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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)

CONNECTED TRANSACTION

SAP SERVICES AGREEMENT

On 29 October 2014, Shenyang Yuanda, a wholly-owned subsidiary of the Company, entered into the SAP Services Agreement with Yuanda Science and Technology Park pursuant to which Yuanda Science and Technology Park agreed to provide SAP services to Shenyang Yuanda at a consideration of RMB2,501,200 (equivalent to approximately HK\$3,176,524).

LISTING RULES IMPLICATIONS

Yuanda Science and Technology Park is owned as to 56% by Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Science and Technology Park is an associate of a connected person of the Company for the purpose of the Listing Rules and the transactions contemplated under the SAP Services Agreement constitute connected transactions for the Company for the purpose of the Listing Rules.

As the applicable percentage ratio of the SAP Services Agreement and the transactions contemplated thereunder is more than 0.1% but less than 5%. Accordingly, the transactions contemplated under the SAP Services Agreement will be exempt from the independent shareholders' approval requirement but subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

THE SAP SERVICES AGREEMENT

Date: 29 October 2014

Parties: (1) Shenyang Yuanda; and

(2) Yuanda Science and Technology Park, a company principally engaged in technology development, business incubator, training, consultation, investment and business services. It is owned as to 56% by Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Science and Technology Park is an associate of a connected person of the Company for the purpose of the Listing Rules.

Subject matter:

Pursuant to the SAP Services Agreement, Yuanda Science and Technology Park will provide SAP services to Shenyang Yuanda, including the implementation of a SAP system, which is an information management database for Shenyang Yuanda, software installation, configuration and system integration as well as relevant training for the operation of the SAP system.

Term:

The SAP Services Agreement has a term of seven months, commencing on 29 October 2014 and ending on 29 June 2015. The SAP Services Agreement may be terminated prior to the expiry of such fixed term by reason of default on either party to the SAP Service Agreement.

Consideration:

The aggregate consideration for the services under the SAP Services Agreement is RMB2,501,200 (equivalent to approximately HK\$3,176,524). The consideration was determined after arm's length negotiations between the parties with reference to the prevailing market rate for services of similar nature. The Directors, including the independent non-executive Directors, are of the view that the terms of the SAP Services 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.

Payment term:

The consideration under the SAP Services Agreement will be paid by Shenyang Yuanda to Yuanda Science and Technology Park in full within 15 business days upon completion and satisfactory examination of the SAP system by Shenyang Yuanda. The consideration will be financed by internal resources of the Group.

REASONS FOR ENTERING INTO THE SAP SERVICE AGREEMENT

Shenyang Yuanda is principally engaged in the design, procurement, production, sale and installation of curtain wall systems and its main production facility is located in Shenyang, the PRC. Yuanda Science and Technology Park is a company principally engaged in technology development, business incubator, training, consultation, investment and business services. Taking into account the experience of Yuanda Science and Technology Park in the implementation of various kinds of SAP systems, its knowledge

in relation to the SAP software and related products and the benefit for the implementation of the SAP system, which was demonstrated during the quotation stage indicating that it has competitive advantages as compared with other suppliers within the service sector. Further, Yuanda Science and Technology Park is familiar with the business of Shenyang Yuanda which would enhance the quality and efficiency of the SAP services to be provided. Accordingly, the Directors consider that it is beneficial for Shenyang Yuanda to enter into the SAP Services Agreement.

Further, given that the SAP Services 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 that the SAP Services Agreement was entered into in the normal and ordinary course of business of the Company, the terms of which are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Yuanda Science and Technology Park is owned as 56% by Yuanda Group, which is in turn beneficially owned by Mr. Kang, an executive Director and the controlling shareholder of the Company. Accordingly, Yuanda Science and Technology Park is an associate of a connected person of the Company for the purpose of the Listing Rules and the transactions contemplated under the SAP Services Agreement constitute connected transactions for the Company for the purpose of the Listing Rules.

As the applicable percentage ratio of the SAP Services Agreement and the transactions contemplated thereunder is more than 0.1% but less than 5%. Accordingly, the transactions contemplated under the SAP Services Agreement will be exempt from the independent shareholders' approval requirement but subject to the reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

Mr. Kang, who is the beneficial owner of Yuanda Group and indirectly holds 56% interest in Yuanda Science and Technology Park, is considered to be interested in the transactions contemplated under the SAP Services Agreement. Mr. Kang therefore has abstained from voting for the Board resolution to approve the SAP Services Agreement 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;
“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;
“SAP Services Agreement”	the agreement dated 29 October 2014 between Shenyang Yuanda and Yuanda Science and Technology Park in relation to the provision of SAP services by Yuanda Science and Technology Park to Shenyang Yuanda;
“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 a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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;
“Yuanda Science and Technology”	瀋陽遠大科技園有限公司 (Shenyang Yuanda Science and Technology Park Co., Ltd.*), a company incorporated in the PRC and owned as 56% by Yuanda Group.

* For identification purpose only

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, 29 October 2014

As at the date of this announcement, the executive Directors are Mr. Kang Baohua (chairman), Mr. Tian Shouliang (chief executive officer), 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.