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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
EXTENSION OF LOAN

THE SECOND EXTENSION AGREEMENT

Reference is made to the announcements of the Company dated 4 December 2019 and 18 February 2020 and the circular of the Company dated 30 December 2019 in relation to the Loan Agreement entered between the Borrower (a wholly-owned subsidiary of the Company) and the Lender, pursuant to which the Lender agreed to provide to the Borrower the Loan of up to RMB288,500,000.

On 9 June 2020, the Borrower and the Lender entered into the Second Extension Agreement in order to extend the repayment date of the First Tranche Loan to 31 March 2021 and revised the loan amount to the Revised Loan by taking into account the unpaid interests charged on the First Tranche 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 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 all applicable percentage ratios in respect of the transaction contemplated under the Second Extension Agreement are more than 0.1% but less than 5%, the entering of the Second Extension Agreement is subject to reporting and announcement requirements but is exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 4 December 2019 and 18 February 2020 and the circular of the Company dated 30 December 2019 in relation to the Loan Agreement entered between the Borrower (a wholly-owned subsidiary of the Company) and the Lender, pursuant to which the Lender agreed to provide to the Borrower the Loan of up to RMB288,500,000.

Pursuant to the Loan Agreement, the principal amount of the Loan is up to a maximum amount of RMB288,500,000 and divided in three (3) tranches in the amount of RMB230,000,000 (the “**First Tranche Loan**”), RMB11,500,000 and RMB47,000,000, respectively. The First Tranche Loan was drawn down by the Borrower on 4 February 2020. Out of the First Tranche Loan, it 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 (which was subsequently extended to 30 June 2020 or two working days after the Borrower has obtained other alternative financing in the amount equivalent to RMB22,000,000 (whichever is earlier) pursuant to the First Extension Agreement); (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.

On 9 June 2020, the Borrower and the Lender entered into the Second Extension Agreement in order to extend the repayment date of the First Tranche Loan to 31 March 2021 and revised the loan amount to the Revised Loan by taking into account the unpaid interests charged on the First Tranche Loan.

THE SECOND EXTENSION AGREEMENT

Parties to the Second Extension Agreement

Date: 9 June 2020

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.

Principal terms of the Second Extension Agreement

Pursuant to the Second Extension Agreement, the Borrower and the Lender agreed to extend the repayment date for the First Tranche Loan and revise the principal amount of the First Tranche Loan to the Revised Loan as follows:

Relevant portion of the First Tranche Loan	Term of the First Tranche Loan pursuant to the original Loan Agreement	Revised term as agreed under the Second Extension Agreement
RMB22,000,000	Commenced from the relevant drawdown date and ending on the 14th day thereafter, and as amended and extended by the First Extension Agreement (i.e. 30 June 2020)	The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB22,713,644 taking into account the respective unpaid interest since the drawdown up to 30 June 2020. The term shall end on 31 March 2021.
RMB34,000,000	Commenced from the relevant drawdown date and ending on the 180th day thereafter (i.e. 2 August 2020)	The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB35,348,822 taking into account the respective unpaid interest since the drawdown up to 2 August 2020. The term shall end on 31 March 2021.
RMB174,000,000	Commenced from the relevant drawdown date and ending on the 365th day thereafter (i.e. 3 February 2021)	The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB187,958,137 taking into account the respective unpaid interest since the drawdown up to 3 February 2021. The term shall end on 31 March 2021.

Save as the aforesaid change in term of the First Tranche Loan and the increase of the relevant loan amount by the interest element, all other terms and conditions of the Loan Agreement shall remain unchanged.

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**”)

The Second Tranche Loan and the Third Tranche Loan had not been drawdown as they were lapsed as a result of non-fulfillment of certain conditions precedent under the Loan Agreement.

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

The interest rate under the Loan Agreement was determined based on arm’s length negotiation between the parties with reference to the average financing cost for the Group’s interest-bearing debt of approximately 8.5% per annum taking into consideration of the interest rates applicable to the Group’s outstanding loan as at 31 October 2019.

Pursuant to the Second Extension Agreement, the interest payable for the Revised Loan will remain at 8% per annum.

Having considered the reasons for entering into the Second Extension Agreement, as disclosed under the paragraph headed “Reasons for and benefits of the Loan”, are to enable the Group to reserve more cash to maintain a stable business operation and to pay for additional expenses under the current operating environment and the latest financial conditions of the Company, in particular:

- (i) the interest rate applicable to the Revised Loan is below the Group's average financing cost of 8.5% as at 31 May 2020. As at 31 May 2020, the Group had outstanding loan amounted to approximately RMB14.9 billion, approximately 51.2% of which bear an interest rate of below 8%, whilst approximately 48.8% of which bear an interest rate not below 8%. Except for RMB2.3 billion bonds and RMB0.1 billion loans which were not secured by any pledged of assets, all other outstanding loans were secured by assets pledged by the Group. 96.1% of outstanding loans with interest rate below 8% were either obtained by the Group before the year 2019 or renewed this year with the same terms as the previous loans obtained before the year 2019 when the Group's financial conditions begun to be adversely affected by the liquidity difficulties encountered by China Minsheng Investment Corp., Ltd. ("**China Minsheng**"). As the Company is a subsidiary of China Minsheng, certain banks and financial institutions have indicated that they would not enter into new loan agreements with the Group until the liquidity difficulties of China Minsheng are resolved, as such, the Group had faced the difficulties in obtaining new loan facilities from certain banks and financial institutions as well as drawdown suspension by one of the financial institutions; and
- (ii) the difficulty for the Group to obtain other new financing comparable to the size of the Revised Loan with interest rate more favorable than 8%,

the Board is of the view that the interest rate applicable to the Revised Loan is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Term: The term of the First Tranche Loan shall be extended to 31 March 2021 pursuant to the Second Extension Agreement.

Please refer to the paragraph headed "The Second Extension Agreement" above for details.

Usage: The purpose of the First Tranche Loan was for the payment of the Final Dividend, or any other purpose as the Lender considers appropriate.

Conditions Precedent: The Second Extension Agreement is subject to that the Borrower and the Lender having obtained their respective internal approval in relation to the entering of the Second Extension Agreement.

Security: Subject to the Second Extension Agreement having become effective, the Pledge Agreement as provided under the Loan Agreement shall continue to be in effect and be provided by the Borrower in favour of the Lender as security of the Revised 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. Subject to the Second Extension Agreement having become effective, the Pledge Agreement as provided under the Loan Agreement shall continue to be in effect and be provided by the Borrower in favour of the Lender as security of the Revised Loan.

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.	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

The asset value of the Dalian Yitong Pledged Assets as at 14 November 2019 as appraised by Dalian Hengyuan Real Estate Land Appraisal Co., Ltd. (大連恒源房地產土地評估有限公司), an independent valuer (the “**Independent Valuer**”), amounted to RMB210,000,000.

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| (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. | Gaoxin Yuanqu (2010) No. 05052 (高新園區國用(2010)第05052號) | Total property area of 8,534.33 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 land area of 12,597.4 square meters |

The asset value of the Dalian Zhongxing Pledged Assets as at 14 November 2019 as appraised by the Independent Valuer amounted to RMB193,020,000.

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 Directors confirmed that there has been no material change to the assets value of the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets since 14 November 2019 up to the date of this announcement.

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. Subject to the Second Extension Agreement having become effective, the Guarantee Agreement as provided under the Loan Agreement shall continue to be in effect and be provided in favour of the Lender as security of the Revised 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 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 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

In the past months, as disclosed in the Company's annual report for the year ended 31 December 2019, the Company had encountered various challenges which are out of the Group's expectation and had resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group including: (i) the asset freeze order which was imposed on the Company's controlling shareholder, China Minsheng; (ii) the detention of Mr. Chen Donghui, an executive Director, by Public Security Bureau** (公安部門) of the PRC for suspected embezzlement (職務侵佔罪) details of which are disclosed in the Company's announcement dated 20 February 2020; and (iii) the late payment of the principal payment of the US\$300,000,000 6.95 per cent. senior notes due 2020.

The First Tranche Loan was obtained by the Borrower to fulfill the payment of the Final Dividend. The Final Dividend was paid by the Company on 12 February 2020 and it was then the Company's plan to obtain other additional financing and/or utilise its internal resources to fulfill the repayment obligations of the First Tranche Loan under the aforementioned incidents together with the impact brought to the Group as a result of the outbreak of COVID-19 since the beginning of year 2020, have caused difficulties for the Group to obtain new financing. In addition, the Group would also need to reserve cash resources to maintain a stable business operation going forward. For the reasons as aforesaid, the Borrower and the Lender agreed to extend the repayment date of the First Tranche Loan to enable the Company to reserve its cash-flow for the additional expenses that the Group.

The Pledge Agreement and the Guarantee Agreement were entered into as security for the Loan. Subject to the taking effect of the Second Extension Agreement, the Pledge Agreement and the Guarantee Agreement as provided under the Loan Agreement shall continue to be in effect and be provided in favour of the Lender as security of the Revised Loan. The Company will continue to exert its efforts to continue to improve its business operation and to ensure the repayment of the Revised Loan in accordance to the Second Extension Agreement. Based on the current plan, the Group will utilise proceeds from pre-sale of its property units (such as the projects locate in Dalian, Changsha and Zhengzhou) which would be sufficient for repayment of the Revised Loan. Accordingly, 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 are of the view that the entering of the Second Extension Agreement, 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 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 all applicable percentage ratios in respect of the transaction contemplated under the Second Extension Agreement are more than 0.1% but less than 5%, the entering of the Second Extension Agreement is subject to reporting and announcement requirements but is exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. None of the Directors has a material interest in the Second Extension Agreement contemplated thereunder and no Director is required to abstain from voting on the board resolutions approving the entering of the Second Extension Agreement.

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)
“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
“Director(s)”	the director(s) of the Company

“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
“First Extension Agreement”	the first extension agreement dated 18 February 2020 entered into between the Borrower and the Lender
“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 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, as amended and supplemented by the First Extension Agreement and the Second Extension Agreement
“Minsheng Jiaye”	China Minsheng Jiaye Investment Co., Ltd. (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

“PRC”	the People’s Republic of China
“Revised Loan”	the revised loan amount taking into account the interests charged on the First Tranche Loan pursuant to the Second Extension Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Extension Agreement”	the second extension agreement dated 9 June 2020 entered into between the Borrower and the Lender
“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
“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, 9 June 2020

As at the date of this announcement, the executive Directors are Mr. Jiang Xiuwen, Mr. Chen Donghui (suspension of duties), Ms. Zheng Xiaohua and Mr. Yu Shiping, the non-executive Directors are Mr. Wang Gang and Mr. Zhou Yaogen and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Jinping and Mr. Han Gensheng.