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Yuanda China Holdings Limited

遠大中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2789)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the prospectus of the Company dated 20 April 2011 in relation to the purchase of glass from Shenyang Yuancheng. It has come to the attention of the management during the course of the audit on the Company's financial statements for the year ended 31 December 2011 that the annual cap for the continuing connected transactions under the Shenyang Yuancheng Purchase Agreement for 2011 has been exceeded. The total purchase from Shenyang Yuancheng for the year ended 31 December 2011 was RMB11,953,756, which exceeded the annual cap of RMB8,000,000 by RMB3,953,756. In accordance with Rule 14A.36(1) of the Listing Rules, the Company is required to re-comply with the requirements of the Listing Rules if the annual cap is exceeded.

As the aggregated purchases from Shenyang Yuancheng for the year ended 31 December 2011 was over 0.1% but less than 5% of the applicable ratios under Rule 14.07 of the Listing Rules, the purchases from Shenyang Yuancheng would only be subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules and exempted from the requirement of independent shareholders' approval.

Reference is made to the prospectus of the Company dated 20 April 2011 where it was disclosed that the Company and Shenyang Yuancheng had on 12 April 2011 entered into the Shenyang Yuancheng Purchase Agreement pursuant to which the Company agreed to purchase glass from Shenyang Yuancheng for a term of three years subject to an annual cap not exceeding RMB8,000,000, RMB4,500,000 and RMB4,100,000 for the three years ending 31 December 2011, 2012 and 2013, respectively.

REQUIREMENTS UNDER RULE 14.36(1) OF THE LISTING RULES

It has come to the attention of the management during the course of the audit on the Company's financial statements for the year ended 31 December 2011 that the annual cap for the continuing connected transactions under the Shenyang Yuancheng Purchase Agreement for 2011 has been exceeded.

The total purchase from Shenyang Yuancheng for the year ended 31 December 2011 was RMB11,953,756, which exceeded the annual cap of RMB8,000,000 by RMB3,953,756. Pursuant to the requirements of Rule 14A.36(1) of the Listing Rules, the Company is required to re-comply with the requirements of the Listing Rules if the annual cap is exceeded.

As the aggregate purchases from Shenyang Yuancheng for the year ended 31 December 2011 was over 0.1% but less than 5% of the applicable ratios, the purchases from Shenyang Yuancheng would only be subject to the reporting and announcement requirements of Chapter 14A of the Listing Rules and exempted from the requirement of independent shareholders' approval.

REASONS FOR EXCEEDING THE ANNUAL CAP

The Group is principally engaged in the manufacturing and sale of curtain walls. The glass supplied by Shenyang Yuancheng was primarily used for the construction of the manufacturing facilities of the Group. The increase in the Group's purchases under the Shenyang Yuancheng Purchase Agreement for the year ended 31 December 2011 was mainly due to the construction of additional facilities by the Group in its Shenyang factory to cope with the Group's business expansion in North and Northeast China regions, in particular during the second half of 2011.

MEASURES ADOPTED BY THE COMPANY FOR FUTURE COMPLIANCE

In order to avoid any similar events in the future, the Directors and senior management of the Company will closely monitor and regularly review the continuing connected transactions of the Company. The Company has taken necessary measures to strengthen the reporting and documentation system and internal control procedures of the Company and its subsidiaries including arranging more Directors and senior management to attend trainings from 2012 onwards. In addition, pursuant to the requirements of C.1.2 of Appendix 14 to the Listing Rules, the Company has, from January 2012, started to provide monthly operation updates to the Board. Starting from March 2012, the amount of connected transactions will be added into the monthly operation updates in order to better monitor the continuing connected transactions of the Company.

DEFINITIONS

“associate(s)”	the same meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Company”	Yuanda China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;

“Director(s)”	the director(s) 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shenyang Yuancheng”	瀋陽遠程中空玻璃有限公司 (Shenyang Yuancheng Insulating Glass Co., Ltd.), a limited liability company established in the PRC and is owned by Ms. Kang Fengxian, the sister of Mr. Kang Baohua (the chairman and controlling shareholder of the Company), and her husband;
“Shenyang Yuancheng Purchase Agreement”	the master purchase agreement dated 12 April 2011 entered into between the Company and Shenyang Yuancheng for the purchase of glass;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

By Order of the Board
Yuanda China Holdings Limited
Tian Shouliang
Executive Director

19 March 2012

As at the date of this announcement, the executive directors are Mr. Kang Baohua, Mr. Tian Shouliang, Mr. Guo Zhongshan, Mr. Wang Yijun, Mr. Si Zuobao, Mr. Wu Qingguo, Mr. Wang Lihui and Mr. Wang Deqiang, and the independent non-executive directors are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.