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## ZHONGDA INTERNATIONAL HOLDINGS LIMITED

(中大國際控股有限公司\*)

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00909)**

### **HOLDING ANNOUNCEMENT – UPDATE ON LITIGATION**

Reference is made to the announcements of the Company dated 15 December 2011, 6 March 2012, 6 May 2013, 24 June 2013, 8 August 2013, 30 August 2013, 4 October 2013, 13 December 2013, 24 January 2014, 28 February 2014, 31 March 2014, 23 May 2014, 22 July 2014, 29 August 2014, 1 September 2014, 20 October 2014, 20 November 2014, 31 December 2014, 30 January 2015, 27 February 2015, 30 April 2015, 29 May 2015, 30 June 2015 and 14 July 2015 (collectively, the “**Announcements**”) respectively in relation to, among other matters, (i) the granting of an order by the High Court of Hong Kong in 2013 in favour of the Company against Mr. Xu Lian Guo (the “**Suspended Director**”) and Mr. Xu Lian Kuan (the “**Former Director**”), together as the subject directors (the “**Subject Directors**”), compelling them to, inter alia, provide to the Company and the auditors of the Company (the “**Auditors**”) the consolidated financial statements of the PRC Subsidiaries and associated companies of the Group in the PRC, for auditing purpose and publishing of the financial results of the Group, and to provide all reasonable documents, information and assistance as requested in relation to the audit of the Group; (ii) the judgement (the “**Judgment**”) handed down by the High Court against the Subject Directors in December 2014 and ordered them to, inter alia, jointly and severally pay damages of RMB150 million to the Company, with interest thereon at judgment rate.

Unless otherwise defined, capitalised terms used herein shall bear the same meanings ascribed thereto in the Announcements.

#### **Development on the legal proceedings against the Subject Directors**

As disclosed in the announcement of the Company dated 30 January 2015, the Former Director has served a Notice of Appeal (the “**Appeal**”) to the High Court of Hong Kong on 21 January 2015 against the Judgment. To the best knowledge and information of the Company, no hearing date for the Appeal has been fixed and no further action has been taken by the Former Director as at the date hereof. The Company will take such necessary action(s) to object to the Appeal if so advised.

Also, as disclosed in the Announcements, the Company was taking action to enforce the Judgment against the Suspended Director, and a Charging Order on the 57.22% beneficial interest of the Suspended Director in the capital of Zhong Da (BVI) Limited (a company incorporated in the British Virgin Islands and holds approximately 27.94% of the entire issued share capital of the Company (being a total of 294,004,000 Shares) according to its latest disclosure of interests form filed) and such number of Shares representing 57.22% of the 294,004,000 Shares held by Zhong Da (BVI) Limited, has been granted by the High Court and subsequently made absolutely on 8 July 2015.

Further to the Charging Order, on 16 March 2017, the High Court of Hong Kong has granted an order for sale (the “**Order for Sale**”) in favour of the Company. Pursuant to the Order for Sale, the Company could, among other things, sell the 57.22% beneficial interest of the Suspended Director in the capital of Zhong Da (BVI) Limited by private placement through securities companies licensed under the Securities and Futures Ordinance, Cap. 571 (“**SFO**”) subject to the conditions in the Order for Sale. The Company shall appoint a financial advisor licensed under the SFO during the process, and the Company is in the course of seeking further advice as to the execution of the Order for Sale.

Further announcement(s) will be issued by the Company to update the Shareholders and investors on the progress of the legal proceedings as and when appropriate.

By order of the Board  
**Zhongda International Holdings Limited**  
**Kwok Ming Fai**  
*Executive Director*

Hong Kong, 24 March 2017

*As at the date of this announcement, the Board comprises Messrs. Xu Lian Guo (suspended), Kwok Ming Fai and Hon Chuk Kay as executive Directors; and Messrs. Sun Ka Ziang Henry, Chan Shiu Man and Wong Chi Chung as independent non-executive Directors.*

*\* for identification purpose only*