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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)

**OFFER TO EXCHANGE AND CONSENT SOLICITATION
RELATING TO THE OUTSTANDING 6.95% SENIOR NOTES DUE 2020
(the “Existing Notes”, Stock Code: 5428)**

Introduction

On April 17, 2017, the Company issued the Existing Notes in an aggregate principal amount of US\$300,000,000 at 6.95% per annum, payable semi-annually in arrears, which will be due in 2020. The Existing Notes are listed on the Stock Exchange. The ISIN and Common Code are XS1598221338 and 159822133, respectively, for the Existing Notes. As of the date of this announcement, the outstanding principal amount are US\$300,000,000 under the Existing Notes.

On the date of this announcement, the Company commenced the offer to exchange for at least US\$225,000,000, or 75%, of the outstanding principal amount of the Existing Notes (the “**Minimum Acceptance Amount**”) upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum. In conjunction with the Exchange Offer, the Company is also soliciting from the Holders consents to the Proposed Amendments.

The Exchange Offer, once consummated, and the Proposed Amendments, once adopted and effected, will improve the overall financial condition of the Group, extend the Company’s debt maturity profile, strengthen the Company’s balance sheet and improve cash flow management as well as to relax restrictive covenants to obtain flexibility for the Company’s future business development.

Once the Proposed Amendments become effective and operative, non-tendering Holders of the Existing Notes will not be entitled to the benefit of substantially all of the restrictive covenants and certain events of default or other provisions under the Existing Notes Indenture in relation to their Existing Notes, and all Holders of the Existing Notes will be bound by the provisions of the Supplemental Indenture. For further details, please refer to “The Exchange Offer and Consent Solicitation” below.

Background and Purpose of the Exchange Offer and Consent Solicitation

As of the date of this Exchange Offer and Consent Solicitation Memorandum, Jiayou (International) Investment Limited, a company indirectly held by China Minsheng Jiaye Investment Co., Ltd. (“**Minsheng Jiaye**”), holds 61.20% of the Company’s total issued shares. China Minsheng Investment Group Corp., Ltd. (“**China Minsheng**”) holds 67.26% equity interest in Minsheng Jiaye. Asset freeze orders were imposed on China Minsheng in February and March 2019, including a freeze order in relation to China Minsheng’s interest in Minsheng Jiaye for a period of three years. The change in financial position of China Minsheng has negatively affected the Company’s access to financing and led to the occurrence of certain triggering events under certain of the Company’s loan agreements in the aggregate outstanding principal amount of approximately RMB4,277 million as of April 10, 2019 (the “**Yida Loans**”). Lenders of the Yida Loans may demand immediate payment of the outstanding principal, accrued interest and all other amounts accrued or outstanding. As a result, certain of the Company’s non-current borrowings were reclassified as current liabilities in the Company’s consolidated financial statements as of December 31, 2018 and the Company’s unaudited condensed consolidated financial statements as of June 30, 2019, causing a surge in current borrowings on the Company’s balance sheet.

The Company estimates that its existing internal resources may be insufficient to repay the Existing Notes, which is its only offshore debt, other than certain shareholder loans.

In light of the above, the Company is conducting this Exchange Offer and Consent Solicitation to improve its overall cash and financial condition, extend its debt maturity profile, strengthen its balance sheet and improve cash flow management. The Company is offering Eligible Holders of its Existing Notes the opportunity to exchange their Existing Notes for cash and New Notes with an extended maturity and terms designed to allow the Company to improve its overall financial condition and give it necessary financial stability to continue as a going concern.

If the Exchange Offer and Consent Solicitation are not successfully consummated, the Company may not be able to repay the Existing Notes upon maturity in April, 2020 and it may consider engaging Admiralty Harbour Capital Limited as its financial advisor to contemplate alternative debt restructuring exercise.

Available Financial Resources to Repay New Notes

The financial condition of China Minsheng has negatively affected the Company's financial condition and financing activities. Regardless, primarily to the financial condition of China Minsheng, the Company's operations remain relatively stable. For the six months ended in June 30, 2019, the Company's revenue increased to RMB2,332.7 million (US\$339.8 million) from RMB2,139.3 million for the corresponding period in 2018, and the Company's gross profit increased to RMB1,026.6 million (US\$149.5 million) for the six months ended in June 30, 2019 as compared to RMB550.2 million for the corresponding period in 2018. The Company believes it will have sufficient financial resources to repay the New Notes if the Exchange Offer and Consent Solicitation with respect to its Existing Notes are successfully consummated.

- *Pipeline of the Company's Residential Properties Available for Sale*

In 2020 and 2021, the Company plans to commence sales of certain of its major properties at premium locations in core second-tier cities, including Qingyun Tianxia, Hekou Bay, Dalian Blue Mountain, Changsha Town and Zhengzhou Science and Technology City. In addition, the Company may consider increasing its ownership interest in joint venture projects that it expects will generate attractive cash flow, to enhance its net cash flow in the second half of 2020 and 2021. Despite the negative impact from the current COVID-19 epidemic on its contracted sales, the Company expects these projects to generate sufficient contracted sales and cash flow.

- *Investment Properties*

As of June 30, 2019, the Company owned 11 business parks, of which six are partially completed and leased projects with a total leasable GFA of approximately 2.2 million sq.m. These business parks are mainly located in Dalian and Wuhan. Offices within the Company's business parks carried an aggregate book value of approximately RMB19.1 billion, including completed projects with an aggregate book value of RMB12.5 billion and projects under development or held for future development with an aggregate book value of RMB6.6 billion. The Company's business parks are available-for-sale assets.

- *Strategic Investors*

In addition, the Company continues to seek for future business partners and strategic investors who are willing to invest in the Company and grow with the Company from time to time. As of the date of this exchange offer and consent solicitation memorandum, the Company has not entered into any binding agreement with any partners or strategic investors. The Company will continue to look for any opportunities that it considers will enhance its credit profile, strengthen its balance sheet, and bring in business synergies as well as financial resources.

The Exchange Offer and Consent Solicitation

The Exchange Offer and Consent Solicitation for the Existing Notes commenced on February 26, 2020 and will expire at 4:00 p.m., London time, on March 9, 2020 (the “**Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company’s outstanding Existing Notes held by Eligible Holders and soliciting consents from Eligible Holders to certain proposed amendments to the Existing Notes Indenture, and to the execution by the Company, the Existing Notes Subsidiary Guarantors and the Existing Notes Trustee of an amendment to the Existing Notes Indenture giving effect to the Proposed Amendments (the “**Supplemental Indenture**”), for the Exchange and Consent Consideration. As of the date of the Exchange Offer and Consent Solicitation Memorandum, US\$300,000,000 in aggregate principal amount of the Company’s Existing Notes is outstanding.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer and Consent Solicitation will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange and Consent Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon. Any tendering Eligible Holder must tender its entire holding of Existing Notes for exchange.

By validly tendering the Existing Notes in the Exchange Offer, Eligible Holders will be deemed to have given Consent in the Consent Solicitation. Eligible Holders may not give Consent only without tendering Existing Notes. All Consents delivered and accepted will be deemed to be Consents to the Proposed Amendments as a whole.

The Proposed Amendments will become effective upon execution of the Supplemental Indenture to the Existing Notes Indenture but will not become operative until the Exchange Offer has been consummated. If the Proposed Amendments are accepted and effected, Existing Notes that are not tendered and accepted pursuant to the Exchange Offer will be subject to the Proposed Amendments. A separate instruction needs to be submitted per each beneficial owner of the Existing Notes held through Euroclear and Clearstream. Instructions in connection with the Exchange Offer and Consent Solicitation are irrevocable.

Exchange and Consent Consideration

The total Exchange and Consent Consideration for each US\$1,000 principal amount of the existing notes validly tendered prior to the Expiration Deadline and accepted for exchange (the “**Exchange and Consent Consideration**”) shall be a purchase price equal to (i) the amount of US\$80.00 per US\$1,000 in principal amount of the Existing Notes for which a valid tender under the Exchange Offer has been delivered (“**Cash Consideration**”); (ii) US\$920.00 in aggregate principal amount of the US\$ denominated Senior Notes due 2022 (the “**New Notes**”), which will bear interest at 10.0% per annum

for the six-month period starting from the Original Issue Date and 14.0% per annum for the remaining term of the New Notes, payable semi-annually in arrears and is expected to be listed on the SGX-ST and the Company has agreed that it shall not declare or pay dividends for as long as the New Notes remain outstanding, (iii) Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards), and (iv) subject to the requirement that any New Notes issued to any Eligible Holder be in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof, in the event that such Eligible Holder is entitled to receive any New Notes in a principal amount that is above US\$200,000 but is not an integral multiple of US\$1,000, cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the New Notes equal to the principal amount of the New Notes not issued (after rounding downward the amount of the New Notes to the nearest multiple of US\$1,000).

Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Existing Notes, being US\$225,000,000, or 75%, of the outstanding principal amount of the Existing Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation. In the event that the final acceptance rate is below 75%, the Exchange Offer and Consent Solicitation shall lapse automatically.

Mandatory Acceptance Threshold

If we receive valid tender of the Existing Notes for US\$270,000,000, or 90%, of the outstanding principal amount of the Existing Notes (the “**Mandatory Acceptance Threshold**”), or more, and, subject to the satisfaction of the other conditions as described under the Exchange Offer and Consent Solicitation Memorandum, the Company shall accept for exchange such Existing Notes and proceed to consummate the Exchange Offer and Consent Solicitation and execute the Supplemental Indenture.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer and Consent Solicitation.

Date	Event
February 26, 2020	Commencement of the Exchange Offer and Consent Solicitation and announcement via the websites of the Stock Exchange and the Exchange and Tabulation Website and through Euroclear or Clearstream, as applicable. Exchange offer and consent solicitation memorandum will be made available to Eligible Holders of the Existing Notes on the Exchange and Tabulation Website.
March 9, 2020 (4:00 p.m., London time)	Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes (and as such, are deemed to have provided a Consent under the Consent Solicitation) are eligible to receive the relevant Exchange and Consent Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer and Consent Solicitation.
As soon as practicable after the Expiration Deadline	Announcement of the amount of tenders for exchange received (and as such, the amount of Consents received) prior to the Expiration Deadline, whether requisite Consent has been received, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about March 13, 2020	Subject to satisfaction of the conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum, settlement of the New Notes, delivery of the Exchange and Consent Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange, and execution of the Supplemental Indenture.
On or about March 16, 2020	Listing of the New Notes on the SGX-ST.

Conditions to the Exchange Offer and Consent Solicitation

The acceptance for exchange and the Company's obligation to consummate the Exchange Offer and Consent Solicitation, are conditional upon, among other things:

- (a) there being no material adverse change in the market from the date of the Exchange Offer and Consent Solicitation Memorandum to the Settlement Date;
- (b) an affirmative determination by us that accepting the exchanges, paying the Exchange and Consent Consideration and effecting the transactions contemplated hereby are in the Company's best interests; and
- (c) satisfaction of certain other conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum;

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer and Consent Solicitation if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer and Consent Solicitation from time to time until the conditions are satisfied or waived. Although the Company have no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, other than the Minimum Acceptance Amount and the Mandatory Acceptance Threshold, the terms and conditions of the Exchange Offer and Consent Solicitation, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law.

Purpose of the Exchange Offer and Consent Solicitation

The purpose of the Exchange Offer and Consent Solicitation is to improve the Company's overall financial condition, extend the Company's debt maturity profile, strengthen the Company's balance sheet and improve cash flow management as well as to relax restrictive covenants in the Existing Notes to obtain flexibility for the Company's future business development.

If the Exchange Offer and Consent Solicitation are successful, the Company would have significantly reduced its short-term financial obligation, and gained additional flexibility to carry out its business strategies and to make necessary investments and structural changes to improve its business prospects. If the Exchange Offer and Consent Solicitation are not successful, the Company may not be able to secure sufficient funds to fully repay the principal amount of the outstanding Existing Notes upon maturity in April 2020 and may consider engaging Admiralty Harbour Capital Limited as its financial advisor to contemplate alternative debt restructuring exercise.

Further Details

The Company has appointed Admiralty Harbour Capital Limited as the Dealer Manager, and Morrow Sodali as Information, Exchange and Tabulation Agent with respect to the Exchange Offer and Consent Solicitation (each as stipulated in the Exchange Offer and Consent Solicitation Memorandum and its related documents). The Exchange Offer and Consent Solicitation Memorandum, this announcement and all documents related to the Exchange Offer and Consent Solicitation can be found on the Exchange and Tabulation Website: <https://bonds.morrowsodali.com/yida>. Requests for copies of the Exchange Offer and Consent Solicitation Memorandum and its related documents may be directed to the Information, Exchange and Tabulation Agent at the address and telephone number as set forth in the Exchange Offer and Consent Solicitation Memorandum. The contact information of Admiralty Harbour Capital Limited and Morrow Sodali is set out as follows:

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Morrow Sodali

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THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER AND THE CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND THE CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER AND CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER AND CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND CONSENT SOLICITATION. AS THE EXCHANGE OFFER AND CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer and Consent Solicitation are not being made to (nor will the tender of the Existing Notes and delivery of Consents be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Exchange Offer and Consent Solicitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer and Consent Solicitation or the delivery of Consents would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer and Consent Solicitation will not be made to (nor will tenders or Consents be accepted from or on behalf of) any Holder residing in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer and Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors of the Company;
“Clearstream”	Clearstream Banking S.A.;
“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)
“Consents”	the consent of a Holder to the applicable Proposed Amendments;
“Consent Solicitation”	solicitation from the Company seeking Consents to all of the Proposed Amendments to the Existing Notes Indenture as a single proposal;
“Director(s)”	the director(s) of the Company;
“Eligible Holders”	holders who are non-U.S. persons (as those terms are defined under Regulation S) located outside the United States and hold the Existing Notes through Euroclear or Clearstream, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Existing Notes through Euroclear or Clearstream;
“Euroclear”	Euroclear Bank SA/NV;

“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum;
“Exchange Offer and Consent Solicitation Memorandum”	the exchange offer and consent solicitation memorandum dated February 26, 2020 in relation to the Exchange Offer and Consent Solicitation;
“Existing Notes”	the 6.95% senior notes issued by the Company due 2020;
“Existing Notes Indenture”	the indenture dated as of April 17, 2017 in relation to the Existing Notes;
“Existing Notes Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes;
“Group”	the Company and its subsidiaries;
“Holder”	the holder of the Existing Notes;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Original Issue Date”	the date on which the New Notes are originally issued under the indenture in relation to the New Notes;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Amendments”	certain proposed amendments as mentioned and defined in the Exchange Offer and Consent Solicitation Memorandum;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Settlement Date”	on or about March 13, 2020, unless the Exchange Offer and Consent Solicitation is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	The United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;

“US\$” United States dollars, the lawful currency of the United States; and

“%” per cent.

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

Hong Kong, 26 February 2020

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