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大中華集團有限公司  
GREAT CHINA HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 141)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES**

The Board wishes to announce that on 26 March 2019 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreements with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Properties at the Consideration of approximately RMB20.4 million.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is above 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules.

### **THE ACQUISITION**

The Board announces that on 26 March 2019, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreements with the Vendor for the acquisition of the Properties at the Consideration of approximately RMB20.4 million.

## THE AGREEMENTS

### Date:

26 March 2019 (after trading hours)

### Parties:

Purchaser : Poppins Properties (Shanghai), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and

Vendor : Liaoning Jijia, a company incorporated in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries,

(i) the Vendor is principally engaged in real estate development, sales of commercial properties and leasing of properties; and

(ii) save that

(a) Ms. 呂世芬, who is the mother of Mr. Jiang Tian (“**Mr. Jiang**”) (the Chairman, the executive Director and the controlling shareholder of the Company) (“**Ms. Lu**”) is a supervisor of the Vendor; and

(b) the Vendor is wholly owned by Anshan Youxin, which is directly held by two individuals, namely Mr. 呂林橋 (“**Mr. Lu**”) and Ms. 杜巧玲 (“**Ms. Du**”), of which (A) Mr. Lu is the grandson of Ms. Lu's grandfather's brother's elder son (堂伯的孫子) and he is also the supervisor of Anshan Youxin; and (B) Ms. Du is the cousin of Ms. Lu (being the daughter of Ms. Lu's aunt on her mother's side (表姨的女兒)) and she is also the executive director and manager of both the Vendor and Anshan Youxin,

the Vendor and its ultimate beneficial owners are Independent Third Parties.

Despite of the relationship disclosed above, the Directors consider that the Vendor should not be deemed as a connected person of the Company and the Acquisition should not be subject to connected transaction requirements under the Listing Rules, taking into account, *inter alia*, the following:

1. the supervisory role held by Ms. Lu and the mere fact that the Vendor is ultimately owned and controlled by the remote relatives of Mr. Jiang should not prejudice the independence of the Vendor;
2. the decision of the Board to proceed with the Acquisition is not because of the relationship between Mr. Jiang and the remote relatives, but was determined by the Board with reference to the location of the Properties, the nature, type and price of properties in the vicinity and the investment value as well as the market value of the Properties as at 31 December 2018, as appraised by an independent valuer (the “**Valuation**”); and
3. save as the shareholders of the Vendor, being the remote relatives will in any event, be indirectly entitled to the proceeds from the Acquisition, no further benefits will be conferred to the remote relatives as a result of the Acquisition. Further, except for the terms of the Consideration, which was determined after arm’s length negotiations among the Purchaser and the Vendor and on normal commercial terms, the Acquisition will be made via electronic and online contracts pursuant to local regulation, which contain terms similar to those entered into by other purchasers (who are Independent Third Parties) with the Vendor.

**Properties to be acquired:**

Shop Unit Nos. 5 to 15 on Level 1 and 2, Jia Bao New City, No. 46 Technology Road, Lishan District, Anshan City, Liaoning Province, the PRC.

The Properties comprise a total of 11 contiguous double deck shop units within a 2-storey retail building in a newly constructed private housing estate, in which more than 90% of the residential units had been sold as at the date of this announcement. The total gross floor area of the Properties is approximately 2,549.29 square metres. The land use rights of the land parcel which the Properties are situated are for commercial/residential usage subject to a term expiring on 29 December 2055 for commercial usage and on 29 December 2085 for residential usage, respectively. The Vendor shall deliver vacant possession of the Properties upon completion of the Acquisition.

**Consideration:**

The Consideration of approximately RMB20.4 million shall be payable in cash in full by the Purchaser on or before 26 April 2019, which will be settled by the net proceeds raised from the general mandate placing of the Company conducted in early 2017.

The Consideration was determined after arm's length negotiations among the Purchaser and the Vendor taking into account the prevailing market conditions of the property market in the PRC and prevailing market price for similar properties in the vicinity, by reference to the Valuation.

**Completion:**

Completion shall take place on or before 30 April 2019.

**REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is an investment holding company and the principal activities of its subsidiaries mainly include property investment and trading in the PRC, in particular, the leasing and sale of properties situated in the PRC (other than Hong Kong) including the short-term leasing of properties held for sales.

In view of the location and the commercial use and the investment value of the Properties, the Directors consider that the Acquisition is in line with the business development and expansion plan of the Group. The Directors further consider that the Acquisition represents a strategic move to increase the property portfolio of the Group in Liaoning Province where it is considered to have greater development potential. The Properties therefore are more likely to provide a more reasonable and better return for the Company's investment when compared to investment in properties in first-tier cities in the PRC. The Properties are intended to be properties held for investment, and through this property investment opportunity, the Company can enrich its property portfolio, strengthen its core business and broaden its source of income, thereby achieving sustainable growth of the Company. The Acquisition will provide capital appreciation potential to the Group, and the Properties, if leased, will enable the Group to generate rental income and strengthen its income base.

In view of the above, the Directors are of the view that the terms of the Agreements are fair and reasonable and the entering into of the Agreements is in the best interests of the Company and its shareholders as a whole.

**IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is above 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor pursuant to the Agreements
“Agreements”	the agreements for sale and purchase dated 26 March 2019 entered into between the Vendor and the Purchaser in respect of the Acquisition
“Anshan Youxin”	Anshan Youxin Investment Co. Limited* (鞍山友薪投資有限公司), a company incorporated in the PRC with limited liability, being the sole shareholder of the Vendor
“Board”	the board of Directors
“Company”	Great China Holdings Limited (Stock Code: 0141.HK), a company incorporated with limited liability in Hong Kong and the shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration for the Acquisition, being approximately RMB20.4 million
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	遼寧省鞍山市立山區科技路46號嘉寶新城一層及二層商鋪5至15號 (Shop Unit Nos. 5 to 15 on Level 1 and 2, Jia Bao New City, No. 46 Technology Road, Lishan District, Anshan City, Liaoning Province, the PRC*) with a total gross floor area of approximately 2,549.29 square metres

“Purchaser” or “Poppins Properties (Shanghai)”	Poppins Properties (Shanghai) Co., Ltd* (博平置業(上海)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Liaoning Jijia”	Liaoning Jijia Property Development Co., Limited* (遼寧集佳房屋開發有限公司), a company incorporated in the PRC with limited liability, being the vendor of the Properties

By Order of the Board  
**Great China Holdings Limited**  
**JIANG Tian**  
*Chairman and Chief Executive*

Hong Kong, 26 March 2019

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. JIANG Tian, Ms. HOU Yingxuan, Mr. GONG Biao and Mr. GAO Keqin; one non-executive Director, namely, Mr. CHAI Yuet; and three independent non-executive Directors, namely, Mr. HU Jianxing, Mr. TSEUNG Yuk Hei Kenneth and Mr. JI Qing.*

\* For identification purpose only