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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 TRANSACTION – REVISION OF ANNUAL CAPS**

Reference is made to the prospectus of the Company dated 20 April 2011 in respect of the supply of Products by the Company to Yuanda Singapore.

As the aggregate amount of Products purchased by Yuanda Singapore from the Company for the two years ending 31 December 2012 and 2013 are expected to exceed the original projection, the Board has resolved to revise the annual caps under the Yuanda Singapore Purchase Agreement for the two years ending 31 December 2012 and 2013. Accordingly, a Supplemental Agreement to the Yuanda Singapore Purchase Agreement was entered into between the Company and Yuanda Singapore on 15 November 2012 pursuant to which the annual caps for each of the two years ending 31 December 2012 and 2013 under the Yuanda Singapore Purchase Agreement have been increased to RMB208,000,000 (or approximately HK\$257,920,000) and RMB156,000,000 (or approximately HK\$193,440,000) respectively.

Save for the New Annual Caps, the other terms of the Yuanda Singapore Purchase Agreement remain unchanged.

Yuanda Singapore is a wholly owned subsidiary of Yuanda Group, which in turn is beneficially owned by Mr. Kang Baohua, the chairman and controlling shareholder of the Company. Accordingly, Yuanda Singapore is a connected person of the Company and the supply of Products by the Company to Yuanda Singapore constitutes continuing connected transaction for the purpose of the Listing Rules.

Given that the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the New Annual Caps under the Supplemental Agreement are more than 0.1% but less than 5%, the Supplemental Agreement and the New Annual Caps are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the prospectus of the Company dated 20 April 2011 in respect of the supply of Products by the Company to Yuanda Singapore.

On 12 April 2011, the Company entered into the Yuanda Singapore Purchase Agreement with Yuanda Singapore for a period commencing from 12 April 2011 and ending on 31 December 2013, pursuant to which the Company agreed to supply the Products to Yuanda Singapore for Yuanda Singapore to complete its projects. The Company has been supplying Products to Yuanda Singapore in its ordinary and normal course of business.

## **THE REVISED ANNUAL CAPS**

As the aggregate amount of Products purchased by Yuanda Singapore from the Company for the two years ending 31 December 2012 and 2013 are expected to exceed the original projection, the Board has resolved to revise the annual caps under the Yuanda Singapore Purchase Agreement for the two years ending 31 December 2012 and 2013. On 15 November 2012, the Company and Yuanda Singapore entered into the Supplemental Agreement to increase the annual caps under the Yuanda Singapore Purchase Agreement in respect of the supply of Products to Yuanda Singapore for the two years ending 31 December 2012 and 2013 from RMB150,000,000 and RMB150,000,000 to RMB208,000,000 and RMB156,000,000, respectively.

The increase was due to the delay of completion of some of the works of Yuanda Singapore for 2011 and the contracting of 3 new projects by Yuanda Singapore.

For each of the three years ended 31 December 2011 and for the ten months ended 30 October 2012, the amount of Products supplied by the Company to Yuanda Singapore were approximately RMB42,600,000 (or approximately HK\$52,824,000), approximately RMB66,300,000 (or approximately HK\$82,212,000), approximately RMB28,500,000 (or approximately HK\$35,340,000) and approximately RMB143,800,000 (or approximately HK\$178,312,000), respectively. The Directors confirm that the annual caps under the Yuanda Singapore Purchase Agreement for the year ending 31 December 2012 has not been exceeded up to the date of this announcement.

The New Annual Caps were determined based on the contract amount of confirmed and planned projects of Yuanda Singapore. Save for the New Annual Caps, the other terms of the Yuanda Singapore Purchase Agreement remain unchanged.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement, including New Annual Caps, were determined after arm's length negotiations, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND YUANDA SINGAPORE**

The Group is principally engaged in the manufacturing and sale of curtain walls.

Yuanda Singapore is principally engaged in curtain wall works and trading as well as investment holding.

## **LISTING RULES IMPLICATIONS**

Yuanda Singapore is a wholly owned subsidiary of Yuanda Group, which in turn is beneficially owned by Mr. Kang Baohua, the chairman and controlling shareholder of the Company. Accordingly, Yuanda Singapore is a connected person of the Company and the supply of Products by the Company to Yuanda Singapore constitutes continuing connected transaction for the purpose of the Listing Rules.

Given that the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the New Annual Caps under the Supplemental Agreement are more than 0.1% but less than 5%, the Supplemental Agreement and the New Annual Caps are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Kang Baohua (being the beneficial owner of Yuanda Group) and Mr. Tian Shouliang (being also a director of Yuanda Singapore) are considered to be interested in the transactions contemplated under the Supplemental Agreement and have abstained from voting for the board resolution to approve the Supplemental Agreement and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under 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 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 dollars, 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;
“New Annual Caps”	the proposed new annual caps under the Supplemental Agreement of RMB208,000,000 (approximately HK\$257,920,000) and RMB156,000,000 (approximately HK\$193,440,000,) for each of the two years ending 31 December 2012 and 2013 respectively;
“PRC”	the People’s Republic of China, excluding Taiwan, Hong Kong and Macao Special Administrative Region for the purpose of this announcement;
“Products”	curtain wall products;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shares”	ordinary shares of nominal value HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Supplemental Agreement”	the supplemental agreement entered into between the Company and Yuanda Singapore dated 15 November 2012 pursuant to which the original annual caps under the Yuanda Singapore Purchase Agreement are revised to the New Annual Caps;
“Yuanda Group”	瀋陽遠大鋁業集團有限公司 (Shenyang Yuanda Aluminium Industry Group Ltd.*), a company incorporated in China and owned by the Chairman;
“Yuanda Singapore”	Yuanda Aluminium Industry Engineering (Singapore) Pte. Ltd., a company incorporated in Singapore, a wholly owned subsidiary of Yuanda Group;

“Yuanda Singapore Purchase Agreement”

the master supply agreement entered into between the Company and Yuanda Singapore dated 12 April 2011 pursuant to which the Company agreed to supply the Products to Yuanda Singapore for Yuanda Singapore to complete its projects;

“%”

per cent.

\* *For identification purpose only*

*For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.24. This conversion is provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB or HK\$ can be converted at the above rate or any other rates or at all.*

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

Hong Kong, 15 November 2012

*As at the date of this announcement, the executive directors of the Company 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 of the Company are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.*