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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Yida China Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the stockbroker, registered dealer in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or the transferee(s).

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any shares of the Company.

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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
FURTHER EXTENSION OF LOAN
AND
NOTICE OF EGM

Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders



Capitalised terms on this cover page shall have the same meanings as those defined in “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 7 to 19 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 20 to 21 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 33 of this circular.

A notice convening the EGM to be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Friday, 30 June 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.yidachina.com).

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish and in such event, the proxy shall be deemed to be revoked.

All times and dates specified herein refers to Hong Kong local times and dates.

14 June 2023

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DEFINITIONS

The following expressions in this circular have the meanings set out below unless the content requires otherwise:

“Aetos Parties”	Lorraine Investment, Ltd., Normandy Investment, Ltd., Capital Chain Holdings Limited and Better Chance Investments Limited, each of them and their ultimate beneficial owners is an Independent Third Party
“Amended Put Option”	the exercise of a put option at the price determined pursuant to a formula stipulated in the Supplemental Agreements
“Arbitration”	the submission of arbitration applications by the Claimants relating to the exercise of the Amended Put Option stipulated in the Supplemental Agreements pursuant to an arbitration notice received by the Group on 23 October 2017
“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 Latest Practicable Date, principally engaged in property development in the PRC
“Claimants”	certain joint venture partners of two joint ventures, namely Dalian Yihong Property Development Co. Ltd. and Dalian Yize Property Development Co. Ltd., regarding the exercise the Amended Put Option at the price determined pursuant to a formula stipulated in the Supplemental Agreements
“China Minsheng”	China Minsheng Investment Corp., Ltd. (中國民生投資股份有限公司), a limited liability company established under the laws of the PRC
“CMIG Jiaye”	China Minsheng Jiaye Investment Co., Ltd. (中民嘉業投資有限公司), a limited liability company established under the laws of 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)

DEFINITIONS

“Company Share Charge”	a share charge entered into on 11 March 2021 by Jiayou in favour of Aetos Parties, pursuant to which Jiayou agreed to charge 516,764,000 Shares held by it in favour of Aetos Parties as security for the obligation of Yida Parties under the Settlement Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“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
“Dalian Yitong Pledged Assets”	has the meaning as ascribed to it under the paragraph headed “THE PLEDGE AGREEMENT” of this circular
“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
“Dalian Zhongxing Pledge Assets”	has the meaning as ascribed to it under the paragraph headed “THE PLEDGE AGREEMENT” of this circular
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of, among others, approving the Fifth Extension Agreement and the transactions contemplated thereunder
“Final Award”	the final award from the Hong Kong International Arbitration Centre regarding the Arbitration on 20 October 2020
“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 which was paid on 12 February 2020
“Fifth Extension Agreement”	the fifth extension agreement dated 31 March 2023 entered into by the Borrower and the Lender
“First Extension Agreement”	the first extension agreement dated 18 February 2020 entered into between the Borrower and the Lender

DEFINITIONS

“First Tranche Loan”	the first tranche of the Loan in the amount of RMB230,000,000
“Fourth Extension Agreement”	the fourth extension agreement dated 31 March 2022 entered into by 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 circular
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 and Mr. Han Gensheng, established for the purpose of advising the Independent Shareholders on the Fifth Extension Agreement
“Independent Financial Adviser” or “Dakin”	Dakin Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the entering of the Fifth Extension Agreement
“Independent Shareholder(s)”	the Shareholder(s) other than Jiayou and its associates
“Independent Third Party”	third party independent of the Company and its connected persons
“Independent Valuer”	Dalian Hengyuan Real Estate Land Appraisal Co., Ltd. (大連恒源房地產土地評估有限公司)
“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 Latest Practicable Date and a controlling shareholder (as defined under the Listing Rules) of the Company

DEFINITIONS

“Jiayu” or “Lender”	Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司), a limited liability company duly established and validly existing under the laws of the PRC
“Latest Practicable Date”	12 June 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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, the Second Extension Agreement, the Third Extension Agreement, the Fourth Extension Agreement and the Fifth Extension Agreement
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules
“Obligors”	Dalian Yida Property Co., Ltd., Gang Xin Limited and King Equity Holdings Limited, all being wholly-owned subsidiaries of the Company
“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 circular
“PRC”	the People’s Republic of China
“Revised Loan”	the revised loan amount of RMB 251,558,852 taking into account the interests charged on the First Tranche Loan pursuant to the Third Extension Agreement
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Second Extension Agreement”	the second extension agreement dated 9 June 2020 entered into between the Borrower and the Lender
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Settlement Agreement”	the settlement agreement dated 5 March 2021 entered into by and among the Aetos Parties, the Obligors and the Yida Parties in relation to the settlement arrangement for the outstanding payments to be made by the Obligors under the Final Award
“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
“Subordination Agreement”	the subordination agreement entered into on 11 March 2021 by Yida Parties, Jiayu and the Aetos Parties, pursuant to which Jiayu covenanted and agreed that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by the Obligors under the Settlement Agreement
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplementary agreements dated 18 December 2013
“Supplemental Agreement to the Third Extension Agreement”	the supplemental agreement to the Third Extension Agreement dated 31 March 2021 entered into by the Borrower and the Lender
“Third Extension Agreement”	the third extension agreement dated 11 March 2021 entered into by the Borrower and the Lender
“Total Payment Obligation”	an aggregate sum of US\$208,793,407 as set out in the Settlement Agreement
“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

DEFINITIONS

“Yida Parties” the Company, its five wholly-owned subsidiaries and its two joint ventures

“%” per cent

* *for identification purpose only*

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Jiang Xiuwen
(Chairman and chief executive officer)
Mr. Yuan Wensheng

Non-executive Directors:

Mr. Lu Jianhua *(Vice Chairman)*
Mr. Wang Gang
Ms. Jiang Qian
Mr. Weng Xiaoquan

Independent non-executive Directors:

Mr. Yip Wai Ming
Mr. Guo Shaomu
Mr. Han Gensheng

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters in the PRC:

5/F, People's Insurance Mansion
No. 8, Fuyou Road
Huangpu District, Shanghai
PRC

Principal Place of Business in

Hong Kong:
Room 2008, 20/F.,
Dah Sing Financial Centre,
248 Queen's Road East, Wanchai,
Hong Kong

14 June 2023

To the Shareholders,

Dear Sir or Madam,

**CONNECTED TRANSACTION
FURTHER EXTENSION OF LOAN
AND
NOTICE OF EGM**

1. INTRODUCTION

Reference is made to the: (a) announcement of the Company dated 5 March 2021 in relation to the Settlement Agreement; (b) the announcement of the Company dated 3 December 2019 and the circular of the Company dated 30 December 2019 in relation to the original 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; (c) the announcements of the Company dated 18

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February and 9 June 2020 regarding the loan extension under the First Extension Agreement and the Second Extension Agreement; (d) the announcements of the Company dated 11 March and 31 March 2021 in relation to the Third Extension Agreement; (e) the announcement of the Company dated 31 March 2022 and the circular of the Company dated 19 May 2022 in relation to the Fourth Extension Agreement; and (f) the announcement of the Company dated 31 March 2023 in relation to the Fifth Extension Agreement.

Pursuant to the Loan Agreement, a maximum of RMB288,500,000 was made available to the Borrower. On 4 February 2020, the Borrower only drew the First Tranche Loan of RMB230,000,000 with the remaining Loan lapsed in accordance with the Loan Agreement. The First Tranche Loan was divided into three parts: (a) RMB22,000,000 that would be due on 18 February 2020; (b) RMB34,000,000 that would be due on 2 August 2020; and (c) the remaining RMB174,000,000 that would be due on 3 February 2021 pursuant to the Loan Agreement, all of which were subsequently extended to 31 March 2021 pursuant to the First Extension Agreement and/or the Second Extension Agreement (where applicable). On 11 March 2021, the Borrower and the Lender entered into the Third Extension Agreement (as supplemented by the Supplemental Agreement to the Third Extension Agreement) in order to further extend the repayment date of the First Tranche Loan to 31 October 2021 and revised the loan amount to RMB251,558,852 by taking into account the unpaid interests charged on the First Tranche Loan. On 31 March 2022, the Borrower and the Lender entered into the Fourth Extension Agreement in order to further extend the repayment date of the First Tranche Loan to 30 June 2023 and revised the interest rate of the Revised Loan from 8% to 6% per annum.

Pursuant to the Settlement Agreement, the Yida Parties have agreed, among others, to execute the Subordination Agreement under which Jiayu will covenant and agree that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by the Obligors under the Settlement Agreement. As the First Tranche Loan falls under the scope of the Subordination Agreement, the First Tranche Loan would be required to be further extended under the Subordination Agreement.

On 31 March 2023, the Borrower and the Lender entered into the Fifth Extension Agreement in order to further extend the repayment date of the Revised Loan from 30 June 2023 to 31 December 2023 and reduced the loan interest rate from 6% to 2% for the period from 1 January 2022 to 31 December 2022. The purpose of this circular is to provide the Shareholders with, among other things, further particulars of the Fifth Extension Agreement, together with the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice convening the EGM to consider and, if thought fit, to approve the entering of the Fifth Extension Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

2. THE FIFTH EXTENSION AGREEMENT

Principal terms of the Fifth Extension Agreement

- Date:** 31 March 2023
- 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.
- Repayment term:** The repayment date of the Revised Loan shall be extended from 30 June 2023 to 31 December 2023.
- Interest rate:** The interest rate of the Revised Loan shall remain at 6% per annum (the “**Interest Rate**”) except that it shall be reduced from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022 (the “**Revised 2022 Interest Rate**”).

Principal terms of the First Tranche Loan under the Loan Agreement

- Principal amount:** RMB230,000,000. Pursuant to the Third Extension Agreement, taking into account the interests charged, the revised loan amount becomes RMB251,558,852 (i.e. the Revised Loan).
- Interest rate:** Interests are payable at 8% per annum, which was determined 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 Fourth Extension Agreement, the interest payable for the Revised Loan was revised from 8% to 6% per annum for the period from 1 November 2021 to 30 June 2023.

Pursuant to the Fifth Extension Agreement, the interest rate of the Revised Loan shall be reduced from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022, while the interest payable for the Revised Loan for the period from 1 January 2023 to 31 December 2023 shall remain at 6% per annum.

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Having considered the reasons for entering into the Fifth Extension Agreement which will aid in reaching the Settlement Agreement under the current operating environment and the latest financial conditions of the Company, in particular:

- (i) the Interest Rate remains the same as agreed under the Fourth Extension Agreement. The Interest Rate and the Revised 2022 Interest Rate are below the Group's average financing cost of 7.1% during the year ended 31 December 2022. As at 28 February 2023, the Group had outstanding loan amounted to approximately RMB12.1 billion, approximately 1.2% of which bear an interest rate of 2%, approximately 39.9% of which bear an interest rate of more than 2% but below 6%, approximately 32.5% of which bear an interest rate of 6%, whilst approximately 26.4% of which bear an interest rate of more than 6%. Except for bonds of approximately RMB1.52 billion and loans of approximately RMB0.43 billion which were not secured by any pledged assets, all other outstanding loans were secured by assets pledged by the Group. Among the aforesaid unsecured loans, approximately 96% were loans provided by Jiayu or its associates. 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. Nonetheless, the Group was able to enter into extension agreements to extend the repayment dates of the outstanding loans;
- (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 6%; and
- (iii) the Revised 2022 Interest Rate of 2% represents a reduction from the original interest rate of 6% for the period from 1 January 2022 to 31 December 2022 pursuant to the Fourth Extension Agreement, which is significantly lower than the Group's average financing cost of 7.1% during the year ended 31 December 2022 as mentioned in (i) above interest rate of 6% represents a reduction from the original interest rate of 8% pursuant to the Third Extension Agreement, which aligns with the revised interest rate of 6% obtained from other banks and financial institutions as mentioned in (i) above,

LETTER FROM THE BOARD

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 Revised Loan shall be extended to 31 December 2023 pursuant to the Fifth Extension Agreement.

Please refer to the paragraph headed “THE FIFTH 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 The Fifth Extension Agreement is subject to:

Precedent:

- (a) being stamped with official seals of the Borrower and the Lender;
- (b) the Borrower and the Lender having obtained their respective internal approval in relation to the entering of the Fifth Extension Agreement, including the Fifth Extension Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM; and
- (c) the entering into of extension agreements in respect of the extension of outstanding loans provided to the Group by Right Won Management Limited and other companies controlled by the ultimate beneficial owner of Right Won Management Limited.

Others: Subject to the announcement regarding the Fifth Extension Agreement having been published on the Stock Exchange’s website and the Stock Exchange’s clearance on the circular regarding the Fifth Extension Agreement having been obtained on or before 30 June 2023, if the Fifth Extension Agreement is not approved by the Independent Shareholders at the EGM prior to the expiry of the term of the First Tranche Loan pursuant to the Loan Agreement (i.e. 30 June 2023), the Lender agreed that this would not constitute an event of default under the Loan Agreement and that (i) it will not claim against the Borrower for breach of the Loan Agreement from the date of the Fifth Extension Agreement to the date of the EGM; and (ii) if the Independent Shareholders approval has been obtained at the EGM, it will not claim against the Borrower for breach of the Loan Agreement.

LETTER FROM THE BOARD

Security: Subject to the Fifth 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.

Save as disclosed above, all other terms and conditions of the Loan Agreement shall remain unchanged.

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 Fifth 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 summarised 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:

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Pledged assets	Property ownership certificate no.	Total land/ property area
<p>(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”).</p> <p>The Dalian Yitong Pledged Assets has been approved for urban residential land purpose for the term until 30 December 2080.</p> <p>The asset value of the Dalian Yitong Pledged Assets as at 12 March 2021 as appraised by the Independent Valuer amounted to RMB216,250,000.</p>	<p>Liao (2017) Dalian Neisi Real Estate No. 009000034 (遼(2017)大連市內四區不動產權第009000034號)</p> <p>Dagan Guo Yong (2011) No. 40028 (大甘國用(2011)第40028號)</p>	<p>Total land area of 23,686.71 square meters</p> <p>Total land area of 5,236.43 square meters</p>

LETTER FROM THE BOARD

Pledged assets	Property ownership certificate no.	Total land/ property area
<p>(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.</p>	<p>Gaoxin Yuanqu (2010) No. 05052 (高新園區國用(2010)第05052號)</p> <p>Liao (2019) Dalian Gaoxin Yuanqu Real Estate No. 05003978 (遼(2019)大連高新園區不動產權第05003978號)</p>	<p>Total land area of 12,597.4 square meters</p> <p>Total property area of 8,534.33 square meters</p>

The asset value of the Dalian Zhongxing Pledged Assets as at 12 March 2021 as appraised by the Independent Valuer amounted to RMB195,530,000.

The total appraised value of the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets amounted to approximately RMB411.8 million, which is higher in value than the Revised Loan of approximately RMB251.6 million, is in line with the market practice in the PRC. As a general market practice and dependable on the actual financial condition of the borrower, it is not uncommon for banks/ financial institutions in the PRC to require to obtain assets with value exceeding the amount of the loan as security for the financing arrangement.

LETTER FROM THE BOARD

In line with the market practice and as for the case under the arrangement pursuant to the Loan Agreement and the Pledge Agreement, in the event of default of the Loan Agreement by the Borrower, the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets will be sold via public tender with the proceeds being utilized to repay the outstanding loan payment. Proceeds in excess of the outstanding loan, if any, will be repaid to the chargor. Accordingly, whilst the total appraised value of the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets is higher than the amount of the Revised Loan, the maximum repayment obligation under the Pledge Agreement will not be more than the amount of the Revised Loan (together with any outstanding interest payment incurred) in any event.

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 12 March 2021 up to the Latest Practicable Date.

3. 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 Fifth 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.

4. REASONS FOR AND BENEFITS OF THE LOAN

As disclosed in the Company's annual report for the year ended 31 December 2019, annual report for the year ended 31 December 2020, interim report for the six months ended 30 June 2021, annual report for the year ended 31 December 2021 and interim report for the six months ended 30 June 2022, 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. 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. Taking into the current financial conditions of the Company and the arrangement agreed with the Aetos Parties to resolve the outstanding

LETTER FROM THE BOARD

payables pursuant to the Final Award, the Borrower and the Lender agreed to further extend the repayment date of the First Tranche Loan to enable the Company to repay the Aetos Parties in priority pursuant to the Subordination Agreement.

The Pledge Agreement and the Guarantee Agreement were entered into by the Company as security for the Loan.

Subject to the taking effect of the Fifth 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 Fifth Extension Agreement.

Based on the current plan, the Group will use internal resources or other appropriate financing methods as determined by the Company to repay the Revised Loan.

The Directors are of the view that the entering of the Fifth Extension Agreement, although is not in the ordinary and usual course of business, is entered into on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

5. REASONS FOR AND BENEFITS OF FURTHER EXTENSION OF LOAN

The Board is of the view that the entering of the Settlement Agreement would enable the Company to: (a) settle the outstanding principal and interest claimed under the Final Award with the reduction of an amount by approximately US\$34 million from approximately US\$209 million to US\$175 million, which would lessen the Group's financial burden and improve its liquidity positions; and (b) eliminate the negative impact of the Arbitration on the Company's public image. The Third Extension Agreement was incidental to the Subordination Agreement as contemplated under the Settlement Agreement.

The Fourth Extension Agreement and the Fifth Extension Agreement would allow the Company to (a) extend the repayment date of the Revised Loan from 31 October 2021 to 31 December 2023; and (b) reduce the interest rate of the Revised Loan from 8% to 6% or 2% per annum (if applicable). The disadvantage of entering into the Fifth Extension Agreement, as opposed to the Company repaying the Revised Loan forthwith, is that the Company will incur additional interest expenses at the rate of 6% or 2% per annum (if applicable) before the Revised Loan is fully settled. Nonetheless, taken into account the aforementioned benefits of the extension of the loan, the Directors, including the independent non-executive Directors, consider that the terms of the Fifth Extension Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

6. INFORMATION ON THE PARTIES TO THE FIFTH EXTENSION AGREEMENT

The Borrower and the Group

The Borrower is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date, principally engaged in property development in the PRC. 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 and decoration and landscaping services.

The Lender

The Lender is a company established in the PRC and principally engaged in investment management, industrial investment and asset management. As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye, which indirectly owned 100% of Jiayou which in turn owned approximately 61.20% of the Shares in issue and hence 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. CMIG Jiaye is owned as to 67.26% by China Minsheng.

7. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye. As at the Latest Practicable Date, CMIG Jiaye indirectly owned 100% of Jiayou which owned 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 one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Fifth Extension Agreement is more than 5%, the entering of the Fifth Extension Agreement is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors (including the members of the Independent Board Committee) had material interest in the Fifth Extension Agreement and the transactions contemplated thereunder and was required to abstain from voting on the board resolutions approving the Fifth Extension Agreement.

LETTER FROM THE BOARD

8. THE EGM

The EGM will be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Friday, 30 June 2023 at 10:30 a.m., during which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Fifth Extension Agreement and the transactions contemplated thereunder by way of poll, the results of which will be announced after the EGM. Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.yidachina.com). Whether or not the Shareholders intend to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should the Shareholders so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye. As at the Latest Practicable Date, CMIG Jiaye indirectly owned 100% of Jiayou which owned 1,581,485,750 Shares, representing approximately 61.20% of the Shares in issue. However, due to the appointment of the joint and several receivers by the Aetos Parties pursuant to the Company Share Charge on 11 May 2022, Jiayou no longer have any power or authority to deal with 516,764,000 Shares charged (the "**Charged Shares**", representing approximately 19.99% of the total issued Shares) or exercise any rights attached or in relation thereto. As such, Jiayou could only exercise the voting right attaching to 1,064,721,750 Shares, representing approximately 41.2% of the Shares in issue as at the Latest Practicable Date. Jiayou and its associates will abstain from voting at the EGM in respect of the resolution approving the Fifth Extension Agreement. Save as otherwise disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Fifth Extension Agreement and is required to abstain from voting on the resolution to approve the Fifth Extension Agreement at the EGM.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Board is of the view that the Fifth Extension Agreement, although is not in the ordinary and usual course of business, is entered into on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The Board therefore recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Fifth Extension Agreement, and Dakin has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the Independent Financial Adviser containing its recommendation in respect of the Fifth Extension Agreement is set out on pages 22 to 33 of this circular.

10. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on page 6 of this circular; (ii) the letter from the Independent Financial Adviser as set out on pages 22 to 33 of this circular; and (iii) the additional information as set out in the appendix of this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee, prepared for the purpose of inclusion in this circular.

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)

14 June 2023

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
FURTHER EXTENSION OF LOAN**

We refer to the circular dated 14 June 2023 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Fifth Extension Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, and how the Independent Shareholders should vote at the EGM, after taking into account the recommendation of the Independent Financial Adviser.

Dakin Capital Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in connection with the Fifth Extension Agreement. Details of the advice from the Independent Financial Adviser, together with the reasons for its opinion, the key assumptions made and the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 22 to 33 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 7 to 19 of the Circular and the additional information set out in the appendix of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the information as set out in the letter from the Board, the terms and conditions of the Fifth Extension Agreement, the factors and reasons considered by, and the opinion of Independent Financial Adviser as set out in its letter of advice, we are of the view that the Fifth Extension Agreement, although is not in the ordinary and usual course of business, is entered into on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Fifth Extension Agreement.

Yours faithfully

For and on behalf of the Independent Board Committee of

Yida China Holdings Limited

Mr. Yip Wai Ming

Mr. Guo Shaomu

Mr. Han Gensheng

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the inclusion in this circular.



14 June 2023

*To: the Independent Board Committee and the Independent Shareholders
of Yida China Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION FURTHER EXTENSION OF LOAN

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Fifth Extension Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 14 June 2023 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

On 31 March 2023, the Borrower and the Lender entered into the Fifth Extension Agreement to further extend the repayment date of the Revised Loan from 30 June 2023 to 31 December 2023.

As at the Latest Practicable Date, (i) the Lender is a wholly-owned subsidiary of CMIG Jiaye; (ii) CMIG Jiaye indirectly owned 100% of Jiayou which owned approximately 61.20% of the Shares in issue; and (iii) CMIG Jiaye is 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 transactions contemplated under the Loan Agreement and the Fifth Extension Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Fifth Extension Agreement is more than 5%, the entering of the Fifth Extension Agreement is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. None of the Directors (including the members of the Independent Board Committee)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

had material interest in the Fifth Extension Agreement and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving the Fifth Extension Agreement.

The Company will seek approval from the Independent Shareholders in respect of the Fifth Extension Agreement by way of a poll at the EGM. As at the Latest Practicable Date, (i) the Lender is a wholly-owned subsidiary of CMIG Jiaye; and (ii) CMIG Jiaye indirectly owned 100% of Jiayou which owned approximately 61.20% of the Shares in issue. However, due to the appointment of the joint and several receivers by Aetos Parties pursuant to the Company Share Charge on 11 May 2022, Jiayou no longer have any power or authority to deal with 516,764,000 Shares charged, representing approximately 19.99% of the total issued Shares or exercise any rights attached or in relation thereto. As such, as at the Latest Practicable Date, Jiayou could only exercise the voting right attaching to 1,064,721,750 Shares, representing approximately 41.20% of the Shares in issue. In view of the interests as mentioned above, Jiayou and its associates are deemed to have a material interest in the Fifth Extension Agreement and are required to abstain from voting at the EGM in respect of the resolution approving the Fifth Extension Agreement. Saved as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Fifth Extension Agreement and will be required to abstain from voting on the resolution(s) to approve the Fifth Extension Agreement at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu and Mr. Han Gensheng has been formed to advise the Independent Shareholders on whether the terms of the Fifth Extension Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, taking into account the recommendation of the Independent Financial Adviser.

INDEPENDENCE

We, Dakin Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. During the past two years immediately preceding the Latest Practicable Date, we do did not act as the financial adviser or the independent financial adviser of the Company. Apart from normal professional fees for our services to the Company in connection with this engagement described above, no other arrangements exist whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we were not aware of any relationships or interests between us and the Company, or its substantial Shareholders, Directors, chief executive, or any of their respective associates. We are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Fifth Extension Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true and accurate up to the Latest Practicable Date.

The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular are accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company or associates, nor have we considered the taxation implication on the Company or the Independent Shareholders as a result of the entering of the Fifth Extension Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the fairness and reasonableness of the terms of the Fifth Extension Agreement and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Fifth Extension Agreement, we have considered the following principal factors and reasons:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(1) Background information of the Fifth Extension Agreement

Information of the Group

With reference to the Letter from the Board, 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 and decoration and landscaping services.

With reference to the Company's annual report for the year ended 31 December 2022 (the "2022 Annual Report"), as at 31 December 2022, the Group recorded (i) cash and cash equivalents of approximately RMB127.5 million; (ii) restricted cash of approximately RMB231.3 million; and (iii) interest-bearing bank and other borrowings of approximately RMB12,050.8 million.

Information of the Lender

According to the Letter from the Board, the Lender is a company established in the PRC and principally engaged in investment management, industrial investment and asset management. As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye, which indirectly owned 100% of Jiayou which in turn owned approximately 61.20% of the Shares in issue and hence a controlling shareholder (as defined under the Listing Rules) of the Company.

Information of the Loan

On 3 December 2019, the Borrower entered into the original Loan Agreement with the Lender. Pursuant to the original Loan Agreement, the Lender agreed to provide the loan of up to RMB288,500,000 in three tranches (i.e. the First Tranche Loan of RMB230,000,000, the second tranche loan of RMB11,500,000 and the third tranche loan of RMB47,000,000). The Group also entered into the Pledge Agreement and the Guarantee Agreement in favor of the Lender as security for the Loan. The original Loan Agreement was considered and approved at the extraordinary general meeting on 15 January 2020.

The First Tranche Loan was drawn down by the Borrower on 4 February 2020, but the second tranche loan of RMB11,500,000 and third tranche loan of RMB47,000,000 under the original Loan Agreement lapsed as certain conditions precedent under the original Loan Agreement could not be fulfilled before the then agreed drawdown date of the loan.

The First Tranche Loan was divided into three portions: (a) RMB22,000,000 that would be due on 18 February 2020; (b) RMB34,000,000 that would be due on 2 August 2020; and (c) the remaining RMB174,000,000 that would be due on 3 February 2021. The First Tranche Loan was subsequently extended to 31

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

October 2021 pursuant to the First Extension Agreement, the Second Extension Agreement, the Third Extension Agreement (as supplemented by the Supplemental Agreement to the Third Extension Agreement) and the Fourth Extension Agreement. The principal amount (before the Fifth Extension Agreement being effective) of the Revised Loan was RMB251,558,852 with interest rate of 6% per annum.

(2) Reasons for and benefits of the entering of the Fifth Extension Agreement

Pursuant to the Letter from the Board, the Fifth Extension Agreement would allow the Company to (a) further extend the repayment date of the Revised Loan from 30 June 2023 to 31 December 2023; and (b) reduce the interest rate of the Revised Loan from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022.

According to the 2022 Annual Report, as at 31 December 2022, the Group's current liabilities exceeded its current assets by RMB8,938,449,000. As at 31 December 2022, the Group's current interest-bearing bank and other borrowings amounted to RMB12,050,826,000 while its cash and cash equivalents amounted to RMB127,519,000 only.

With reference to the 2022 Annual Report and pursuant to the management of the Company, since 2020, the Group failed to repay principals, interests and consent fees of certain borrowings according to their respective scheduled repayment dates (the "**Borrowings Overdue**"). According to the management of the Company, borrowings with carrying amount of RMB3,772,064,000 remained unsettled as at 31 December 2022, at the date of the approval of these consolidated financial statements of the Company for the year ended 31 December 2022, out of which RMB500,000,000 have been subsequently extended. Subsequent to 31 December 2022, other than the Borrowings Overdue, the Group failed to pay interests of certain borrowings with the carrying amount of RMB28,240,000 in total according to their scheduled payment dates.

In addition, according to the 2022 Annual Report, Aetos Parties, Obligors and Yida Parties has entered into the Settlement Agreement. Pursuant to the Settlement Agreement, among other things, Yida Parties have agreed, among others, to execute the Subordination Agreement under which Jiayu will covenant and agree that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by Obligors under the Settlement Agreement. However, according to the 2022 Annual Report, as at 31 March 2023, Yida Parties have not fulfilled all payment obligations pursuant to the Settlement Agreement. As advised by the management of the Company, as at the Latest Practicable Date, the Group is actively negotiating with Aetos Parties and Aetos Parties have not presented a winding-up petition to the court (the "**Aetos Parties Matter**").

As the First Tranche Loan falls under the scope of the Subordination Agreement, the First Tranche Loan would be required to be further extended under the Subordination Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, according to the 2022 Annual Report, since 2018, the financial conditions of China Minsheng, the controlling shareholder of the Group, changed in such a way that triggered certain terms specified in the Group's borrowing agreements. In addition, the Company publicly announced on 20 February 2020 that Mr. Chen Donghui, a former executive Director who was subsequently removed since 15 June 2020, was detained by the relevant authorities in the PRC. These matters, together with the Borrowings Overdue and the Aetos Parties Matter, constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,630,600,000 in total as at 31 December 2022 becoming immediately repayable if requested by the lenders, of which RMB4,679,350,000 represented borrowings with respective scheduled repayment dates within one year, while RMB2,951,250,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2023 that were reclassified as current liabilities.

The Pledge Agreement and the Guarantee Agreement were entered into as security for the Loan in December 2019. Subject to the taking effect of the Fifth 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 continuously exert its efforts to improve its business operation and to ensure the repayment of the Revised Loan in accordance with the Fifth Extension Agreement.

Also, we noted from the 2022 Annual Report that in view of certain circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. According to the management of the Company, the following plans and measures are formulated to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the overdue repayments to the lenders:

- (i) the Group has been actively negotiating with Aetos Parties. Up to the date of the approval of the Company's consolidated financial statements for the year ended 31 December 2022, Aetos Parties have not presented a winding-up petition to the court. The Directors are confident that the Group will reach a final settlement agreement with Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court;
- (ii) in respect of the Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders of the overdue borrowings preliminarily intended to renew or extend the respective overdue borrowings, no formal agreement has been reached yet. The Directors are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements with such lenders in due course;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) the Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their respective scheduled contractual repayment dates;
- (iv) the Group has also been conducting negotiations with relevant banks and financial institutions on renewal and extension for existing borrowings with respective scheduled repayment dates within one year. The Directors believe that, given the Group's long-term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings with respective scheduled repayment dates within one year as and when needed;
- (v) the Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of sales proceeds;
- (vi) the Group will strive to maintain a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled. The Group will also continue to take active measures to control administrative costs and capital expenditures; and
- (vii) the Group will also explore the opportunities to dispose of certain assets to third parties or local government at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

Based on the above factors, in particular the factors as listed below:

- (a) as at 31 December 2022, the Group's current liabilities exceeded its current assets by RMB8,938,449,000. At the same date, the Group's current interest-bearing bank and other borrowings amounted to RMB12,050,826,000 while its cash and cash equivalents amounted to RMB127,519,000 only;
- (b) pursuant to the Settlement Agreement, the Yida Parties have agreed, among others, to execute the Subordination Agreement under which Jiayu will covenant and agree that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by Obligors under the Settlement Agreement;
- (c) as the First Tranche Loan falls under the scope of the Subordination Agreement, the First Tranche Loan would be required to be further extended under the Subordination Agreement; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (d) the interest rate of the Revised Loan remains at 6% per annum, and the interest rate for the period from 1 January 2022 to 31 December 2022 is reduced from 6% to 2% per annum.

Based on the above and having also considered that the entering of Fifth Extension Agreement can relieve the imminent need of the Company to repay the Revised Loan, which in turn, allows the Group to retain its cash flow and liquidity and have more financial flexibility and additional time to maintain and develop its business, we concur with the Directors' view that although the entering of the Fifth Extension Agreement is not conducted in the ordinary and usual course of the Group's business, the extension of the repayment date of the Revised Loan from 30 June 2023 to 31 December 2023 under the Fifth Extension Agreement is in the interests of the Company and the Shareholders as a whole.

(3) Principal terms of the Fifth Extension Agreement

The table below summarises the major terms of the Fifth Extension Agreement, details of which are set out under the paragraph headed "2. THE FIFTH EXTENSION AGREEMENT" of the Letter from the Board:

Date:	31 March 2023
Parties:	(i) Dalian Shengyue Property Development Company Limited as the Borrower; and (ii) Shanghai Jiayu Medical Investment Management Co., Ltd. as the Lender
Subject matters:	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.
Interest rate:	The interest rate of the Revised Loan shall remain at 6% per annum except that it shall be reduced from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022.

For further details of the principal terms of the Fifth Extension Agreement, please refer to the paragraph headed "2. THE FIFTH EXTENSION AGREEMENT" of the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the interest rate, we obtained the Group's information of interest-bearing bank and other borrowings as at 28 February 2023 as follows:

	Outstanding principal amount as at 28 February 2023 <i>Approximate</i> (RMB'000)	Effective interest rate per annum (%)	Weighted average of pledged assets value to outstanding principal amount (Note 1 and 2) (%)
Bank loan (secured)	5,808,468	4.0-6.5	281
Bank loan (unsecured)	–	–	N/A
Other loan (secured)	4,312,410	2.0-13.0	216
Other loan (unsecured)	1,946,213	1.2-6.0	N/A

Notes:

1. The pledged assets includes, among other things, the Group's properties under development, investment properties, land held for development for sale, completed properties, etc.
2. The pledged assets value was based on the latest available value of such assets as at 31 December 2022. The Directors consider that there was no material change of the latest available value of such assets as at 31 December 2022 as compared to the value of such assets as at 28 February 2023.

(a) *Effective interest rate per annum*

Based on the above table and the information of interest-bearing bank and other borrowings as at 28 February 2023, we are advised by the Directors that:

- (i) as at 28 February 2023, the effective interest rate of the Group's secured loans ranged from 2.0% to 13.0% per annum, with a weighted average of approximately 5.5% per annum. The interest rate of 6% or 2% per annum (if applicable) payable for the Revised Loan falls within the aforesaid range and close to the weighted average effective interest rate of the Group's secured loans; and
- (ii) among the Group's outstanding loan as at 28 February 2023, approximately 41% of which bear an interest rate of below 6% per annum, approximately 33% of which bear an interest rate of 6% per annum and approximately 26% of which bear an interest rate of over 6% per annum;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Therefore, we consider the interest rate of 6% or 2% per annum (if applicable), which is also less than the interest rate of 8% per annum under the Loan Agreement (before the amendments pursuant to the Fifth Extension Agreement), to be fair and reasonable.

(b) Security of the Revised Loan

Based on the above table and the information of interest-bearing bank and other borrowings as at 28 February 2023, we also noted that (i) the pledged assets value of RMB411,780,000 (Note: The Directors confirmed that there has been no material change to the asset value of the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets (collectively, the “**Aggregated Pledged Assets**”) from 12 March 2021 to the Latest Practicable Date), accounting for approximately 164% of the Revised Loan (the “**Percentage Ratio**”); and (ii) the weighted average of pledged assets value as at 31 December 2022 represented approximately 281% and 216% to the outstanding principal amounts of the Group’s secured bank loans and secured other loans as at 28 February 2023 respectively. The Percentage Ratio demonstrates that (i) the aggregated asset value of the Aggregated Pledged Assets is higher than the amount of the Revised Loan; and (ii) it is lower than both of the weighted average of pledged assets value to the outstanding principal amounts of the Group’s secured bank loans and secured other loans as at 28 February 2023 respectively.

According to the Letter from the Board and the management of the Company, in line with the market practice and as for the case under the arrangement pursuant to the Loan Agreement and the Pledge Agreement, in the event of default of the Loan Agreement by the Borrower, the Aggregated Pledged Assets will be sold via public tender with the proceeds being utilized to repay the outstanding loan payment. Proceeds in excess of the outstanding loan, if any, will be repaid to the chargor. Accordingly, whilst the total appraised value of the Aggregated Pledged Assets is higher than the amount of the Revised Loan, the maximum repayment obligation under the Pledge Agreement will not be more than the amount of the Revised Loan (together with any outstanding interest payment incurred) in any event.

Pursuant to the Pledge Agreement and the management of the Company, if any of the following circumstances occur, the Lender is entitled to enforce the Aggregated Pledged Assets (the “**Pledged Assets Rights**”):

- (i) the Borrower fails to repay the main creditor’s rights (in respect of the Loan) when it fell due;
- (ii) in the event that the value of the Aggregated Pledged Assets decreases as a result of chargors’ actions, the chargors fail to restore their value or provide securities with value equivalent to such decreased value;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) either the chargors or Borrower being applied for bankruptcy or business suspension, dissolution, liquidation, business suspension for rectification, revocation and cancellation of business license; and
- (iv) other circumstance according to laws and regulations which the Lender can enforce the Aggregated Pledged Assets.

As advised by the Directors, when the Lender enforces the Aggregated Pledged Assets by exercising the Pledged Assets Rights, the Lender can negotiate with the chargors to (i) proceed auction for or sell the Aggregated Pledged Assets to receive priority repayment with the proceeds therefrom (the “**Sell & Priority Repayment Method**”); or (ii) apply the Aggregated Pledged Assets at agreed value to compensate the debt owed by the Borrower (the “**Agreed Value Compensation Method**”). Should the Lender and the Borrower fail to reach consensus on the enforcement method, the Lender can request the court to conduct auction for or sell the Aggregated Pledged Assets.

We have further discussed with the Directors and be advised that (i) under the Sell & Priority Repayment Method, the Group can keep the proceeds from auction/ sale of the Aggregated Pledged Assets in excess of the outstanding Loan amount (after priority repayment of the outstanding Loan amount), if any; and (ii) the chargors will only agree to adopt the Agreed Value Compensation Method when the agreed value of the Aggregated Pledged Assets is not lower than the market value of the Aggregated Pledged Assets as appraised by valuer appointed by the Group. As such, we are of the view that the Group’s interest is safeguarded.

Based on the above arrangement and taking into account that the Percentage Ratio demonstrates that the (i) the aggregated assets value of the Aggregated Pledged Assets is higher than the amount of the Revised Loan; and (ii) it is lower than both of the weighted average of pledged assets value to the outstanding principal amounts of the Group’s secured bank loans and secured other loans as at 28 February 2023 respectively, nothing has come to our attention that the arrangement under the Pledge Agreement is not justifiable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into consideration of the above factors and reasons, we are of the view and concur with the view of the Directors that (i) the entering of Fifth Extension Agreement is not in the ordinary and usual course of the Group's business; and (ii) the Fifth Extension Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolution(s) at the EGM to approve the Fifth Extension Agreement.

Yours faithfully,
For and on behalf of
Dakin Capital Limited
Tam Kin Fong
Managing Director

Note: Mr. Tam Kin Fong is a responsible officer of Dakin Capital Limited, which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Directors' and chief executive's interests and short positions in the shares and underlying shares of the Company and associated corporations

(1) Long positions in the Shares and/or underlying Shares of the Company

Name of Director	Capacity/ Nature of interest	Number of Shares held⁽¹⁾	Approximate percentage in the Company's issued share capital
Mr. Jiang Xiuwen	Interest of a controlled corporation	68,600,000(L) ⁽²⁾	2.65%
Mr. Wang Gang	Interest of a controlled corporation	69,200,000(L) ⁽³⁾	2.68%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Jiang Xiuwen beneficially owns the entire issued share capital of Grace Excellence Limited, Everest Everlasting Limited and Wonderful High Limited, which, in total own 74.21% of the issued share capital of Keen High Keen Source Limited. Keen High Keen Source Limited owns 2.65% of the issued share capital of the Company. By virtue of the SFO, Mr. Jiang Xiuwen is deemed to be interested in the Shares held by Keen High Keen Source Limited.

- (3) Mr. Wang Gang beneficially owns the entire issued share capital of Mighty Equity Limited, which in turn owns 100% of the issued share capital of Grace Sky Harmony Limited. Grace Sky Harmony Limited owns 2.68% of the issued share capital of the Company. By virtue of the SFO, Mr. Wang Gang is deemed to be interested in the Shares held by Grace Sky Harmony Limited.

(2) *Long positions in the shares and/or underlying shares of the Company's associated corporations*

Name of Director	Name of associated corporation	Capacity	Number of Shares	Percentage of the issued share capital of that associated corporation held
Mr. Jiang Xiuwen	Keen High Keen Source Limited	Interest of a controlled corporation	5,180(L) ⁽²⁾	74.21%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) These shares are held by Grace Excellence Limited with 3,000 shares, Everest Everlasting Limited with 180 shares and Wonderful High Limited with 2,000 shares, which are wholly-owned by Mr. Jiang Xiuwen.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations.

Save as disclosed herein, as at the Latest Practicable Date, to the knowledge of the Company:

- (1) none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) which were required to be entered in the register kept by the Company under Section 352 of the SFO; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; and

- (2) none of the Directors and chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Interests and Short Positions of Substantial Shareholders

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of shareholder	Capacity/ Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Jiayou ⁽²⁾	Beneficial owner	1,581,485,750(L)	61.20%
Jiahuang (Holdings) Investment Limited ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750(L)	61.20%
Shanghai Pinzui Enterprise Management Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750(L)	61.20%
CMIG Jiaye ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750(L)	61.20%
China Minsheng ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750(L)	61.20%
Yeung Mei Lee ⁽³⁾	Joint and several receiver	516,764,000	19.99%
Chen Mingxiao ⁽³⁾	Joint and several receiver	516,764,000	19.99%

Name of shareholder	Capacity/ Nature of interest	Number of shares held ⁽¹⁾	Approximate percentage in the Company's issued share capital
Sun Yinhuan ⁽⁴⁾	Founder of a discretionary trust	241,400,000(L)	9.34%
TMF (Cayman) Ltd. ⁽⁴⁾	Trustee	241,400,000(L)	9.34%
Right Ying Holdings Limited ⁽⁴⁾	Interest of controlled corporation	241,400,000(L)	9.34%
Right Won Management Limited ⁽⁴⁾	Beneficial owner	241,400,000(L)	9.34%

Notes:

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) China Minsheng owns 67.26% share equity of CMIG Jiaye. Shanghai Pinzui Enterprise Management Ltd. (“**Pinzui**”) is beneficially owned by CMIG Jiaye. Jiahuang (Holdings) Investment Limited (“**Jiahuang**”) is beneficially wholly-owned by Pinzui. Jiayou is beneficially wholly-owned by Jiahuang. By virtue of the SFO, China Minsheng, CMIG Jiaye, Pinzui and Jiahuang are deemed to hold equity in 1,581,485,750 Shares held by Jiayou.
- (3) On 11 March 2021, Jiayou executed the Company Share Charge pursuant to which Jiayou agreed to charge 516,764,000 Shares in favour of the Aetos Parties. On 11 May 2022, Mr. Chen Mingxiao (Jason Chen) and Ms. Yeung Mei Lee (Kitty Yeung) were appointed as the joint and several receivers of the Charged Shares.
- (4) The entire issued share capital of Right Won Management Limited is held by TMF (Cayman) Ltd. (as the trustee of The Right Ying Trust) through Right Ying Holdings Limited. The entire issued share capital of Right Ying Holdings Limited is held by TMF (Cayman) Ltd. The Right Ying Trust is a discretionary trust established by Mr. Sun Yinhuan on 14 November 2018. The beneficiaries of The Right Ying Trust include Mr. Sun Yinhuan and certain of his family members.

Save as disclosed above, so far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, no other persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP AND OTHER INTERESTS

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, the Group was not engaged in any material litigation or arbitration proceedings nor was any material litigation or claim pending or threatened against it.

7. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

Name	Qualification
Dakin Capital Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Dakin:

- (a) had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group;
- (b) had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased; and
- (c) had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

8. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Company since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.yidachina.com) and the HKEXnews website (www.hkexnews.hk) from the date of this circular up to and including the date of the EGM:

- (a) the Loan Agreement;
- (b) the Pledge Agreement;
- (c) the Guarantee Agreement;
- (d) the First Extension Agreement;
- (e) the Second Extension Agreement;
- (f) the Third Extension Agreement;
- (g) the Supplemental Agreement to the Third Extension Agreement;
- (h) the Fourth Extension Agreement;
- (i) the Settlement Agreement;

- (j) the Subordination Agreement;
- (k) the Supplemental Agreements;
- (l) the Fifth Extension Agreement; and
- (m) the written consent of Dakin as referred to in the paragraph headed “7. Qualification and Consent of Expert” in this appendix.

10. LANGUAGE

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF EGM

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Yida China Holdings Limited (the “**Company**”) will be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Friday, 30 June 2023 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifying the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the extension agreement (the “**Fifth Extension Agreement**”) for the loan amount of RMB251,558,852 (the “**Revised Loan**”) dated 31 March 2023 entered into between (i) 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 borrower (the “**Borrower**”), and (ii) Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司) as lender (the “**Lender**”), pursuant to which the Lender and the Borrower agreed to further extend the repayment date of the Revised Loan to 31 December 2023 (copy of which has been produced in the meeting and marked “A” and signed by the chairman of the meeting for identification purpose), be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things and to sign and execute all such other documents or instrument for and on behalf of the Company (including the affixation of the common seal of the Company where required) as he or she may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to, the Fifth Extension Agreement and to implement the transactions contemplated thereunder (the “**Transactions**”) and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the Transactions or incidental to the Transactions.”

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

Hong Kong, 14 June 2023

NOTICE OF EGM

Notes:

- (i) A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (ii) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof, should he/she so wish.
- (iii) Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) For determining the entitlement to attend and vote at the above meeting, the transfer books and register of members will be closed from Wednesday, 28 June 2023 to Friday, 30 June 2023, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 June 2023.
- (v) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.

As at the date of this circular, the executive Directors are Mr. Jiang Xiuwen and Mr. Yuan Wensheng, the non-executive Directors are Mr. Lu Jianhua, Mr. Wang Gang, Ms. Jiang Qian and Mr. Weng Xiaoquan, the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu and Mr. Han Gensheng.