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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 TRANSACTION**

On 24 June 2013, Shenyang Yuanda, a wholly-owned subsidiary of the Company, and Yuanda Property Development entered into the Agreement pursuant to which Shenyang Yuanda will design, supply, manufacture and install the aluminium alloy windows and doors of certain buildings within the Yuanda Garden for an aggregate consideration of approximately RMB10.80 million (equivalent to approximately HK\$13.72 million).

Yuanda Property Development is a wholly-owned subsidiary of Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Property Development is an associate of a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company for the purpose of the Listing Rules.

As the applicable percentage ratios of the Agreement are more than 0.1% but less than 5%, the Agreement is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **THE AGREEMENT**

**Date:** 24 June 2013

- Parties:**
- (1) Shenyang Yuanda; and
  - (2) Yuanda Property Development. Yuanda Property Development is principally engaged in property development. It is a wholly-owned subsidiary of Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Property Development is an associate of a connected person of the Company for the purpose of the Listing Rules.

<b>Subject matter:</b>	Shenyang Yuanda will design, supply, manufacture and install the aluminium alloy windows and doors of certain buildings within the Yuanda Garden located at 11# Street, Shenyang Economic & Technological Development Area (瀋陽經濟技術開發區), Shenyang, the PRC.
<b>Consideration:</b>	The aggregate consideration for the work under the Agreement is approximately RMB10.80 million (equivalent to approximately HK\$13.72 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 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.
	<p>The consideration will be paid by Yuanda Property Development in stages in accordance with the following schedule:</p> <ul style="list-style-type: none"> <li>• RMB1.00 million will be paid upon the signing of the Agreement;</li> <li>• 20% of the consideration less such amount of consideration which has been paid will be paid upon the delivery of the aluminium frames to the site;</li> <li>• 40% of the consideration less such amount of consideration which has been paid will be paid upon completion of the installation work of the aluminium frames under the Agreement;</li> <li>• 80% of the consideration less such amount of consideration which has been paid will be paid upon completion of the installation work of the aluminium alloy windows and doors under the Agreement;</li> <li>• 95% of the consideration less such amount of consideration which has been paid will be paid upon completion and the passing of the inspection of the project, delivery of the inspection certificate of files and all project inspection records; and</li> <li>• the balance 5% of the consideration will be retained as warranty under the Agreement and will be paid two years after the completion of the project with no interest and on condition that there are no quality problems with the project.</li> </ul>

## **REASON FOR THE TRANSACTION**

The Group is principally engaged in the manufacturing and sale of curtain walls. The work to be carried out under the Agreement is in the ordinary course of business of the Group. Given that the Agreement was 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**

Yuanda Property Development is a wholly-owned subsidiary of Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Property Development is an associate of a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company for the purpose of the Listing Rules.

As the applicable percentage ratios of the Agreement are more than 0.1% but less than 5%, the Agreement is 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 is the beneficial owner of Yuanda Group and indirectly holds 100% interest in Yuanda Property Development, is considered to be interested in the transactions contemplated under the Agreement. Mr. Kang therefore has abstained from voting for the Board resolutions to approve the Agreement and the transaction contemplated thereunder.

## **DEFINITIONS**

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

“Agreement”	the agreement dated 24 June 2013 between Shenyang Yuanda and Yuanda Property Development in relation to the design, supply, manufacture and installation of the aluminium alloy windows and doors of certain buildings within the Yuanda Garden;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“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;
“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;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“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;
“Yuanda Garden”	遠大花園 (Yuanda Garden), a property project under development by Yuanda Property Development and located at 11# Street, Shenyang Economic & Technological Development Area (瀋陽經濟技術開發區), Shenyang, the PRC;
“Yuanda Group”	瀋陽遠大鋁業集團有限公司 (Shenyang Yuanda Aluminium Industry Group Ltd.), a company incorporated in the PRC and owned by Mr. Kang; and
“Yuanda Property Development”	瀋陽遠大房地產開發有限公司 (Shenyang Yuanda Property Development Co., Ltd.), a company incorporated in the PRC and is a wholly-owned subsidiary of Yuanda Group.

*In this announcement, translations from RMB to HK\$ is based on an exchange rate of RMB1.00 to HK\$1.27 and is for illustration purpose only.*

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

Hong Kong, 24 June 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. Wang Lihui and Mr. Zhang Lei, and the independent non-executive directors are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.*