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YIDA 亿达
YIDA CHINA HOLDINGS LIMITED
億達中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3639)

CONNECTED TRANSACTION
LOAN AGREEMENT

LOAN AGREEMENT

On 3 December 2019, the Borrower (a wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Lender pursuant to which the Lender agreed to provide the Loan of up to RMB288,500,000. Pursuant to the Loan Agreement, the Group also entered into the Pledge Agreement and the Guarantee Agreement in favour of the Lender as security for the Loan.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Lender is a direct wholly-owned subsidiary of Minsheng Jiaye. As at the date of this announcement, Minsheng Jiaye owned as to 100% of Shanghai Pinzui Enterprise Management Ltd., who in turns owned as to 100% of Jiahuang (Holdings) Investment Limited, who in turns owned as to 100% of Jiayou. As at the date of this announcement, Jiayou owned as to approximately 61.20% of the shares of the Company in issue and a controlling shareholder (as defined under the Listing Rules) of the Company. Accordingly, the Lender is a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the transaction contemplated under the Loan Agreement is more than 5% and all are below 25%, the entering of the Loan Agreement is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE EGM

An EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, the Transactions. Jiayou and its associates will abstain from voting at the EGM in respect of the resolution approving the Transactions.

The Independent Board Committee of the Company, comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, has been established to advise the Independent Shareholders in respect of the Transactions. Gram Capital will be appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

A circular containing, among other things, further particulars of the Transactions, together with the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice convening the EGM is expected to be despatched to the Shareholders on or before 20 December 2019.

INTRODUCTION

On 3 December 2019, the Borrower (a wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Lender pursuant to which the Lender agreed to provide the Loan of up to RMB288,500,000. Pursuant to the Loan Agreement, the Group also entered into the Pledge Agreement and the Guarantee Agreement in favour of the Lender as security for the Loan.

THE LOAN AGREEMENT

Parties to the Loan Agreement

Date: 3 December 2019

Parties: (1) Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司) (a wholly-owned subsidiary of the Company) as the Borrower; and
(2) Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司) as the Lender.

As at the date of this announcement, the Lender is a direct wholly-owned subsidiary of Minsheng Jiaye. As at the date of this announcement, Minsheng Jiaye owned as to 100% of Shanghai Pinzui Enterprise Management Ltd., who in turns owned as to 100% of Jiahuang (Holdings) Investment Limited, who in turns owned as to 100% of Jiayou. As at the date of this announcement, Jiayou owned as to

approximately 61.20% of the shares of the Company in issue and a controlling shareholder (as defined under the Listing Rules) of the Company.

Principal terms of the Loan Agreement

Principal amount: An amount of up to a maximum amount of RMB288,500,000 in three (3) tranches as follows:

- (i) RMB230,000,000 (the “**First Tranche Loan**”)
- (ii) RMB11,500,000 (the “**Second Tranche Loan**”)
- (iii) RMB47,000,000 (the “**Third Tranche Loan**”)

Interest rate: Interests are payable at 8% per annum.

The interest rate under the Loan Agreement was determined based on the parties’ arm’s length negotiation with reference to, among others, the prevailing interest rates for PRC real estate companies’ domestic mortgage financing and bond issuance.

Term: The Loan has a term as follows:

- (i) the First Tranche Loan shall be divided into three (3) parts, pursuant to which, (a) the term for RMB22,000,000 shall commence from the relevant drawdown date and ending on the 14th day thereafter; (b) the term for RMB34,000,000 shall commence from the relevant drawdown date and ending on the 180th day thereafter; and (c) the term for the remaining RMB174,000,000 shall commence from the relevant drawdown date and ending on the 365th day thereafter;
- (ii) the term for the Second Tranche Loan shall commence from the relevant drawdown date and ending on 31 December 2019; and
- (iii) the term for the Third Tranche Loan shall commence from the relevant drawdown date and ending on 13 January 2020.

Usage: The purpose of the Loan is as follows:

- (i) in relation to the First Tranche Loan, for the purpose of remitting the First Tranche Loan to the Company for the payment of the Final Dividend, or any other purpose as the Lender considers appropriate;

- (ii) in relation to the Second Tranche Loan, for the purpose of repaying the Previous Loan A for Dalian Software; and
- (iii) in relation to the Third Tranche Loan, for the purpose of repaying the Previous Loan B for the Borrower.

Conditions Precedent: The Loan Agreement is subject to the following Conditions Precedent:

- (1) Dalian Yitong having entered into the Pledge Agreement in favour of the Lender, pursuant to which Dalian Yitong agreed to pledge the Dalian Yitong Pledged Assets in favour of the Lender as collateral for the Loan;
- (2) Dalian Zhongxing having entered into the Pledge Agreement in favour of the Lender, pursuant to which Dalian Zhongxing agreed to pledge the Dalian Zhongxing Pledged Assets in favour of the Lender as collateral for the Loan;
- (3) Yida Development having entered into the Guarantee Agreement in favour of the Lender, pursuant to which Yida Development agreed to guarantee the repayment obligations of the Borrower under the Loan Agreement;
- (4) the Borrower and the Lender having obtained their respective internal approval; and
- (5) the Independent Shareholders having approved the transactions contemplated under the Loan Agreement and the transactions contemplated thereunder at the EGM.

Security: Pursuant to the Loan Agreement, the Group also entered into the Pledge Agreement and the Guarantee Agreement in favour of the Lender as security for the Loan.

Please refer to the paragraphs headed “The Pledge Agreement” and “The Guarantee Agreement” below for details.

THE PLEDGE AGREEMENT

In consideration of the provision of the Loan to the Borrower under the Loan Agreement, the Pledge Agreement was entered into in favour of the Lender, pursuant to which Dalian Yitong and Dalian Zhongxing (each a wholly-owned subsidiary of the Company) agreed to charge to the Lender the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledge Assets as security to the obligations of the Borrower under the Loan Agreement.

The principal terms of the Pledge Agreement are summarized as follows:

Date: 3 December 2019

Parties: (i) the Lender as chargee;
(ii) Dalian Zhongxing as one of the chargors;
(iii) Dalian Yitong as one of the chargors; and
(iv) the Borrower.

Subject: Pursuant to the Pledge Agreement, Dalian Yitong and Dalian Zhongxing agreed to charge the following assets to the Lender as security to the obligations of the Borrower under the Loan Agreement:

	Pledged assets	Property ownership certificate no.	Total land/property area
(1)	The land use rights of two (2) plots of land located at Gan Jing Zi District, Dalian, the PRC and owned by Dalian Yitong (the “Dalian Yitong Pledged Assets”). The Dalian Yitong Pledged Assets has been approved for urban residential land purpose for the term until 30 December 2080. As at the date of this announcement, the asset value of the Dalian Yitong Pledged Assets amounted to RMB210,000,000.	Liao (2017) Dalian Neisi Real Estate No. 009000034 (遼(2017)大連市內四區不動產權第00900034號) Dagan Guo Yong (2011) No.40028 (大甘國用(2011)第40028號)	Total land area of 23,686.71 square meters Total land area of 5,236.43 square meters

(2)	The property and land use rights of the land located at Gaoxin Park District, Dalian, the PRC and owned by Dalian Zhongxing (the “Dalian Zhongxing Pledged Assets”). The Dalian Zhongxing Pledged Assets has been approved for wholesale and retail purpose for the term until 29 June 2050. As at the date of this announcement, the asset value of the Dalian Zhongxing Pledged Assets amounted to RMB193,020,000.	Gaoxin Yuanqu (2010) No. 05052 (高新園區國用(2010)第05052號)	Total land area of 12,597.4 square meters
		Liao (2019) Dalian Gaoxin Yuanqu Real Estate No. 05003978 (遼(2019)大連高新園區不動產權第05003978號)	Total property area of 8,534.33 square meters

Term of the Pledge Agreement: being the period commencing from the drawdown date of the First Tranche Loan and up to the date on which the Borrower fulfills all its repayment obligations under the Loan Agreement

THE GUARANTEE AGREEMENT

In consideration of the provision of the Loan to the Borrower under the Loan Agreement, the Guarantee Agreement was entered into in favour of the Lender, pursuant to which Yida Development (a wholly-owned subsidiary of the Company) agreed to provide a guarantee in favour of the Lender of the total guaranteed amount equivalent to the amount of the Loan.

INFORMATION ON THE PARTIES TO THE LOAN AGREEMENT

The Company and the Group

The Company is an investment holding company. The Group is the largest business park developer and leading business park operator in China, the main business involves the development and operation of business parks, sales of business park supporting residential buildings, office buildings and independent houses, business park entrusted operation management, provision of construction, decoration and landscaping services and property management services.

The Lender

As at the date of this announcement, the Lender is a direct wholly-owned subsidiary of Minsheng Jiaye. As at the date of this announcement, Minsheng Jiaye owned as to 100% of Shanghai Pinzui Enterprise Management Ltd., who in turns owned as to 100% of Jiahuang (Holdings) Investment Limited, who in turns owned as to 100% of Jiayou. As at the date of this announcement, Jiayou owned as to approximately 61.20% of the shares of the Company in issue and a controlling shareholder (as defined under the Listing Rules) of the Company. Accordingly, the Lender is a connected person of the Company under Chapter 14A of the Listing Rules.

China Minsheng Investment Corp., Ltd. owned as to 67.26% of Minsheng Jiaye.

The Lender is a company established in the PRC and principally engaged in investment management, industrial investment and asset management.

REASONS FOR AND BENEFITS OF THE LOAN

References are made to (i) the 2017 annual results announcement of the Company dated 26 March 2018; (ii) the poll results announcement of the Company dated 14 June 2018, in relation to, among others, payment of the Final Dividend; (iii) the announcements of the Company in relation to the delay in payment of the Final Dividend dated 28 September 2018, 28 December 2018, 29 March 2019, 12 April 2019 and 25 June 2019; and (iv) the announcement of the Company dated 10 June 2019 in relation to the financial condition of the Company.

As stated in the announcement of the Company dated 25 June 2019, the payment of the Final Dividend has been further delayed due to the unexpected and unforeseeable impact on the Group's financial condition caused by the liquidity difficulties encountered by China Minsheng Investments Corp. Ltd. As stated therein, the Company has proactively been implementing various measures to improve the overall cash and financial condition of the Group with an object to make payment of the Final Dividend by 31 December 2019. However, due to the continuous negative impact on the Group's financial status and financing brought about as a result of the liquidity difficulties encountered by China Minsheng Investments Corp. Ltd, the Company has yet to confirmed whether the Company will have sufficient cash resources to make payment of the Final Dividend by 31 December 2019. In order to ensure that the payment of the Final Dividend will not be further delayed, the Loan Agreement was entered into by the Group for the purpose of ensuring that the Company will have sufficient cash resources to make payment of the Final Dividend by or around 31 December 2019.

The Pledge Agreement and the Guarantee Agreement were entered into as security for the Loan. Upon the Loan being granted to the Company for the payment of the Final Dividend, the Company believes that it will enable the Company to exert its efforts to continue to improve its business operation. At the same time, the Company will continue to optimize its capital management and prevent the debt repayment risk. Further, the security provided for the Loan was intended to be short-term in nature. The Board is of the view that the chance that the Lender will be required to take enforcement against the security provided under the Pledge Agreement is relatively minimal.

The Directors (excluding the independent non-executive Directors who will express their view after considering the advice from the Independent Financial Adviser) are of the view that the Transactions, although are not in the ordinary and usual course of business, are entered into on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Lender is a direct wholly-owned subsidiary of Minsheng Jiaye. As at the date of this announcement, Minsheng Jiaye owned as to 100% of Shanghai Pinzui Enterprise Management Ltd., who in turns owned as to 100% of Jiahuang (Holdings) Investment Limited, who in turns owned as to 100% of Jiayou. As at the date of this announcement, Jiayou owned as to approximately 61.20% of the shares of the Company in issue and a controlling shareholder (as defined under the Listing Rules) of the Company. Accordingly, the Lender is a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the transaction contemplated under Loan Agreement is more than 5% and all are below 25%, the entering of the Loan Agreement is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE EGM

An EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, the Transactions contemplated thereunder. Jiayou and its associates will abstain from voting at the EGM in respect of the resolution approving the Transactions.

The Independent Board Committee of the Company, comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, has been established to advise the Independent Shareholders in respect of the Transactions. Gram Capital will be appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Transactions.

A circular containing, among other things, further particulars of the Transactions, together with the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice convening the EGM is expected to be despatched to the Shareholders on or before 20 December 2019.

GENERAL

None of the Directors has a material interest in the Transactions contemplated thereunder and no Director is required to abstain from voting on the board resolutions approving the Transactions.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Borrower”	Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement, principally engaged in property development in the PRC
“Company”	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 3639)
“Condition(s) Precedent”	the condition(s) precedent under the Loan Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Dalian Software”	Dalian Software Park Co., Ltd. (大連軟件園股份有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in operation of business park in the PRC
“Dalian Yitong”	Dalian Yitong Property Development Company Limited (大連益通房地產開發有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC
“Dalian Yitong Pledged Assets”	has the meaning as ascribed to it under the paragraph headed “The Pledge Agreement” of this announcement
“Dalian Zhongxing”	Dalian Software Park Zhongxing Development Co., Ltd. (大連軟件園中興開發有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC
“Dalian Zhongxing Pledged Assets”	has the meaning as ascribed to it under the paragraph headed “The Pledge Agreement” of this announcement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of, among others, approving the Transactions

“Final Dividend”	the final cash dividend of RMB8 cents per Share for the year ended 31 December 2017 declared by the Company and payable to the Shareholders whose names appear on the register of members of the Company on 25 June 2018
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the Guarantee Agreement dated 3 December 2019 entered into by Yida Development and the Lender, as further detailed in the paragraph headed “The Guarantee Agreement” in this announcement
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, established for the purpose of advising the Independent Shareholders on the Transactions
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), will be appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions
“Independent Shareholder(s)”	the Shareholder(s) other than Jiayou and its associates
“Jiayou”	Jiayou (International) Investment Limited (嘉佑(國際)投資有限公司), a company incorporated in the British Virgin Islands and owned as to approximately 61.20% of the Shares in issue as at the date of this announcement and a controlling shareholder (as defined under the Listing Rules) of the Company
“Lender”	上海嘉愈醫療投資管理有限公司(Shanghai Jiayu Medical Investment Management Co., Ltd.), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan granted to the Borrower by the Lender in a principal amount of up to a maximum amount of RMB288,500,000 under the Loan Agreement

“Loan Agreement”	the maximum amount loan agreement dated 3 December 2019 and entered into by the Borrower and the Lender in relation to the provision of the Loan by the Lender to the Borrower
“Minsheng Jiaye”	China Minsheng Jiaye Investment Co., Lt. (中民嘉業投資有限公司), a company established in the PRC
“Pledge Agreement”	the maximum amount pledge agreement dated 3 December 2019 entered into by Dalian Yitong, Dalian Zhongxing and the Lender, as further detailed in the paragraph headed “The Pledge Agreement” in this announcement
“Previous Loan A”	a loan in a total amount of RMB11,500,000 provided by the Lender to Dalian Software on an unsecured basis pursuant to a loan agreement entered on 18 November 2019, as no security over the assets of the Group was granted, the provision of Previous Loan A by the Lender was fully exempt from reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules
“Previous Loan B”	a loan in a total amount of RMB47,000,000 provided by the Lender to the Borrower on an unsecured basis pursuant to a loan agreement entered on 29 November 2019, as no security over the assets of the Group was granted, the provision of Previous Loan B by the Lender was fully exempt from reporting, announcement and independent shareholders’ approval requirements pursuant to Rule 14A.90 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Loan Agreement and the transactions (including the entering of the maximum amount Pledge Agreement and Guarantee Agreement) contemplated thereunder
“US\$”	United States dollars, the lawful currency of the United States

“Yida Development”

Yida Development Company Limited (億達發展有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC

“%”

per cent

By order of the Board
Yida China Holdings Limited
Chairman and Chief Executive Officer
Jiang Xiuwen

Hong Kong, 3 December 2019

As at the date of this announcement, the executive Directors are Mr. Jiang Xiuwen, Mr. Chen Donghui, Ms. Zheng Xiaohua, Mr. Yu Shiping and Mr. Xu Beinan, the non-executive Directors are Mr. Wang Gang, Mr. Zong Shihua and Mr. Zhou Yaogen and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.