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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
LAND RESUMPTION

LAND RESUMPTION

On 7 August 2019, Foshan Yuanda, a wholly-owned subsidiary of the Company, entered into the Land Resumption Agreement with the Local Representatives, in respect of the Land Resumption. Pursuant to the Land Resumption Agreement, Foshan Yuanda shall surrender the Resumed Land to Foshan Land Reserve Center at a consideration by way of cash compensation of RMB116, 060, 000.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 5%, but do not exceed 25%, the Land Resumption constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

LAND RESUMPTION AGREEMENT

DATE OF THE LAND RESUMPTION AGREEMENT

7 August 2019 (after trading hours)

PARTIES TO THE LAND RESUMPTION AGREEMENT

- (i) Foshan Yuanda, a direct wholly-owned subsidiary of the Company;
- (ii) Foshan Land Reserve Center; and
- (iii) Foshan Administrative Committee.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Foshan Land Reserve Center and Foshan Administrative Committee is a government authority in Foshan, the PRC and their respective ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the Land Resumption Agreement, Foshan Yuanda shall surrender, and Foshan Land Reserve Center shall resume, the Resumed Land.

LAND TO BE RESUMED

The Resumed Land comprise of one parcel of land with an aggregate site area of approximately 119,033.9 sq.m, located at the northside of Kui Qi Xi Road, Nan Zhuang Town, Chancheng District, Foshan City, Guangdong Province, the PRC. The Resumed Land has been approved for industrial use. Further to the land planning requirement of the Local Government, Foshan Yuanda agreed to surrender the Resumed Land to the Foshan Land Reserve Center pursuant to the Land Resumption Agreement. As at the date of this announcement, the Resumed Land remained undeveloped and was an idle land held by Foshan Yuanda.

Pursuant to the Land Resumption Agreement, Foshan Yuanda shall surrender the land use rights of the Resumed Land to Foshan Land Reserve Center and arrange for the de-registration of the land title under its name upon the entering of the Land Resumption Agreement.

COMPENSATION AND PAYMENT TERMS

Pursuant to the Land Resumption Agreement, the total compensation payable to Foshan Yuanda for the Land Resumption will be RMB116,060,000, which shall be payable in cash by Foshan Land Reserve Center to Foshan Yuanda within two (2) business days upon completion of the de-registration procedure of the land title of the Resumed Land in the name of Foshan Yuanda.

The compensation for the Land Resumption was determined after arm's length negotiations between Foshan Yuanda and Foshan Land Reserve Center with the reference to the laws, regulations, and procedures applicable to resumption of state-owned land in Chancheng District, Foshan, the PRC and a valuation of the Resumed Land assessed by RHL International, an independent professional surveyor engaged by Foshan Yuanda, of the value of the Resumed Land as at 31 July 2019. The Directors consider the terms of the Land Resumption Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

COMPLETION

Upon surrender of the Resumed Land, the Resumed Land shall be in good condition without any debt, pledge and/or other encumbrances.

REASONS AND BENEFITS FOR THE LAND RESUMPTION

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.

The Resumed Land was acquired by Foshan Yuanda in 27 March 2017. At the time of acquisition, it was originally planned that the Resumed Land will be used for the expansion of factory by Foshan Yuanda. As a result of the delay in the transfer of the high-voltage cable facilities for the Resumed Land by the Local Government, Foshan Yuanda was unable to commence construction and development on the Resumed Land as scheduled pursuant to the state-owned construction land use right contract then entered. The Resumed Land has been put on idle for years. As at the date of this announcement, the Resumed Land remained undeveloped. Accordingly, the Board is of the view that the Land Resumption will not have any material adverse effect on the Group's day-to-day production and operation management. Further, with reference to the valuation of the Resumed Land as assessed by RHL International, the compensation for the Land Resumption is considered to be fair and reasonable. Accordingly, the Company is willing to cooperate with the Local Government for the Land Resumption. Furthermore, the proceeds and the estimated gain from the Land Resumption could provide additional cash flow and enhance the working capital situation of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Land Resumption Agreement contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Financial Effects Of the Land Resumption

Base on the latest audited financial statement as at 31 December 2018, the net book value of the Resumed Land is approximately RMB112 million, on account of the compensation of approximately RMB116 million, the Company is expected to record an estimated net gain before tax from the Land Resumption of approximately RMB4 million. The actual amount of gain from the Land Resumption to be recorded by the Group is subject to audit and will take into account any costs and expenses incurred relating to the Land Resumption, and accordingly it may be different from the amount stated above.

Proposed Use of Proceeds

The Company currently intends that, subject to actual circumstances and decision of the Board when concrete details of proposed uses are put forward for consideration, all of the net proceeds from the Land Resumption will be used for the Group's general working capital.

INFORMATION OF THE PARTIES TO THE LAND RESUMPTION AGREEMENT

Foshan Yuanda is a wholly-owned subsidiary of the Company and is principally engaged in design, procurement, production, sale and installation of curtain wall systems.

Each of Foshan Land Reserve Center and Foshan Administrative Committee is a government authority in Foshan and, for the purpose of the Land Resumption, is the local authority responsible for the Land Resumption and the preliminary organization work of listing-for-sale of the Resumed Land.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Resumption exceed 5%, but do not exceed 25%, the Land Resumption constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements but is exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Yuanda China Holdings Limited, a company registered in Cayman Islands, the Shares of which are listed on the Main Board of Stock Exchange
“connected person(s)”	has the same meaning ascribe under the Listing Rules
“Directors(s)”	the directors of the Company
“Foshan Administrative Committee”	廣東佛山禪城經濟開發區管理委員會 (Guangdong Foshan Chancheng District Economic and Development Zone Administrative Committee*)
“Foshan Land Reserve Center”	佛山市禪城區土地儲備中心 (Foshan Chancheng District Land Reserve Center*), a PRC government authority under the 佛山市禪城區國土資源局 (Foshan Chancheng District Municipal Bureau of Planning and Natural Resource*)
“Foshan Yuanda”	Foshan Yuanda Aluminum Engineering Industry Limited (佛山遠大鋁業工程有限公司), a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	a person or company who or which is, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and its connected persons
“Land Resumption”	the resumption of the Resumed Land by Foshan Land Reserve Center pursuant to the terms and conditions of the Land Resumption Agreement
“Land Resumption Agreement”	an agreement dated 7 August 2019 entered into by and among Foshan Yuanda and the Local Representatives in relation to the Land Resumption

“Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
“Local Government”	the People’s Government of Chancheng District, Foshan
“Local Representatives”	Foshan Administrative Committee and Foshan Land Reserve Center
“PRC”	the People’s Republic of China
“Resumed Land”	the land located at the northside of Kui Qi Xi Road, Nan Zhuang town, Chancheng district, Foshan City, Guangdong Province, the PRC with an aggregate site area of approximately 119,033.9 sq.m., which is intended to be resumed by Foshan Land Reserve Center pursuant to the Land Resumption Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary shares of the Company
“Shareholder(s)”	holders of the Shares
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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

The People’s Republic of China, 7 August 2019

As at the date of this announcement, the executive Directors 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 are Mr. Poon Chiu Kwok, Mr. Woo Kar Tung, Raymond and Mr. Pang Chung Fai, Benny.