

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**UPDATE ON LITIGATION**

Reference is made to the announcement of Yuanda China Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 9 December 2016 in relation to the proceeding initiated by Yuanda Russia, a wholly-owned subsidiary of the Company, against Rasen Story, a company incorporated in Russia, in relation to matters arising from the Construction Agreement (the “**Announcement**”). Capitalized terms used in the Announcement shall have the same meanings when used herein unless the context otherwise requires.

This announcement is made by the Company to further update the shareholders of the Company and potential investors on the development of the legal proceedings of the Group in Russia.

As stated in the Announcement, on 27 July 2016, Rasen Story filed a Counterclaim against Yuanda Russia counter-claiming for US\$37.4 million and on 5 October 2016, the relevant tribunal ruled in favour of Rasen Story and that Yuanda Russia shall pay 50% of the amount that Rasen Story claimed for. Yuanda Russia opposed to the ruling and filed an appeal application (the “**Second Appeal**”) against the ruling. The Second Appeal was dismissed by the relevant tribunal and the ruling that Yuanda Russia shall pay 50% of the amount that Rasen Story claimed for was maintained. On 22 March 2017, the Group was informed that Yuanda Russia filed a further appeal application (the “**Third Appeal**”) against Rasen Story in relation to the ruling made by the relevant tribunal dismissing the Second Appeal. As at the date of this announcement, the Third Appeal is still at preliminary stage and is still in progress.

According to the legal advice sought from the legal adviser of the Company as to Russian law, the Company has been advised that the Counterclaim was unreasonably made and that the chance of Yuanda Russia in succeeding in the Third Appeal is probable.

Further announcement(s) will be made by the Company if there is any further update in relation to the progress of the Counterclaim, the Third Appeal and/or matters relating thereto.

**Shareholders of the Company and the investing public are reminded to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Yuanda China Holdings Limited**  
**Kang Baohua**  
*Chairman*

The People's Republic of China, 28 March 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Kang Baohua, Mr. Li Hongren, Mr. Liu Futao, Mr. Ma Minghui, Mr. Wang Hao and Mr. Zhang Lei, 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.*