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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)**

**ANNOUNCEMENT PURSUANT TO RULES 13.51B(2) AND 13.51(2)(h)  
OF THE LISTING RULES**

This announcement is made by Yuanda China Holdings Limited (the “**Company**”) pursuant to Rules 13.51B(2) and 13.51(2)(h) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of the Company has been informed that Mr. Pang Chung Fai, Benny (“**Mr. Pang**”), an independent non-executive director of the Company, has been criticized by the Stock Exchange on 15 July 2019 in relation to his breach of Rule 5.01(6) of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and his obligations under the Declaration and Undertaking given by him to the Stock Exchange set out in Appendix 6-A of the GEM Listing Rules, in discharging his duties as an independent non-executive director (which he had retired since 1 June 2018) of China Regenerative Medicine International Limited (Stock Code: 8158) (“**CRMI**”), and for failing to use his best endeavors to procure CRMI to comply with the GEM Listing Rules in relation to certain lending activity conducted by CRMI (the “**Criticism**”). At all material times, Mr. Pang had raised his concern over the lending activity conducted by CRMI in a numerous occasions, although his recommendations were not accepted. Pursuant to the Criticism, Mr. Pang is directed to complete 24 hours of trainings in relation to the GEM Listing Rules compliance, director’s duties and corporate governance matters together with four hours of training on Chapter 19 and Appendix 15 of the GEM Listing Rules. The related news release (the “**News Release**”) of the Stock Exchange can be found on the website of the Stock Exchange.

To the best knowledge, information and belief of the Board, the above issues do not relate to the current affairs of the Company and will not have any impact on the Company, nor have any effect on Mr. Pang’s discharge of his duties as an independent non-executive director, a member of each of the audit committee, nomination committee and remuneration committee of the Company.

The Board would like to further elaborate its view as follows:

1. the nature of the Criticism did not involve fraud or dishonesty or casted doubt on Mr. Pang's integrity. In the News Release, the Stock Exchange did not raise concern on Mr. Pang's suitability to act an independent non-executive of the Company. Mr. Pang's breaches of the relevant GEM Listing Rules were also not found to be willful and persistent;
2. the Board concurs with the direction of the Stock Exchange that Mr. Pang was required to complete the relevant trainings on GEM Listing Rules compliance, director's duties and corporate governance matters. It is expected that Mr. Pang will learn from the Criticism and will be even more equipped after his completion of such trainings; and
3. Mr. Pang has confirmed to the Board that (i) he has provided proposal to the Stock Exchange, and has obtained the Stock Exchange's confirmation, in relation to the trainings to be completed by him; and (ii) he believed that he has sufficient experience and the competency to continue to act as an independent non-executive of the Company and the Criticism will not have any impact on the Company.

Importantly, the Board would like to stress that, Mr. Pang has been contributing to the Company diligently with due care since his appointment as an independent non-executive director of the Company. The Criticism has not substantively influenced on the Board's judgment on the suitability of Mr. Pang as an independent non-executive Director of the Company.

Mr. Pang has confirmed to the Company that save as disclosed in the News Release and this announcement, there is no other matter that needs to be brought to the attention of the shareholders of the Company.

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

The PRC, 8 August 2019

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