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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**

On 22 October 2012, 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 Blocks A, B and C of the Scientific Research and Experimental Centre of Brilliant Elevators for an aggregate consideration of approximately RMB19.04 million (equivalent to approximately HK\$23.42 million).

On 22 October 2012, the Southwest Branch of Shenyang Yuanda and Chongqing Brilliant Elevators entered into the Second Agreement pursuant to which the Southwest Branch of Shenyang Yuanda will supply and install the external facade of the plant of Chongqing Brilliant Elevators for an aggregate consideration of approximately RMB13.55 million (equivalent to approximately HK\$16.67 million).

On 22 October 2012, the Northeast Branch of Shenyang Yuanda and Brilliant Elevators entered into the Third Agreement pursuant to which the Northeast Branch of Shenyang Yuanda will supply and install the external facade of C2 Testing Workshop of Brilliant Elevators for an aggregate consideration of approximately RMB1.97 million (equivalent to approximately HK\$2.42 million).

Brilliant Elevators is owned by the Yuanda Group, which is beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Chongqing Brilliant Elevator is a subsidiary of Brilliant Elevators. Accordingly, each of Brilliant Elevators and Chongqing Brilliant Elevators 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.

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

## THE AGREEMENTS

### The First Agreement

**Date:** 22 October 2012

**Parties:** (1) Shenyang Yuanda; and

(2) Brilliant Elevators. Brilliant Elevators is principally engaged in the manufacture and sale of elevators. It is owned by Yuanda Group, which is in turn beneficially owned 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 Blocks A, B and C of the Scientific Research and Experimental Centre 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 RMB19.04 million (equivalent to approximately HK\$23.42 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 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:

- 50% of the consideration will be paid by Brilliant Elevators within 3 days from the signing of the First Agreement;
- 20% of the consideration will be paid upon the delivery of the building materials to the site;
- 20% 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 within 14 days from the passing of the inspection of the installation work and the delivery of the completion report and engineering files to Brilliant Elevators.

## The Second Agreement

**Date:** 22 October 2012

**Parties:** (1) the Southwest Branch of Shenyang Yuanda; and

(2) Chongqing Brilliant Elevators. Chongqing Brilliant Elevators is principally engaged in the manufacture and sale of elevators. It is a subsidiary of Brilliant Elevators, which is in turn owned by the Yuanda Group. Yuanda Group is beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Chongqing Brilliant Elevators is an associate of a connected person of the Company for the purpose of the Listing Rules.

**Subject matter:** the Southwest Branch of Shenyang Yuanda will supply and install the external facade of the plant of Chongqing Brilliant Elevators located at the Longxing Industrial Park, Liangjiang New Area, Chongqing (重慶市兩江新區龍興工業園), the PRC and comprises three workshops, a research and development centre, a testing tower and two guard houses.

**Consideration:** The aggregate consideration is approximately RMB13.55 million (equivalent to approximately HK\$16.67 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 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 Chongqing Brilliant Elevators in stages in accordance with the following schedule:

- 30% of the consideration will be paid by Chongqing Brilliant Elevators upon the signing of the Second Agreement;
- 15% of the consideration will be paid upon the delivery of 50% the building materials to the site;
- 15% of the consideration will be paid upon completion of 50% the installation work and delivery of all the building materials to the site;

- 20% of the consideration will be paid upon completion of the installation work;
- 15% of the consideration will be paid upon the passing of the inspection of the installation work and the delivery of the engineering files to Chongqing Brilliant Elevators; and
- the balance 5% of the consideration will be retained by Chongqing Brilliant Elevators as quality assurance bond and will be released upon expiry of the quality assurance period of 2 years from the date of passing of the inspection for the installation work.

### **The Third Agreement**

**Date:** 22 October 2012

**Parties:** (1) the Northeast Branch of Shenyang Yuanda; and  
(2) Brilliant Elevators.

**Subject matter:** the Northeast Branch of Shenyang Yuanda will supply and install the external facade of C2 Testing Workshop of Brilliant Elevators located at 16# Zhangsi Economic and Technological Development Area, Shenyang (瀋陽市張士經濟技術開發區16#街).

**Consideration:** The aggregate consideration is approximately RMB1.97 million (equivalent to approximately HK\$2.42 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 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 Brilliant Elevators in stages in accordance with the following schedule:

- 80% of the consideration will be paid upon the delivery of the building materials to the site; and
- the balance 20% of the consideration will be paid upon completion of the project, the passing of the inspection and delivery of the engineering documents to Brilliant Elevators.

## **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**

Brilliant Elevators is owned by the Yuanda Group, which is beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Chongqing Brilliant Elevators is a subsidiary of Brilliant Elevators. Accordingly, each of Brilliant Elevators and Chongqing Brilliant Elevators 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.

As the transactions contemplated under the First Agreement, the Second Agreement and the Third Agreement involve the supply and installation of external facade to Brilliant Elevators and its subsidiary, the transactions would need to be aggregated pursuant to Rule 14A.25 of the Listing Rules. As the applicable aggregated percentage ratios of the First Agreement, the Second Agreement and the Third Agreement on an aggregated basis are more than 0.1% but less than 5%, the First Agreement, the Second Agreement and the Third Agreement 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 beneficially owns the Yuanda Group, which in turn owns Brilliant Elevators, and Mr. Wang Lihui, who is also a director of Brilliant Elevators, are considered to be interested in the transactions contemplated under the First Agreement, the Second Agreement and the Third Agreement and have abstained from voting for the Board resolutions to approve the aforesaid agreements.

## **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 a subsidiary of the Yuanda Group;

“Chongqing Brilliant Elevators”	重慶博林特電梯有限公司 (Chongqing Brilliant Elevators Co., Ltd.), a subsidiary of Brilliant Elevators established in the PRC;
“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 22 October 2012 between Shenyang Yuanda and 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;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Second Agreement”	the agreement dated 22 October 2012 between the Southwest Branch of Shenyang Yuanda and Chongqing 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 22 October 2012 between the Northeast Branch of Shenyang Yuanda and Brilliant Elevators; and

“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 is beneficially owned by Mr. Kang.

*In this announcement, translations from RMB to HK\$ is based on an exchange rate of RMB1.00 to HK\$1.23 and is for illustration purpose only.*

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

Hong Kong, 22 October 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.*