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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF FACTORY BUILDING

The Board announces that on 15 March 2021, the Vendors, each a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Factory Building for the Consideration of RMB30,000,000.

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% and all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Disposal is subject to the satisfaction of the condition under the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the announcements of the Company dated 8 June 2020 and 18 June 2020 in relation to the agreement entered into by the Vendors in relation to the then contemplated disposal of the Factory Building, which was subsequently terminated on 18 June 2020 after the then purchaser having further considered the circumstances surrounding the then contemplated disposal.

The Board announces that on 15 March 2021, the Vendors, each a wholly-owned subsidiary of the Company, entered into the Agreement in respect of the Disposal. The salient terms of the Agreement are summarized below:

Date: 15 March 2021

Parties:

- (a) Vendors:**
- (i) 瀋陽遠大鋁業工程有限公司 (Shenyang Yuanda Aluminium Industry Engineering Co., Ltd.), a wholly-owned subsidiary of the Company;
- (ii) 瀋陽遠大鋁業工程有限公司新能源幕牆分公司 (Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. New Energy Curtain Wall Branch Office), a wholly-owned subsidiary of the Company; and
- (b) Purchaser:** 成都久和建設設備有限責任公司 (Chengdu Jiuhe Construction Equipment Co., Ltd.), a company which is principally engaged in the business of tower crane transmission mechanism manufacturing, sales and service. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its connected persons are independent of and not connected with the Company and its connected persons. As at the date of the Agreement and to the best of the Directors' knowledge, the Purchaser is owned by 44 individuals as detailed below:

	Beneficial	% of		Beneficial	% of
No.	owners	shareholdings	No.	owners	shareholdings
1	Li Xuezhi	17.93%	23	Zhu Lirong	0.71%
2	Chi Xiangping	13.39%	24	Cheng Hua	0.71%
3	Liu Xingping	12.73%	25	Liu Fulian	0.68%
4	He Ning	8.82%	26	He Ying	0.62%
5	Yi Chengke	5.55%	27	Jin Zhaoyong	0.57%
6	Kong Qingyu	5.11%	28	Liu Xi	0.42%
7	Chen Yuanfan	3.90%	29	Xu Jian	0.36%
8	Liao Zhenzhong	3.41%	30	Yi Chenghong	0.34%
9	Luo Jian	2.27%	31	Lan Jianping	0.34%
10	Gou Tong	2.12%	32	Wang Ping	0.34%
11	Wen Zuosheng	2.11%	33	Pang Haiyan	0.31%
12	Zhou Li	2.02%	34	Yang Xuehai	0.28%
13	Wang Xu	1.82%	35	Qiu Suying	0.23%
14	Tang Anli	1.70%	36	Liu Gang	0.23%
15	Liu Yizhong	1.70%	37	Lv Anming	0.20%
16	Cai Yongmao	1.52%	38	Gou Lihua	0.17%
17	Zhang Qigang	1.45%	39	Tong Li	0.15%
18	Lv Feifan	1.30%	40	Li Fengchun	0.11%
19	Liu Lian	1.14%	41	Chen Yongguo	0.11%
20	Du Juan	1.11%	42	Liu Jigen	0.11%
21	Yang Xiaofei	0.90%	43	Qiu Jingui	0.03%
22	Fu Jiashuang	0.90%	44	Wu Guicheng	0.03%

Agreement:

Pursuant to the Agreement, the Vendors agreed to sell and the Purchaser agreed to purchase the Factory Building upon the terms contained therein.

Factory Building:

The Factory Building comprises of certain industrial factory buildings of gross floor area of approximately 28,635.90 square meters located at the Shuangliu Southwest Airline Airport Economic Development Zone (雙流西南航空港經濟開發區) of Chengdu City, Sichuan Province, the PRC. For the avoidance of doubt, the relevant land (where no land use right certificate has been obtained) upon which the Factory Building is erected on is not subject to the Disposal pursuant to the Agreement.

Consideration:

The Consideration is RMB30,000,000.

The Consideration was determined after arm's length negotiation between the parties with reference to, amongst other things, the valuation of the Factory Building made by an independent valuer as at 10 March 2021 of RMB29,234,394, the location of the Factory Building, the book value of the Factory Building as at 31 December 2020 as well as the expected property market sentiment.

Terms of Payment:

The Consideration will be payable to the Vendors in the following manner:

- (a) an initial payment of RMB6,000,000, equivalent to 20% of the Consideration will be paid by the Purchaser to the Vendors within 10 days upon the signing of the Agreement; and
- (b) the balance of the payment of RMB24,000,000 will be paid by the Purchaser to the Vendors within 30 days upon completion of the transfer of the Factory Building to the Purchaser.

Based on the latest unaudited financial statement as at 30 June 2020, the net asset value of the long term assets related to the Factory Building is approximately RMB25,000,000. On the assumption that the Disposal has been completed as at 30 June 2020, and taking into consideration of the Consideration in the amount of RMB30,000,000, the Group is expected to realize a gain before income tax on Disposal of approximately RMB1,483,000. However, the actual amount of net gains from the Disposal can only be determined after completion of the transaction. Further, the actual amount of net gain or loss is subject to audit and may be subject to change.

The Company currently intends to use the proceeds from the Disposal as general working capital of the Group.

Completion

Completion of the Disposal is conditional upon the Vendors and the Purchaser having obtained all requisite approvals required under the relevant laws and regulations and all necessary consents from third parties required for the Disposal.

The above condition cannot be waived, if the above condition cannot be fulfilled, the parties to the Agreement have the right to terminate the Agreement in writing and neither party will be liable to the other except for antecedent breaches.

Reason for the Disposal

The Factory Building is in idle state and currently not being used by the Group, the Factory Building does not have the property ownership certificate obtained due to historical reason. Despite of the absence of title documents, the Company possessed ownership in respect of the Factory Building, and has obtained the necessary consent for the Disposal. Upon completion of the Disposal, the Group's existing factory buildings located at the Shuangliu Southwest Airline Airport Economic Development Zone can operate as usual and the Group's production in the southwest area will not be affected. The Directors believe that the Disposal will serve to reduce the surplus assets of the Group and streamline the assets structure. Furthermore, the proceeds and the possible gain from the Disposal may improve the financial position of the Group and provide additional general working capital to the Group.

As the Disposal is being carried out under normal commercial terms and serves to streamline the assets structure of the Group, the Directors, including the independent non-executive Directors, are of the view that the terms and conditions of the Agreement are on normal commercial terms and that the Disposal is in the interest of the Company and its Shareholders as a whole.

General

The Group is a provider of one-stop integrated curtain wall solutions including the design of curtain wall systems, procurement of materials, fabrication and assembly of curtain wall products, performing testing, installation of products at construction sites, and after-sales services.

Listing Rules Implications

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% and all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Disposal is subject to the satisfaction of the condition under the Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

Definitions

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the agreement dated 15 March 2021 between the Vendors and the Purchaser;
“Board”	the board of Directors;
“Company”	Yuanda China Holdings Limited, a company incorporated in Cayman Islands, the securities of which are listed on the main board of the Stock Exchange;
“connected person”	has the meanings ascribed to it under the Listing Rules;
“Consideration”	the consideration for the sale of the Factory Building in the sum of RMB30,000,000;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Factory Building by the Vendor;
“Factory Building”	the industrial factory building located at the Southwest Airline Airport Economic Development Zone, Chengdu City, Sichuan Province, the PRC;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Purchaser”	成都久和建設設備有限責任公司 (Chengdu Jiuhe Construction Equipment Co., Ltd.);
“Shareholders”	the holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“Vendors”

瀋陽遠大鋁業工程有限公司 (Shenyang Yuanda Aluminium Industry Engineering Co., Ltd.) and 瀋陽遠大鋁業工程有限公司新能源幕牆分公司 (Shenyang Yuanda Aluminium Industry Engineering Co., Ltd. New Energy Curtain Wall Branch Office), each a wholly-owned subsidiary of the Company.

By Order of the Board
Yuanda China Holdings Limited
Kang Baohua
Chairman

The PRC, 15 March 2021

As at the date of this announcement, the executive Directors are Mr. Kang Baohua,, Mr. Liu Futao, Mr. Ma Minghui, Mr. Wang Hao, Mr. Zhao Zhongqiu 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.