

TARGET

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CHINA SANDI HOLDINGS LTD: ARE THE MINORITY SHAREHOLDERS OF THIS COMPANY OVERJOYED WITH THEIR LOT ?

Scanning the 264-pages of the 2022 Annual Report of China Sandi Holdings Ltd (中國三迪控股有限公司) (Code: 910, Main Board, The Stock Exchange of Hongkong Ltd), it does appear that something eerie was in the wind, that something, being, in a word, amorphous.

China Sandi Holdings Ltd is a corporate entity, domiciled in Bermuda.

Its shares have been listed on the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** for the past 25 years.

The Company went through a number of changes with regard to the name of the Company.

When it was first listed on The Stock Exchange of Hongkong Ltd, back in 1998, it was known as Good Fellow Group Ltd (金威集團控股有限公司).

The Ultimate Controlling Shareholder of the Company, today, is Mr Guo Jia Di (郭加迪), the Chairman of the Board of Directors as well as being an Executive Director of the Company.

The Company is engaged, exclusively, in the investment and development of properties in the PRC, proper, being separate and distinct from the HKSAR.

The Total Revenue of the Company is measured in the billions of renminbis, the **renminbi (RMB)**, being the functional currency of the PRC.

The Net Profit of the Company, in respect of the Financial Year, ended December 31, 2022, was that which could only be described, relatively, as being a pitiful RMB14,276,000.00.

At Page 95 of the 2022 Annual Report of the Company, it was noted by this medium that there had been a '*Loss on disposal of subsidiaries*', amounting to RMB401,989,000.00.

Turning to Pages 219 through to 222 of the 2022 Annual Report, specifically Note 30 to the Notes of the Accounts, the following matters, relating to the '**DISPOSALS OF SUBSIDIARIES**', were presented:

‘(a) Disposal of 100% equity interests in Link Equity International Limited (together with its subsidiaries, namely, Best Way Industries Incorporated and Bestway Success Development Limited) (“Link Equity Group”)

The disposal of Link Equity Group was completed on 1 March 2022 to an independent third party at an aggregate consideration of US\$10.’

‘(b) Disposal of 100% equity interests in Xi’an Sanxie Real Estate Co., Ltd (西安三協置業有限公司) (“Xi’an Sanxie”)

The Group realised that the purchased land of Xi’an Sanxie, which was obtained via a government land auction, was relatively smaller than expected and was surrounded by other properties developers’ lands. After thorough internal discussion, the Group decided not to proceed with the development of the project. As a result, the Group disposed of Xi’an Sanxie. The disposal of Xi’an Sanxie was completed on 1 June 2022 to an independent third party at an aggregate consideration of RMB67,850,000.’

‘(c) Disposal of 100% equity interests in Xi’an Diyue Real Estate Development Co., Ltd (西安迪越房地產開發有限公司) (“Xi’an Diyue”)

In prior year, Xi’an Diyue borrowed from a PRC property developer (the “Lender”), who is an independent third party, (the “Loan”) while 30% of the shares of Xi’an Diyue have been pledged to the Lender as a security. During the year, the Loan was due to mature. After internal discussions, the Group decided not to proceed with this project in view of the significant requirement of resources to fulfil the significant capital commitment to complete this project and the foreseeable return. The Group decided to dispose of the whole project as a package at nil consideration to the Lender. The project was sold in this manner such that the Group could eliminate the indebtedness to the Lender of RMB600,000,000. The disposal of Xi’an Diyue was completed on 25 August 2022.’

‘(d) Disposal of its 60% equity interests in Nanping Sandi Xiangsong Real Estate Development Co., Ltd (南平三迪香頌房地產開發有限公司) (“Nanping Xiangsong”)

At the beginning stage, the location of project of Nanping Xiangsong was originally set out as an area of tourism and ecological resort. However, at a later stage, the local government decided to have an airport to be built nearby. This unexpected change caused the Group to decide for disposal of the whole project as a package in order to minimise the cost to be incurred to sell the properties individually by each unit. Therefore, the Group decided to dispose of all of its 60% equity interests in Nanping Xiangsong. The disposal of Nanping

Xiangsong was completed on 29 September 2022 to an independent third party at a consideration of RMB30,000,000. '

And there one has it: The reasons for the RMB401,989,000.00 '*Loss on disposal of* (former) *subsidiaries*' ... [CLICK TO ORDER FULL ARTICLE](#)

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