

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

**MAJOR AND EXEMPTED CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF
THE 70% EQUITY INTEREST IN A SUBSIDIARY**

THE DISPOSAL

The Board is pleased to announce that on 6 September 2022, the Vendor, the Purchaser and the Target Company entered into the Equity Transfer Agreement pursuant to which, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Interests for a consideration of RMB84,569,500.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial information of the Target Group will no longer be consolidated into the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

Chapter 14

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but all of which are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Chapter 14A

The Purchaser is a substantial shareholder of a subsidiary of the Company. Accordingly, it is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As (i) the Board has approved the Disposal; and (ii) the independent non-executive Directors have confirmed that the terms of the Disposal is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal.

As at the date of this announcement, Jiayou is entitled to exercise voting rights in respect of 1,064,721,750 Shares (representing approximately 41.20% of the issued share capital of the Company) and Right Won Management Limited owns 241,400,000 Shares (representing approximately 9.34% of the issued share capital of the Company), together, they are entitled to exercise voting rights in 1,306,121,750 Shares, representing in aggregate approximately 50.54% of the entire issued capital of the Company. Accordingly, the Company proposes to obtain a written shareholder's approval certificate from Jiayou and Right Won Management Limited (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of The Hong Kong Code on Takeovers and Mergers) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and no extraordinary general meeting will be convened and held by the Company to approve the Disposal, subject to confirmation by the Stock Exchange. If the proposal is not agreed by the Stock Exchange, an extraordinary general meeting will be convened and held, at which resolution(s) will be proposed for, among other things, the Shareholders to consider and, if thought fit, approve the Disposal. Further announcement(s) will be issued by the Company as appropriate in accordance with the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Equity Transfer Agreement and the Disposal; (ii) financial information of the Group; and (iii) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 28 September 2022.

INTRODUCTION

The Board is pleased to announce that on 6 September 2022, the Vendor, the Purchaser and the Target Company entered into the Equity Transfer Agreement, the principal terms of which are summarized as follow:

Date: 6 September 2022

Parties:

- (1) The Vendor;
- (2) the Purchaser; and
- (3) the Target Company

As at the date of this announcement, the Target Company is owned as to 70% by the Vendor and 30% by the Purchaser. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for being the substantial shareholder of a subsidiary of the Company or the subsidiary of the Company (as the case may be), the Purchaser and the Target Company are third parties independent of the Company and its connected persons.

Assets to be disposed: Subject to the terms and conditions of the Equity Transfer Agreement, the Vendor has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Interests.

Consideration: The Consideration is RMB84,569,500, which shall be payable by the Purchaser to the Vendor in the following manner:

- (1) 40% of the Consideration (being RMB33,827,800) as first installment shall be payable to the Vendor within 10 Business Days after the fulfillment of the Conditions. Within 2 Business Days from the date of receipt of the first installment by the Vendor, the Vendor and the Purchaser shall proceed with the transfer of the Sale Interests to the Purchaser and all necessary registration procedures;
- (2) 55% of the Consideration (being RMB46,513,225) as second installment shall be payable to the Vendor on the date of completion of the transfer and registration procedures mentioned in (1) above; and
- (3) the remaining balance of 5% of the Consideration (being RMB4,228,475) shall be payable to the Vendor within 90 days from the Completion.

Basis of Consideration: The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the net assets value of the Target Group; (ii) the proven track record and the historical financial performance of the Target Group; (iii) the business ability and prospects of the Target Group; and (iv) the benefits of the Disposal.

Based on the aforesaid, the Board considered that the Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Conditions precedent: Completion of the Equity Transfer Agreement shall be conditional upon the fulfillment of all of the following Conditions:–

- (1) the Equity Transfer Agreement having been executed;
- (2) all necessary authorisations, consents and approvals as may be required for the Vendor to complete the Equity Transfer Agreement and the Disposal having been obtained (including but not limited to the written shareholders' and directors' resolution made in accordance with Rule 14.44 of the Listing Rules);
- (3) all necessary authorisations, consents and approvals as may be required for the Purchaser to complete the Equity Transfer Agreement and the Disposal having been obtained; and
- (4) the Target Company having obtained the written consent from the Bank of Changsha Co., Ltd. agreeing to the Disposal and releasing Yida Development from the Guarantee.

If any party failed to fulfill the above Conditions within 60 days from the date of the Equity Transfer Agreement, unless the parties agreed in writing for extension, the non-defaulting party shall be entitled to terminate the Equity Transfer Agreement and none of the parties shall have any claim against the other in respect of the Equity Transfer Agreement.

Completion: Completion shall take place on the date of completion of the transfer and registration procedures of the Sale Interests. Immediately upon Completion, the Company will cease to have any equity interest in the Target Company. The Target Company will then cease to be a subsidiary of the Company and the financial information of the Target Group will no longer be consolidated into the Group's consolidated financial statements.

INFORMATION ON THE TARGET GROUP

The Target Company is a company established in the PRC with limited liability and is owned as to 70% and 30% by the Vendor and the Purchaser, respectively, as at the date of this announcement. The Target Company is principally engaged in property development and smart factory services, etc..

Set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2021:

	For the financial year ended 31 December	
	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	963,185	325,068
Net profit before taxation	143,803	45,730
Net profit after taxation	106,005	29,730

Based on the unaudited consolidated financial information of the Target Group, the total assets value and net assets value of the Target Group were approximately RMB1,836 million and RMB191.7 million respectively as at 31 December 2021.

As at the date of the Equity Transfer Agreement, the Target Company has obtained the land use right certificates in respect of 4 land parcels in aggregate GFA of 111,574 sq.m., detailed as follows:

Land Parcel	Property ownership certificate no.	Purpose	GFA (sq.m.)
1	Xiang (2019) Wangcheng District Real Estate Property No. 0003088 (湘(2019)望城區不動產權第0003088號)	Commercial	72,534
		Residential	130,908
2	Xiang (2018) Wangcheng District Real Estate Certificate No. 0099423 (湘(2018)望城區不動產證明第0099423號)	Residential	243,809
3	Xiang (2020) Wangcheng District Real Estate Property Rights Nos. 0001579, 1580, 1581 and 1582 (湘(2020)望城區不動產權第0001579、1580、1581、1582號)	Type I Industrial	413,856

Land Parcel	Property ownership certificate no.	Purpose	GFA (sq.m.)
4	Xiang (2021) Wangcheng District Real Estate Property No. 0007545 (湘(2021)望城區不動產權第0007545號)	Residential	141,824
	Xiang (2021) Wangcheng District Real Estate Property No. 0009849 (湘(2021)望城區不動產權第0009849號)	Commercial	108,643
Total			111,574

INFORMATION ON THE PARTIES

The Group

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 and provision of construction, decoration and landscaping services.

The Purchaser

The Purchaser was established in the PRC and is principally engaged in urban infrastructure construction, industrial real estate development, high-tech industrial investment, real estate investment and development, etc.. The Purchaser is ultimately owned by the Wangcheng Economic and Technological Development Zone Management Committee* (望城經濟技術開發區管委會).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company has been facing liquidity pressures since 2019. To improve its liquidity and obtain financing to meet the financial needs of the Group, the Company has been actively seeking for potential purchasers in respect of its assets in the PRC on terms which are in the best interests of the Company and its Shareholders as a whole.

Despite the Company will record a loss on the Disposal, in the circumstances, the Disposal will enable the Group to realize the value of its investment in the Target Company and obtain immediate cash inflow to alleviate the Group's liquidity pressure. The Disposal will be conducive to optimizing the Group's resources allocation and reducing its asset liability ratio, thereby allowing the Group to lower its risks and achieve stable development.

Having made prudent assessments on the above and considered the prevailing market conditions, the Directors are of the view that it would be beneficial for the Company and its stakeholders (including its Shareholders) as a whole to pursue the Disposal and generate liquidity for the Group.

The terms of the Equity Transfer Agreement were determined after arm's length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the Disposal, although not in the ordinary course of business of the Company, are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT AND USE OF PROCEEDS

The net proceeds from the Disposal will be used to repay the indebtedness of the Group. Based on the preliminary assessment, the Group will record a loss of approximately RMB57.1 million as a result of the Disposal, being the difference between the Consideration and the estimated net assets value of the Target Group as at the date of Completion, after deducting the estimated amount of relevant tax expenses and relevant expenses payable by the Vendor in respect of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to further true-up of the estimated net assets value of the Target Group as at the date of Completion.

LISTING RULES IMPLICATIONS

Chapter 14

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but all of which are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Chapter 14A

The Purchaser is a substantial shareholder of a subsidiary of the Company. Accordingly, it is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As (i) the Board has approved the Disposal; and (ii) the independent non-executive Directors have confirmed that the terms of the Disposal is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal.

As at the date of this announcement, Jiayou is entitled to exercise voting rights in respect of 1,064,721,750 Shares (representing approximately 41.20% of the issued share capital of the Company) and Right Won Management Limited owns 241,400,000 Shares (representing approximately 9.34% of the issued share capital of the Company), together, they are entitled to exercise voting rights in 1,306,121,750 Shares, representing in aggregate approximately 50.54% of the entire issued capital of the Company. Accordingly, the Company proposes to obtain a written shareholder's approval certificate from Jiayou and Right Won Management Limited (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of The Hong Kong Code on Takeovers and Mergers) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and no extraordinary general meeting will be convened and held by the Company to approve the Disposal, subject to confirmation by the Stock Exchange. If the proposal is not agreed by the Stock Exchange, an extraordinary general meeting will be convened and held, at which resolution(s) will be proposed for, among other things, the Shareholders to consider and, if thought fit, approve the Disposal. Further announcement(s) will be issued by the Company as appropriate in accordance with the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Equity Transfer Agreement and the Disposal; (ii) financial information of the Group; and (iii) other information required under the Listing Rules is expected to be despatched on or before 28 September 2022.

Completion is conditional upon fulfillment of the conditions precedent set out in the Equity Transfer Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business 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)
“Completion”	the completion of the Disposal in accordance with the Equity Transfer Agreement
“Conditions”	the conditions precedent to the Disposal as stipulated in the Equity Transfer Agreement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB84,569,500 payable by the Purchaser to the Vendor for the transfer of the Sale Interests
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interests by the Vendor pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 6 September 2022 entered into among the Vendor, the Purchaser and the Target Company in respect of the Disposal
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee given by Yida Development in favour of Bank of Changsha Co., Ltd. pursuant to which Yida Development provided guarantee for loans of the Target Company in the outstanding principal amount of approximately RMB525.24 million as at the date of the Equity Transfer Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 approximately 61.20% of the Shares in issue as at the date of this announcement and a controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchaser”	長沙振望投資發展有限公司 (Changsha Zhenwang Investment Development Co., Ltd.*), a company established in the PRC with limited liability

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	the 70% equity interest held by the Vendor in the Target Company
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	長沙億達智造產業小鎮發展有限公司 (Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 70% and 30% by the Vendor and the Purchaser, respectively, as at the date of this announcement
“Target Group”	the Target Company and its subsidiary
“Vendor”	大連億達管理諮詢有限公司 (Dalian Yida Management Consultancy Company Limited*), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“Yida Development”	億達發展有限公司 (Yida Development Company Limited*), a company established in the PRC and an indirectly wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 6 September 2022

As at the date of this announcement, the executive Director is Mr. Jiang Xiuwen, the non-executive Directors are Mr. Lu Jianhua, Mr. Wang Gang, Mr. Ni Jie and Ms. Jiang Qian and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.

* for identification purpose only