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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)

DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF 50% OF
THE EQUITY INTEREST IN THE TARGET COMPANY

THE DISPOSAL

The Board hereby announces that on 21 May 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, the Target Company and the Purchaser, entered into the Agreement pursuant to which the Vendor has agreed to dispose, and the Purchaser has agreed to acquire, the Sale Interest at a consideration of RMB501 million.

Immediately prior to Completion, the Target Company was accounted as a joint venture of the Company in the financial statements of the Company. Upon Completion, the Group has ceased to hold any equity interest in the Target Company, and the Target Company is no longer consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but all of the applicable percentage ratios are below 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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THE AGREEMENT

The principal terms of the Agreement are summarised as below:

Date: 21 May 2021

Parties: (i) the Purchaser;
(ii) the Vendor; and
(iii) the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Assets to be disposed

Immediately prior to Completion, the Target Company was owned as to 50% by the Vendor and 50% by the Purchaser. Pursuant to the Agreement, the Vendor has agreed to dispose, and the Purchaser has agreed to acquire, the Sale Interest representing 50% of the total equity interest in the Target Company.

Consideration

Pursuant to the Agreement, the Consideration is RMB501 million which shall be settled by the Purchaser in cash within five (5) business days upon notice from the Vendor of the satisfaction of the following conditions:

- (i) the relevant parties having completed filings and registrations for the Target Company with the relevant industry and commerce administration bureau in accordance with the Agreement;
- (ii) all parties having completed the approval, filing or registration procedures for the Target Company as a result and incidental to the transactions as contemplated under the Agreement;
- (iii) the Purchaser and the Vendor having terminated the previously entered joint venture agreement and all supplementary agreements in relation to the Target Company;
- (iv) the Vendor having opened a bank account for the purpose of remittance of the amount of Consideration from the Purchaser and the relevant bank account details having been informed to the Purchaser;

- (v) the representations, warranties and undertakings given by the Vendor under the Agreement having remained complete, true, accurate and not misleading from the date of the Agreement and up till the completion of the relevant filings and registrations in relation to the Disposal;
- (vi) no material adverse change having occurred to the business operation, financial condition and asset of the Target Company since the entering of the Agreement due to the reason of the Vendor; and
- (vii) the entering of the Agreement and the transactions contemplated thereunder not having been restricted by relevant laws and regulations.

All the conditions precedent above are waivable by the Purchaser. As at the date of this announcement, the Consideration has been fully paid by the Purchaser.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms after taking into consideration the value of the equity interest in the Target Company to be transferred. As at 31 December 2020, the fair value of the equity interest in the Target Company to be transferred was RMB943 million.

After taking into account the above factors and the reasons and benefits of the Disposal as described under the paragraph headed "Reasons for and benefits of the Disposal" below, the Board considers that the Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Repurchase Option

Upon the expiry of six months after the entering of the Agreement and subject to fulfillment of the following conditions, the Vendor has the right (but not the obligation) to repurchase all (but not a portion) of the Sale Interest (the "**Repurchase Option**"):

- (i) the Vendor and/or its direct and/or indirect controlling shareholder not having entered into bankruptcy proceedings or not having received any bankruptcy order or application;
- (ii) the Vendor and/or its direct and/or indirect controlling shareholder not having been controlled by creditors;
- (iii) the financial and operating conditions of the Vendor and/or its affiliates not having resulted in any material adverse change in the reasonable opinion of the Purchaser;
- (iv) in the event of any change of control of the Vendor, the Purchaser having approved such changes;
- (v) the consideration for the Repurchase Option not being an amount less than the pre-agreed consideration in the amount of RMB526,300,500, and that the parties having agreed the payment arrangement for tax-related expenses incidental to the exercising of the Repurchase Option; and

(vi) the Vendor not having proposed any terms and/or conditions for the Repurchase Option which are in contradiction to the terms of the Agreement.

All the conditions precedent for the exercising of the Repurchase Option above are waivable by the Purchaser.

The consideration for the Repurchase Option shall be RMB526,300,500, representing the amount of the Consideration plus a premium of RMB25,300,500.

As the exercise of the Repurchase Option is at the discretion of the Vendor. According to Rule 14.75(1) of the Listing Rules, on the grant of the Repurchase Option, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios. The Company will comply with the relevant Listing Rules on the exercise of the Repurchase Option (where required).

Completion

Completion has taken place on the same date as the Agreement.

Immediately prior to Completion, the Target Company was accounted as a joint venture of the Company in the financial statements of the Company. Upon Completion, the Group will cease to hold any equity interest in the Target Company, and the Target Company will no longer be consolidated into the financial statements of the Company.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTIES

Immediately prior to Completion, the Target Company was owned as to 50% by the Vendor and 50% by the Purchaser.

The Target Company is incorporated in the PRC with limited liability and principally engaged in property investment. The Target Company held investment properties with a total planned gross floor area of 443,652 sq.m. situated in Dalian, the PRC.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is a summary of the audited financial information of the Target Company for the two years ended 31 December 2019 and 2020:

	For the year ended	
	31 December	
	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	29,976	209,939
Net profit after tax	25,786	164,263
Net assets	1,650,818	1,887,074

The adjusted net assets value of the Target Company as at 31 December 2019 and 2020 are approximately RMB1,650.8 million and RMB1,887.1 million, respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 outbreak of COVID-19 has had negative impacts on the Group's sales of properties business. The Disposal will enable the Group to quickly recover funds and make up for the short-term liquidity shortage. The Disposal will also contribute to the Group's stable development in the long term.

The terms of the Agreement was determined after arm's length negotiations between the parties thereto and the Directors (including the independent nonexecutive Directors) are of the view that the terms of the Agreement and the Disposal are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The net proceeds from the Disposal will be used to repay the indebtedness of the Group. As at 31 December 2020, the Target Company was accounted for as joint venture of the Group. The balance of investment in joint venture of the Target Company was RMB943 million. Based on the preliminary assessment, upon the completion of the transaction, the Group will lose joint control of the Target Company and derecognize the investment in joint venture. In the meantime, according to the terms of Repurchase Option in the Agreement, the Group will recognize the derivative assets.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but all of the applicable percentage ratios are below 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Agreement”	the equity transfer agreement dated 21 May 2021 entered into between the Purchaser, the Vendor and the Target Company in respect of the Disposal
“Board”	the board of Directors
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	RMB501,000,000 being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interest by the Vendor to the Purchaser pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Ascendas (China) Pte Ltd, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of CapitaLand Limited (凱德集團), which is a diversified real estate group headquartered in Singapore and listed on the mainboard of the Singapore Exchange Securities Trading Limited (SGX Mainboard, Stock Code: C31)

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the 50% of the total equity interest in the Target Company held by the Vendor
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	DLSP-Ascendas Co., Ltd., a company incorporated in the PRC with limited liability and held as to 50% by the Vendor and 50% by the Purchaser immediately prior to Completion
“Vendor”	Dalian Software Park Company Limited* (大連軟件園股份有限公司), a company incorporated in the PRC with limited liability principally engaged in business park leasing and property operational management and a wholly-owned subsidiary of the Company as at the date of this announcement
“sq.m.”	square meter(s)
“%”	per cent.

* *For reference purposes only, the Chinese names of the PRC entities, addresses or terms have been translated into English in this announcement. In the event of any discrepancies between the Chinese names of these PRC entities, addresses or terms and their respective English translations, the Chinese version shall prevail.*

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

Hong Kong, 26 May 2021

As at the date of this announcement, the executive director of the Company is Mr. Jiang Xiuwen, the non-executive directors of the Company are Mr. Wang Gang, Mr. Zhang Xiufeng, Mr. Cheng Xuezhi and Mr. Ni Jie and the independent non-executive directors of the Company are Mr. Yip Wai, Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.