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YUE DA HOLDINGS LIMITED

悦達控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 629)

High concentration of shareholding

This announcement is made at the request of the Stock Exchange.

The Board has recently been informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a relative small number of shareholders as at 26 April 2007. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

Shareholdings and movements in prices of shares (“Shares”) in the Company

The board (“**Board**”) of directors (“**Directors**”) of Yue Da Holdings Limited (“**Company**”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (“**SFC**”):

1. one (1) substantial shareholder, namely Yue Da Group (H.K.) Co., Limited (“**Yue Da HK**”) together with two Directors (namely, Mr Hu You Lin and Mr Dong Li Yong) held an aggregate of 139,305,000 Shares (representing approximately 55.82% of the total issued share capital of the Company as at the close of business of 26 April 2007); and
2. eighteen (18) shareholders held an aggregate of 92,536,000 Shares in the Company (representing approximately 37.08% of the total issued share capital of the Company as at the close of business of 26 April 2007).

As such, the Shares held by other shareholders only accounted for approximately 7.10% of the total issued share capital of the Company as at 26 April 2007.

According to the information provided by the SFC (which information is a matter of public record), the share price of the Company increased by 40% from HK\$3 on 28 March 2007 to HK\$4.2 on 11 April 2007, with an increased average daily turnover of 733,375 Shares as compared with an average daily turnover of 113,400 Shares in the 10 trading days prior to 28 March 2007. As at 15 May 2007, the share price of the Company closed at HK\$4.56.

The Directors would point out that to the best of their knowledge and belief, as at 26 April 2007, the Company had 18 registered shareholders, and of such 18 registered shareholders:

- (a) one is a current Director (namely, Mr Hu You Lin) who then held 1,980,000 Shares (representing approximately 0.79% of the total issued share capital of the Company as at the close of business of 26 April 2007);
- (b) one is a current director (namely, Mr Ding Xunren) of a subsidiary of the Company, who then held 750,000 Shares (representing approximately 0.30% of the total issued share capital of the Company as at the close of business of 26 April 2007); and
- (c) two were former Directors (namely, Ms Wang Pei Ping who ceased to be a Director with effect from 28 June 2006 and Mr Pan Wan Qu who ceased to be a Director with effect from 2 January 2007) and they held an aggregate of 1,110,000 Shares (representing approximately 0.44% of the total issued share capital of the Company as at the close of business of 26 April 2007).

The Directors wish to clarify that as the above information (other than that contained in the immediately preceding paragraph) is provided by the SFC and, save for the respective share prices as at 28 March 2007, 11 April 2007 and 15 May 2007 mentioned above, the Company is not in a position to verify or comment on the accuracy of such information.

Public float and general matters

The Company has reviewed the list of the shareholders of the Company provided by the Company's registrar, Hong Kong Registrars Limited, and the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited. The following table shows the registered shareholding structure of the Company as at 26 April 2007:

		Number of Shares	Approximate percentage of the Company's issued share capital
Controlling shareholder	Yue Da HK (Note 1)	126,000,000	50.49%
Director and a director of a subsidiary of the Company	Mr Hu You Lin and Mr Ding Xunren	2,730,000	1.09%
Former Directors	Mr Pan Wan Qu and Ms Wang Pei Ping (Note 2)	1,110,000	0.44%
Other shareholders	HKSCC Nominees Limited (Note 3)	117,850,990	47.22%
	12 registered shareholders (Note 4)	1,867,010	0.76%
		<hr/> <u>249,558,000</u>	<hr/> <u>100.00%</u>

- Notes:
1. Yue Da HK is a wholly owned subsidiary of Jiangsu Yue Da Group Company Limited. According to the last notifications received by the Company in respect of the disclosure of interests in Shares required under SFO (as defined below), Yue Da HK was interested in 135,105,000 Shares. So as the Company is aware, as at 26 April 2007, (i) 126,000,000 Shares were registered in Yue Da HK's own name and (ii) 9,105,000 Shares were deposited with broker houses as CCASS participant and registered under the name of HKSCC Nominees Limited.
 2. The capacities of Mr Pan Wan Qu and Ms Wang Pei Ping as former Directors do not fall within the definition of "connected persons" under Chapter 1 of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"). Accordingly, the Shares held by them should be regarded as being held in the public hands under Rule 8.24 of the Listing Rules.
 3. According to the CCASS Participants Shareholding Report generated by Hong Kong Securities Clearing Company Limited as at 26 April 2007, an aggregate of 117,850,990 Shares were held by 78 CCASS participants.

Based on the above CCASS Participants Shareholding Report, the top 18 CCASS Participants accounted for 112,934,000 Shares (representing approximately 45.25% of the Company's issued share capital as at 26 April 2007). So far as the Company is aware:

- (a) 9,105,000 Shares were attributable to Yue Da HK and held through two CCASS broker participants;
- (b) 2,220,000 Shares were attributable to Mr Dong Li Yong, a Director and held by a CCASS broker participant; and

- (c) 138,000 Shares were attributable to Mr Qian Jin Biao, the current Financial Controller of the Company, and held through a CCASS broker participant.
4. Based on the information contained in the shareholders' register as at 26 April 2007 provided by the Company's share registrar, 0.76% of the issued share capital of the Company was held by 12 shareholders, the majority of whom held a small number of Shares in the issued share capital of the Company.

According to the last notifications received by the Company in respect of the disclosure of interests in Shares required under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), as at 26 April 2007:

- (a) Yue Da HK as a beneficial owner had a long position of 135,105,000 Shares (representing approximately 54.14% of the Company's issued share capital). Yue Da HK is a wholly owned subsidiary of Jiangsu Yue Da Group Company Limited. As understood by the Company, as at 26 April 2007, of the 135,105,000 Shares owned by Yue Da HK, (i) 126,000,000 Shares were registered in Yue Da HK's own name and (ii) 9,105,000 Shares were deposited with two broker houses as CCASS participants and registered under the name of HKSCC Nominees Limited.
- (b) Keywise Capital Management (HK) Limited as investment manager had a long position of 18,797,000 Shares (representing about 7.53% of the Company's issued share capital).
- (c) Sinochem Kingsway Capital Inc. as beneficial owner had a long position of 14,000,000 Shares (representing about 5.61% of the Company's issued share capital). Sinochem Kingsway Capital Inc. is owned as to 70% by Sinochem Hong Kong (Group) Company Limited which in turn is wholly owned by Sinochem Corporation.
- (d) Feilong Holdings as beneficial owner had a long position of 54,999,999 Shares (representing about 22.04% of the Company's issued share capital). These Shares have not been issued and represent Shares which may be allotted and issued upon exercise of conversion rights attached to convertible bonds (as detailed in the Company's circular dated 5 June 2006). The entire issued share capital of Feilong Holdings is held by Pure Talent Investments Limited, which is wholly and beneficially owned by Mr Yang Long.

Save as disclosed above, and having made all reasonable enquiries of the directors and the chief executive of each of the Company and its subsidiaries, the Company is not aware of any of its connected persons (as defined in the Listing Rules) having interests in 10% or more of the issued share capital of the Company. So far as the Company is aware, the said top 18 CCASS participants are banks, custodians or brokers. The Company believes that otherwise as mentioned above, such banks, custodians and brokers held shares as custodians on behalf of their respective clients, and that save for (i) Yue Da HK being a substantial shareholder (as defined under the Listing Rules) of the Company; and (ii) some Shares held by the said top 18 CCASS participants are attributable to Mr Dong Li Yong and Mr Qian Jin Biao, an executive Director and Financial Controller of the Company respectively (as disclosed under Notes 3(b) and 3(c) above), the said top 18 CCASS participants shareholders are not related to or connected with any of the connected persons of the Company as defined under the Listing Rules. The Company does not have knowledge as to whether such 18 CCASS participants are related to or connected with each other.

In any event, the Directors confirm that, based on the information made available, the Directors believe that to the best of their knowledge and belief on the information available to them, not less than 25% of the issued share capital of the Company is in public hands and the Company is able to comply with the public float requirement under the Listing Rules.

The Directors confirm that, in their opinion, they are not aware of any other matter discloseable under Rules 13.09 or 13.23 of the Listing Rules save for the disclosures made by the Company in 2007.

The Company makes this announcement to keep the market informed at the request of the Stock Exchange. **In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

List of Directors

As at the date of this announcement, the board of directors of the Company comprises the following members: (a) as executive Directors, Mr Hu You Lin, Mr Dong Li Yong and Mr Chen Gang; (b) as non-executive Directors, Mr Liu Xiaoguang and Mr Qi Guangya; and (c) as independent non-executive Directors, Mr Cai Chuan Bing, Ms Leung Mei Han, Mr Cui Shu Ming and Mr Han Runsheng.

By order of the board of directors of
Yue Da Holdings Limited
Hu You Lin
Chairman

Hong Kong, 23 May 2007

Please also refer to the published version of this announcement in The Standard.