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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)

EXEMPTED CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 22 October 2012 in relation to the Previously Disclosed Agreements.

On 12 March 2013, Shenyang Yuanda, a wholly-owned subsidiary of the Company, and Brilliant Elevators entered into the First Agreement pursuant to which Shenyang Yuanda will supply and install the external facade of D4 and E4 Factory Workshops of Brilliant Elevators for an aggregate consideration of approximately RMB9.88 million (equivalent to approximately HK\$12.35 million).

On 12 March 2013, Shenyang Yuanda and Brilliant Elevators entered into the Second Agreement pursuant to which Shenyang Yuanda will supply and install the external facade of D5 Factory Workshop of Brilliant Elevators for an aggregate consideration of approximately RMB7.80 million (equivalent to approximately HK\$9.74 million).

On 12 March 2013, Shenyang Yuanda and Yuanda Electrical Equipment entered into the Third Agreement pursuant to which Shenyang Yuanda will supply and install the external facade of M6 Factory Workshop of Yuanda Electrical Equipment for an aggregate consideration of approximately RMB16.68 million (equivalent to approximately HK\$20.85 million).

Each of Brilliant Elevators and Yuanda Electrical Equipment is ultimately controlled by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, each of Brilliant Elevators and Yuanda Electrical Equipment is an associate of a connected person of the Company and the transactions contemplated under the First Agreement, the Second Agreement and the Third Agreement constitute connected transactions for the Company for the purpose of the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the New Agreements shall be aggregated together with the Previously Disclosed Transactions as (i) the New Agreements and the Previously Disclosed Agreements were entered into between Shenyang Yuanda (including its branches) and the associates of Mr. Kang and (ii) the transactions contemplated under the New Agreements and the Previously Disclosed Agreements involve the supply and installation of external facade to the associates of Mr. Kang.

As the applicable percentage ratios of the New Agreements and the Previously Disclosed Agreements on an aggregated basis are more than 0.1% but less than 5%, the New Agreements and the Previously Disclosed Agreements are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 22 October 2012 in relation to the Previously Disclosed Agreements.

THE NEW AGREEMENTS

The First Agreement

Date: 12 March 2013

Parties:

- (1) Shenyang Yuanda; and
- (2) Brilliant Elevators. Brilliant Elevators is principally engaged in the manufacture and sale of elevators. It is ultimately controlled by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Brilliant Elevators is an associate of a connected person of the Company for the purpose of the Listing Rules.

Subject matter: Shenyang Yuanda will supply and install the external facade of D4 and E4 Factory Workshops of Brilliant Elevators located at 16# Street, Shenyang Economic & Technological Development Area (瀋陽經濟技術開發區), Shenyang, the PRC.

Consideration: The aggregate consideration is approximately RMB9.88 million (equivalent to approximately HK\$12.35 million). The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market rate for work of similar nature. The Directors, including the independent non-executive Directors, are of the view that the terms of the First Agreement were concluded after arm's length negotiations under normal commercial terms and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration will be paid by Brilliant Elevators in stages in accordance with the following schedule:

- 40% of the consideration will be paid by Brilliant Elevators upon the signing of the First Agreement;
- 20% of the consideration will be paid upon the delivery of the steel frame materials to the site;
- 20% of the consideration will be paid upon the delivery of the glass face materials to the site;
- 10% of the consideration will be paid upon completion of the installation work of the external facade under the First Agreement; and
- the balance 10% of the consideration will be paid upon the completeness of the project files and the passing of the inspection of the installation work to Brilliant Elevators.

The Second Agreement

Date: 12 March 2013

Parties: (1) Shenyang Yuanda; and
(2) Brilliant Elevators.

Subject matter: Shenyang Yuanda will supply and install the external facade of D5 Factory Workshop of Brilliant Elevators located at 16# Street, Shenyang Economic & Technological Development Area (瀋陽經濟技術開發區), Shenyang, the PRC.

Consideration: The aggregate consideration is approximately RMB7.80 million (equivalent to approximately HK\$9.74 million). The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market rate of work of a similar nature. The Directors, including the independent non-executive Directors, are of the view that the terms of the Second Agreement were concluded after arm's length negotiations under normal commercial terms and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration will be paid by Brilliant Elevators in stages in accordance with the following schedule:

- 40% of the consideration will be paid by Brilliant Elevators upon the signing of the Second Agreement;
- 20% of the consideration will be paid upon the delivery of the steel frame materials to the site;
- 20% of the consideration will be paid upon the delivery of the glass face materials to the site;
- 10% of the consideration will be paid upon completion of the installation work of the external facade under the Second Agreement; and
- the balance 10% of the consideration will be paid upon completion of the project, the passing of the inspection of the installation work and the delivery of the completion report and engineering files to Brilliant Elevators.

The Third Agreement

Date: 12 March 2013

Parties: (1) Shenyang Yuanda; and

(2) Yuanda Electrical Equipment. Yuanda Electrical Equipment is principally engaged in the manufacture and installation of mechanical and electrical equipment. It is ultimately controlled by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Electrical Equipment is an associate of a connected person of the Company for the purpose of the Listing Rules.

Subject matter: Shenyang Yuanda will supply and install the external facade of M6 Factory Workshop of Yuanda Electrical Equipment located at 16# Street, Shenyang Economic & Technological Development Area (瀋陽經濟技術開發區), Shenyang, the PRC.

Consideration:

The aggregate consideration is approximately RMB16.68 million (equivalent to approximately HK\$20.85 million). The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market rate of work of a similar nature. The Directors, including the independent non-executive Directors, are of the view that the terms of the Third Agreement were concluded after arm's length negotiations under normal commercial terms and the terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The consideration will be paid by Yuanda Electrical Equipment in stages in accordance with the following schedule:

- 40% of the consideration will be paid by Yuanda Electrical Equipment upon the signing of the Third Agreement;
- 20% of the consideration will be paid upon the delivery of the steel frame materials to the site;
- 20% of the consideration will be paid upon the delivery of the glass face materials to the site;
- 10% of the consideration will be paid upon completion of the installation work of the external facade under the Third Agreement; and
- the balance 10% of the consideration will be paid upon the completeness of the project files and the passing of the inspection of the installation work to Yuanda Electrical Equipment.

REASON FOR THE TRANSACTIONS

The Group is principally engaged in the manufacturing and sale of curtain walls. The work to be carried out under the First Agreement, the Second Agreement and the Third Agreement is in the ordinary course of business of the Group. Given that the First Agreement, the Second Agreement and the Third Agreement were entered into after arm's length negotiations, with the terms being made under normal commercial terms, the Directors (including the independent non-executive Directors) consider the terms were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

Each of Brilliant Elevators and Yuanda Electrical Equipment is ultimately controlled by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, each of Brilliant Elevators and Yuanda Electrical Equipment is an associate of a connected person of the Company and the transactions contemplated under the First Agreement, the Second Agreement and the Third Agreement constitute connected transactions for the Company for the purpose of the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the transactions contemplated under the New Agreements shall be aggregated together with the Previously Disclosed Transactions as (i) the New Agreements and the Previously Disclosed Agreements were entered into between Shenyang Yuanda (including its branches) and the associates of Mr. Kang and (ii) the transactions contemplated under the New Agreements and the Previously Disclosed Agreements involve the supply and installation of external facade to the associates of Mr. Kang.

As the applicable aggregated percentage ratios of the New Agreements and the Previously Disclosed Agreements on an aggregated basis are more than 0.1% but less than 5%, the New Agreements and the Previously Disclosed Agreements are subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Kang, who ultimately controls Brilliant Elevators and Yuanda Electrical Equipment, and Mr. Wang Lihui, who is also a director of Brilliant Elevators, are considered to be interested in the transactions contemplated under the New Agreements. Mr. Kang and Mr. Wang Lihui therefore have abstained from voting for the Board resolutions to approve the New Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Brilliant Elevators”	瀋陽博林特電梯股份有限公司 (Shenyang Brilliant Elevators Co., Ltd.), a company incorporated in the PRC and is ultimately controlled by Mr. Kang;
“Company”	Yuanda China Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“First Agreement”	the agreement dated 12 March 2013 between Shenyang Yuanda and Brilliant Elevators in relation to the supply and installation of the external facade of D4 and E4 Factory Workshops of Brilliant Elevators;
“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 People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Kang”	Mr. Kang Baohua, an executive Director and the controlling shareholder of the Company;
“New Agreements”	the First Agreement, the Second Agreement and the Third Agreement;
“PRC”	the People’s Republic of China;
“Previously Disclosed Agreements”	(i) the agreement dated 22 October 2012 between Shenyang Yuanda and Brilliant Elevators, (ii) the agreement dated 22 October 2012 between the Southwest Branch of Shenyang Yuanda and 重慶博林特電梯有限公司 (Chongqing Brilliant Elevators Co., Ltd.), a subsidiary of Brilliant Elevators, and (iii) the agreement dated 22 October 2012 between the Northeast Branch of Shenyang Yuanda and Brilliant Elevators, the major terms of which were described in the announcement of the Company dated 22 October 2012;
“Previously Disclosed Transactions”	the transactions contemplated under the Previously Disclosed Agreements and disclosed in the announcement of the Company dated 22 October 2012;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Second Agreement”	the agreement dated 12 March 2013 between Shenyang Yuanda and Brilliant Elevators in relation to the supply and installation of the external facade of D5 Factory Workshop of Brilliant Elevators;
“Shareholder(s)”	shareholder(s) of the Company;
“Shenyang Yuanda”	瀋陽遠大鋁業工程有限公司 (Shenyang Yuanda Aluminium Industry Engineering Co., Ltd.), a company incorporated in the PRC and is a wholly owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Third Agreement” the agreement dated 12 March 2013 between Shenyang Yuanda and Yuanda Electrical Equipment in relation to the supply and installation of the external facade of M6 Factory Workshop of Yuanda Electrical Equipment; and

“Yuanda Electrical Equipment” 瀋陽遠大機電裝備有限公司 (Shenyang Yuanda Electrical Equipment Co., Ltd.), a company incorporated in the PRC and is ultimately controlled by Mr. Kang.

In this announcement, translations from RMB to HK\$ is based on an exchange rate of RMB1.00 to HK\$1.25 and is for illustration purpose only.

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

Hong Kong, 12 March 2013

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