announcement. Fine Mean and Mr. Chen have given an undertaking to accept or procure acceptance of all the Rights Shares to be provisionally allotted to it/him, or its/his nominee(s) as the holder of such Rights Shares pursuant to the Rights Issue. The Rights Issue will be fully underwritten by the Underwriter (other than the Rights Shares provisionally allotted to Fine Mean and Mr. Chen) on the terms and subject to the conditions set out in the Underwriting Agreement. In the event that no Qualifying Shareholders (other than Fine Mean and Mr. Chen) take up any Rights Shares, Fine Mean, as the Underwriter, will be required to subscribe for and take up all the Rights Shares that have not been subscribed for under the Rights Issue pursuant to its obligations under the Underwriting Agreement, which will result in Fine Mean holding an aggregate of 1,861,384,001 Shares, representing approximately 93.56% of the Company's issued share capital as enlarged by the issue of Rights Shares.

The Rights Issue is conditional upon, among other matters, (i) Independent Shareholders' approval of the Rights Issue voted by poll at the EGM; (ii) the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms as referred to in the paragraph headed "Conditions of the Rights Issue" below; and (iii) Fine Mean not terminating the Underwriting Agreement as referred to in the paragraph headed "Termination of the Underwriting Agreement" below. **Accordingly, the Rights Issue may or may not proceed and Shareholders and the public are reminded to exercise caution when dealing in the Shares. Any buying or selling of the Shares from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, are at investors' own risk.**

REFRESHMENT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

In view of the enlarged issued share capital of the Company as a result of the Rights Issue, the Directors will seek the approval of the Shareholders at the EGM and at which no Shareholder shall abstain from voting, as permitted by Rule 13.36(4)(e) of the Listing Rules, that subject to the completion of the Rights Issue, to top-up the general mandate to issue new Shares from 36,171,824 Shares to 397,890,068 Shares (representing 20% of the Company's issued share capital as enlarged by the completion of the Rights Issue).

The Directors will further seek the approval of the Shareholders at the EGM, as permitted by Rule 10.06(1) of the Listing Rules, that subject to the completion of the Rights Issue, to repurchase Shares not exceeding 10% of the Company's issued share capital as enlarged by the completion of the Rights Issue, being 198,945,034 Shares.

LISTING RULES IMPLICATIONS

Since the completion of the Rights Issue would increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional on the approval by the Independent Shareholders at the EGM and any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. Therefore, Fine Mean, Mr. Chen, being the Chairman of the Company and an executive Director, and their respective associates will abstain from voting in favour of the resolution relating to the Rights Issue at the EGM.

An independent board committee of the Company has been established to make recommendations to the Independent Shareholders in relation to the Rights Issue and an independent financial adviser will be appointed to advise such independent board committee and the Independent Shareholders in relation to the Rights Issue.

A circular containing, among others, details regarding (i) the Rights Issue; (ii) the recommendation of the independent board committee of the Company in relation to the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in relation to the Rights Issue; (iv) the proposed grant of refreshment of general mandates to issue Shares and repurchase Shares; and (v) a notice convening the EGM, will be dispatched to the Shareholders as soon as possible.

I. THE RIGHTS ISSUE

A. ISSUE STATISTICS OF THE RIGHTS ISSUE

Basis of the Rights Issue	Ten Rights Shares for every one existing Share held on the Record Date by the Qualifying Shareholders
Subscription Price	HK\$0.03 per Rights Share
Number of Shares in issue	180,859,122 Shares as at the date of this announcement
Number of Rights Shares	1,808,591,220 Rights Shares, representing approximately 1,000% of the existing issued share capital of the Company and 90.91% of the enlarged issued share capital of the Company upon completion of the Rights Issue
Underwriter	Fine Mean

As at the date of this announcement, the Company has no outstanding options, convertible securities or warrants which confer any right to subscribe for or convert or exchange into the Shares.

Qualifying Shareholders

The Company will send the Rights Issue Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge their transfers of Shares (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 20 January 2011.

Closure of Register of Members

The Company's register of members will be closed from Friday, 21 January 2011 to Wednesday, 26 January 2011, both days inclusive, for the purposes of establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Rights Issue Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

B. TERMS OF THE RIGHTS ISSUE

1. Subscription Price

The Subscription Price for the Rights Shares is HK\$0.03 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 96.7% to the closing price of HK\$0.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 72.5% to the theoretical ex-rights price of HK\$0.109 per Share based on the closing price of HK\$0.900 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 96.6% to the average closing price of HK\$0.874 per Share for the five consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 96.6% to the average closing price of HK\$0.871 per Share for the ten consecutive trading days up to and including the Last Trading Day.

The Board considers that the discount of the Subscription Price to closing price of the Share on the Last Trading Day is reasonable on the basis that the terms of the Rights Issue are arrived at after arms-length negotiation with the Underwriter. Besides, the Subscription Price and the size of Rights Issue are arrived at after taking into account (i) the amount of funds that the Company wishes to raise; and (ii) the prevailing market conditions accepted by the Company and the Underwriter. Although there is a large discount compared to the closing price as at the Last Trading Day, the Board considers that the Subscription Price is fair and reasonable because the discount is due to the significant size of the Rights Issue. The Board also considers that the discount will encourage existing Shareholders to take up their entitlements, so as to share the potential growth of the Company. The independent non-executive Directors will form a view on the terms of the Rights Issue after they receive the advice from the independent financial adviser.

2. Basis of Provisional Allotments

Ten Rights Shares (in nil-paid form) for every one existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

3. Status of the Rights Shares

When allotted and issued fully paid, the Rights Shares will rank pari passu with the then existing Shares in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared on the date of allotment and issue of the Rights Shares.

4. Certificates for the Rights Shares and refund cheques for Rights Issue

Subject to the fulfillment or, (where applicable) waiver of the conditions of the Rights Issue, certificates for the fully-paid Rights Shares and refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted to those entitled thereto by Monday, 28 February 2011 at their own risk.

5. Fractions of Rights Shares

On the basis of provisional allotment of ten Rights Shares for every one existing Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

6. Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date must lodge all necessary documents with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 20 January 2011.

7. Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 5,000), which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

8. Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, the following conditions being fulfilled or waived (as appropriate):

- (i) the passing of an ordinary resolution by the Independent Shareholders approving the Rights Issue at the EGM by way of poll;
- (ii) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of the Rights Issue Documents in compliance with the Companies Ordinance (and all other documents required to be attached thereto);
- (iii) the posting on the Posting Date of the Rights Issue Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For information only” to the Non-Qualifying Shareholders (if any);
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the dates specified in such approval and not having withdrawn or revoked such listing permission on or before 4:00 p.m. on the Settlement Date;

- (v) the obtaining of all approvals by the Company as required under the Listing Rules or other applicable laws and regulations in respect of the Rights Issue before the Settlement Date; and
- (vi) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement.

If the conditions of the Rights Issue are not satisfied and/or waived on or before the respective dates aforesaid or such later date or dates as the Underwriter may agree with the Company in writing, all liabilities of the parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save that all such reasonable costs, fees and other out-of-pocket expenses as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter shall to the extent agreed by the Company be borne by the Company.

If the Underwriting Agreement terminates in accordance with its terms, the Rights Issue will not proceed.

C. UNDERWRITING ARRANGEMENTS

Undertakings from Fine Mean and Mr. Chen

Fine Mean and Mr. Chen have separately and irrevocably undertaken to the Company, subject to the Rights Issue not being terminated, among other things, (i) to accept and pay for or procure the acceptance of and payment for the 1,080,427,810 and 55,250,000 Rights Shares respectively which will constitute the provisional allotment of Rights Shares in respect of the Shares beneficially owned by Fine Mean and Mr. Chen respectively; and (ii) that the 108,042,781 and 5,525,000 Shares respectively beneficially owned by Fine Mean and Mr. Chen will remain registered in the same names or the name of its/ his nominee(s) at the close of business on the Record Date.

Principal terms of the Underwriting Agreement

Date: 17 December 2010

Underwriter: Fine Mean. Fine Mean is the controlling Shareholder holding 108,042,781 Shares, representing approximately 59.74% of the existing issued share capital of the Company as at the date of this announcement. Fine Mean is an investment holding company whose ordinary course of business does not involve underwriting of securities and is wholly-owned by Mr. Chen, the Chairman of the Company and an executive Director

Number of the Underwritten Shares: 672,913,410 Rights Shares, being the difference between the total number of Rights Shares i.e. 1,808,591,220 Rights Shares which the Company proposed to issue to the Qualifying Shareholders and 1,135,677,810 Rights Shares which Fine Mean and Mr. Chen have undertaken to subscribe for as at the date hereof

Commission No underwriting commission will be paid by the Company to the Underwriter

The Company had approached several securities firms and institutions on underwriting of the Rights Shares. Nevertheless, due to the relatively low market liquidity of the Shares, Fine Mean, which is a controlling Shareholder, is the only one which has expressed the willingness to support and underwrite the Rights Issue.

Termination of the Underwriting Agreement

If at any time on or before 4:00 p.m. on the Settlement Date:

- (A) there comes to the notice of the Underwriter any matter or event showing, or the Underwriter shall have reasonable cause to believe that, any of the warranties in the Underwriting Agreement to be untrue, inaccurate or misleading or as having been breached in any respect considered by the Underwriter to be material in the context of the Rights Issue; or any breach by the Company of any of its obligations or undertakings under the Underwriting Agreement to be material in the context of the Rights Issue; or
- (B) there shall be:
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change in the conditions of local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;

- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of ten Business Days save for the clearance of the announcement of the Rights Issue (if required);
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the reasonable opinion of the Underwriter:

- (1) likely to have an adverse effect on the business, financial position or prospects of the Group taken as a whole or the Rights Issue; or
- (2) likely to have an adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (3) makes it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then and, in such case, the Underwriter may, by notice in writing given to the Company on or before 4:00 p.m. on the Settlement Date, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Rights Issue shall not proceed, provided however that the Company shall pay or reimburse to the Underwriter all fees, costs and expenses which have been reasonably incurred by the Underwriter in connection with the Rights Issue provided always that prior written approval of the Company for such expenses have been obtained.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

D. REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Directors consider that it is prudent to finance the Group's long-term growth by long term funding, preferably in the form of equity which will not increase the Group's finance costs. Furthermore, the Directors consider that it is in the interest of the Company to enlarge its capital base by way of the Rights Issue which will allow all Shareholders the opportunity to participate in the growth of the Company.

The gross proceeds from the Rights Issue is expected to be approximately HK\$54.26 million. The net proceeds from the Rights Issue is expected to be approximately HK\$53.26 million, which is derived from deducting approximately HK\$1,000,000 expenses (i.e. comprising mainly are the professional fees and administrative expenses related to the completion of Rights Issue) from the gross proceeds from the Rights Issue. Approximately 40% of the net proceeds is intended to be used as general working capital of the Group and the remaining 60% is to finance the Group in establishing a new line of business in trading of precious metals and coal. As at the date of this announcement, the Company has no intention or proposal to acquire any asset, business or company for the aforesaid new business.

E. FUND-RAISING ACTIVITIES OF THE GROUP DURING THE PAST TWELVE MONTHS

The Company has not engaged in or initiated any equity fund raising exercise during the past 12 months immediately before the date of this announcement or any rights issue exercise prior to such 12-month period.

F. POSSIBLE CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE RIGHTS ISSUE

As at the date of this announcement, there are a total of 180,859,122 Shares in issue. There are no other convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the new Shares as at the date of this announcement.

Set out below is the shareholding structure of the Company as at the date of this announcement and the possible shareholding structure immediately after the completion of the Rights Issue, assuming (i) there is no issue or repurchase of Shares by the Company pursuant to the general mandates granted at the AGM; and (ii) no grant of options under the share option scheme of the Company from the date of this announcement and up to the completion of the Rights Issue:

	As at the date of this announcement		Immediately after completion of the Rights Issue (Note 2)		Immediately after completion of the Rights Issue (Note 3)	
	Number of Shares	App.%	Number of Shares	App.%	Number of Shares	App.%
Substantial Shareholder						
Fine Mean (Note 1)	108,042,781	59.74	1,188,470,591	59.74	1,861,384,001	93.56
Director						
Mr. Chen (Note 1)	5,525,000	3.05	60,775,000	3.05	60,775,000	3.05
Public Shareholders	67,291,341	37.21	740,204,751	37.21	67,291,341	3.39
Total	<u>180,859,122</u>	<u>100</u>	<u>1,989,450,342</u>	<u>100</u>	<u>1,989,450,342</u>	<u>100</u>

Notes:

1. Mr. Chen, the Chairman of the Company and an executive Director, beneficially holds the entire issued share capital of Fine Mean, who is therefore deemed to be interested in all the Shares held by Fine Mean for the purpose of the SFO. In addition, Mr. Chen personally and directly holds 5,525,000 Shares.
2. Assuming all the Shareholders take up their respective provisional allotments of the Rights Shares in full.
3. Assuming (i) none of the Shareholders (save for Fine Mean and Mr. Chen) takes up any provisional allotments of the Rights Shares; and (ii) all the Underwritten Shares are taken up by the Underwriter pursuant to the Underwriting Agreement.

Restoration of Public Float

The Underwriter has undertaken to the Company that if the subscription for the Rights Shares by the Underwriter pursuant to the Underwriting Agreement will result in insufficient public float of the Company within the meaning of the Listing Rules as a result of the Rights Issue, the Underwriter shall take all necessary steps including but not limited to the engagement of a placing agent to procure subscribers/placees/sub-underwriters, who are Independent Third Parties, to subscribe for the Rights Shares which would otherwise be required to be taken up by the Underwriter in order to maintain the minimum public float requirement of the Company in compliance with the Listing Rules. In any event, the Company, together with the Underwriter, will closely monitor its shareholdings and will take such appropriate steps as may be necessary or required to maintain the minimum public float for the Shares in compliance with Rule 8.08(1) of the Listing Rules in relation to public float requirements. More details of the Company's concrete plan to maintain the public float upon completion of the Rights Issue will be set out in the circular of the Company to be despatched to the Shareholders.

G. EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue set out below is for indicative purposes only assuming that the Rights Issue will be approved by the Independent Shareholders at the EGM. The expected timetable is subject to change, and any such changes will be announced in a separate announcement by the Company as and when appropriate.

Despatch of circular relating to the Rights Issue	Monday, 10 January 2011
Last day of dealings in Shares on a cum-rights basis	Tuesday, 18 January 2011
First day of dealings in Shares on an ex-rights basis	Wednesday, 19 January 2011
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Thursday, 20 January 2011

Register of members of the Company closes (both days inclusive)	Friday, 21 January 2011 to Wednesday, 26 January 2011
EGM	Wednesday, 26 January 2011
Record Date	Wednesday, 26 January 2011
Announcement of results of EGM	Wednesday, 26 January 2011
Despatch of the Rights Issue Documents	Thursday, 27 January 2011
Register of members of the Company re-opens	Thursday, 27 January 2011
First day of dealings in nil-paid Rights Shares	Monday, 31 January 2011
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 8 February 2011
Last day of dealings in nil-paid Rights Shares	Friday, 11 February 2011
Latest time for the acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares (<i>Note</i>).....	4:00 p.m. on Wednesday, 16 February 2011
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Monday, 21 February 2011
Announcement of results of the Rights Issue	Friday, 25 February 2011
Despatch of refund cheques in respect of unsuccessful applications for the excess Rights Shares on or before	Monday, 28 February 2011
Despatch of certificates for fully-paid Rights Shares on or before	Monday, 28 February 2011
Commencement of dealings in full-paid Rights Shares	9:30 a.m. on Wednesday, 2 March 2011

Note: If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on the latest date for acceptance for the offer of Rights Shares at any time between 12:00 noon and 4:00 p.m., the latest acceptance time for the offer of the Rights Shares will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

H. WARNING OF THE RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Wednesday, 19 January 2011. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 31 January 2011 to Friday, 11 February 2011 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (if applicable) on or before the Settlement Date (or such later time and/or date as the Company and the Underwriter may determine in writing), the Rights Issue will not proceed.

Any persons contemplating dealing in the Shares prior to the date on which all the conditions of the Rights Issue are fulfilled, and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares and/or nil-paid Rights Shares are recommended to consult their own professional adviser(s).

II. REFRESHMENT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the AGM, a general mandate (the “**Previous Issue Mandate**”) was granted to the Directors pursuant to an ordinary resolution of the Company to allot and issue new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof, and further extended by the addition thereof of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to an ordinary resolution of the Company passed at the AGM (provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution) (the “**Previous Repurchase Mandate**”).

Since the AGM, the Company has not issued or repurchased any Shares under the Previous Issue Mandate or the Previous Repurchase Mandate.

In view of the enlarged issued share capital of the Company as a result of the Rights Issue, the Directors will seek the approval of the Shareholders at the EGM and at which no Shareholder shall abstain from voting, as permitted by Rule 13.36(4)(e) of the Listing Rules, that subject to the completion of the Rights Issue, to top-up the general mandate to issue new Shares from 36,171,824 Shares to 397,890,068 Shares (representing 20% of the Company’s issued share capital as enlarged by the completion of the Rights Issue).

Further, the Directors will further seek the approval of the Shareholders at the EGM, as permitted by Rule 10.06(1) of the Listing Rules, that subject to the completion of the Rights Issue, to repurchase Shares not exceeding 10% of the Company’s issued share capital as enlarged by the completion of the Rights Issue, being 198,945,034 Shares (the “**New Repurchase Mandate**”).

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against the resolution for the grant of the New Repurchase Mandate to be proposed at the EGM will be set out in the circular of the Company to be despatched to the Shareholders.

III. GENERAL

Since the completion of the Rights Issue would increase the issued share capital of the Company by more than 50%, pursuant to Rule 7.19(6) of the Listing Rules, the Rights Issue is conditional on the approval by the Independent Shareholders at the EGM and any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. Therefore, Fine Mean, Mr. Chen, being the Chairman of the Company and an executive Director, and their respective associates will abstain from voting in favour of the resolution relating to the Rights Issue at the EGM.

An independent board committee of the Company has been established to make recommendations to the Independent Shareholders in relation to the Rights Issue and an independent financial adviser will be appointed to advise such independent board committee and the Independent Shareholders in relation to the Rights Issue.

A circular containing, among others, details regarding (i) the Rights Issue; (ii) the recommendation of the independent board committee of the Company in relation to the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders in relation to the Rights Issue; (iv) the proposed grant of refreshment of general mandates to issue Shares and repurchase Shares; and (v) a notice convening the EGM, will be dispatched to the Shareholders as soon as possible.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“AGM”	the annual general meeting of the Company held on 20 May 2010;
“associates”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, a Sunday or a day on which either a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which the Stock Exchange is open for dealings;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;

“Companies Ordinance”	the Companies Ordinance (Cap. 32 of the Laws of Hong Kong);
“Company”	Zhongtian International Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	the directors of the Company;
“EAF(s)”	application form(s) for excess Rights Shares;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other matters, considering and, if thought fit, approving the Rights Issue and grant of refreshment of mandates to issue and repurchase Shares;
“Fine Mean”	Fine Mean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a controlling Shareholder and is wholly-owned by Mr. Chen;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than Fine Mean, Mr. Chen and their respective associates;
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the Directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company and its subsidiaries, or any of their respective associates;
“Last Trading Day”	17 December 2010, being the date of the Underwriting Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chen”	Mr. Chen Jun, the Chairman of the Company, an executive Director, and a controlling Shareholder;

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s);
“Overseas Shareholder(s)”	Shareholder(s) with registered addresses (as shown in the register of members of the Company on the Record Date) outside Hong Kong;
“PAL(s)”	provisional allotment letter(s) for the Rights Issue;
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excluding Hong Kong, Macau and Taiwan;
“Posting Date”	27 January 2011, or such other date as the Underwriter may agree in writing with the Company, as the date for the despatch of the Rights Issue Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date;
“Record Date”	26 January 2011, or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are to be determined;
“Rights Issue”	the proposed issue of the Rights Shares by the Company on the basis of ten Rights Shares for every one existing Share held on the Record Date at the Subscription Price pursuant to the terms and conditions under the Rights Issue Documents;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);
“Rights Share(s)”	1,808,591,220 new Shares to be issued by the Company under the Rights Issue;
“Settlement Date”	21 February 2011, the date being the third Business Day following the last date for acceptance and payment of the Rights Shares or such other date as the Underwriter and Company may agree in writing;

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	person(s) whose name(s) appear on the register of members of the Company as registered holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.03 per Rights Share;
“Underwriter”	Fine Mean, the underwriter under the Underwriting Agreement;
“Underwriting Agreement”	the underwriting agreement dated 17 December 2010 entered into between the Company and the Underwriter in relation to the Rights Issue;
“Underwritten Shares”	all of the Rights Shares fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong; and
“%”	per cent.

By Order of the Board
ZHONGTIAN INTERNATIONAL LIMITED
中天國際控股有限公司*
Chen Jun
Chairman

Qingdao City, Shandong Province, the PRC, 17 December 2010

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	Mr. Chen Jun (<i>Chairman</i>) Mr. Zhao Yun
<i>Independent non-executive Directors:</i>	Mr. Hung, Randy King Kuen Mr. Liu Jinlu Mr. Chen Wenping

* for identification purpose only