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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)

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 Stroy, a company incorporated in Russia, in relation to matters arising from the Construction Agreement (the “**9 December Announcement**”), and the announcement of the Company dated 28 March 2017 in relation to the Third Appeal filed by Yuanda Russia against Rasen Stroy in relation to the ruling made by the relevant tribunal dismissing the Second Appeal (the “**28 March Announcement**”). Unless otherwise ascribed hereto, capitalized terms used herein shall have the same meanings as in the 28 March Announcement.

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 9 December Announcement, on 27 July 2016, Rasen Stroy 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 Stroy and that Yuanda Russia shall pay 50% of the amount that Rasen Stroy claimed for. Yuanda Russia opposed to the ruling and filed the Second Appeal against the ruling, and the Second Appeal was subsequently dismissed by the relevant tribunal and the ruling that Yuanda Russia shall pay 50% of the amount that Rasen Stroy claimed for was maintained. On 2 May 2017, the Company was informed that a ruling (the “**Third Ruling**”) was made by the relevant tribunal in Russia dismissing the rulings made in relation to the Counterclaim and the Second Appeal. Pursuant to the Third Ruling, it was ordered that Yuanda Russia shall pay approximately 10% of the amount that Rasen Stroy claimed for (i.e. reducing the amount that Yuanda Russia shall pay for from US\$18.0 million to US\$3.4 million). As at the date of this announcement, no further appeal has been initiated by either Rasen Stroy or Yuanda Russia in relation to the Third Ruling.

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, 9 May 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.