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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 8 June 2020, the Vendors, each a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendors 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.

The Board announces that on 8 June 2020, 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: 8 June 2020

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: 深圳光韻達光電科技股份有限公司(Shenzhen Guangyunda Photoelectric Technology Co., Ltd.), a company which is principally engaged in the business of research and development of laser application technology, the shares of which are listed on ChiNext of the Shenzhen Stock Exchange (stock code: 300227). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

Sale and purchase:

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 Southwest Airline Airport Economic Development Zone (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 location of the Factory Building, the current market value of comparable properties in the proximity of the Factory Building, the book value of the Factory Building as at 31 December 2019 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 after 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 audited financial statement as at 31 December 2019, the net asset value of the long-term assets related to the Factory Building is approximately RMB26,000,000. On the assumption that the Disposal has been completed as at 31 December 2019, 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 RMB2,550,000. 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 currently not being used by the Group and 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. The Disposal will serve to reduce the surplus assets of the Group and streamline the assets structure of the Group take into consideration of the low utilization of the Factory Building in the past and coupled with the high maintenance cost. Furthermore, the proceeds and the possible gain from the Disposal could provide additional cash flow and enhance the working capital situation of 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 8 June 2020 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 Vendors;
“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”	People’s Republic of China;
“Purchaser”	深圳光韻達光電科技股份有限公司 (Shenzhen Guangyunda Photoelectric Technology Co., Ltd.), an independent third party, the purchaser of the Factory Building;
“Shareholders”	the holders of the shares of the Company;
“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

8 June 2020

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.