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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)**

**MAJOR TRANSACTION IN RELATION TO  
THE DISPOSAL OF  
100% EQUITY INTERESTS IN SUBSIDIARIES**

**THE DISPOSAL**

The Board is pleased to announce that on 22 April 2024, the Vendor, the Purchaser, Target Company 1 and Target Company 2 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 (together with the Shareholder's Loans) for a total consideration of approximately RMB112.6 million.

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

**LISTING RULES IMPLICATIONS**

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.

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. The Company has obtained the written shareholders' approval certificate from Jiayou and Right Won Management Limited (being a closely allied group of Shareholders) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and accordingly, no extraordinary general meeting will be convened and held by the Company to approve the Disposal.

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 14 May 2024.

## INTRODUCTION

The Board is pleased to announce that on 22 April 2024, the Vendor, the Purchaser, Target Company 1 and Target Company 2 entered into the Equity Transfer Agreement, the principal terms of which are summarized as follow:

- Date:** 22 April 2024
- Parties:**
- (1) The Vendor;
  - (2) the Purchaser;
  - (3) Target Company 1; and
  - (4) Target Company 2

As at the date of this announcement, both Target Company 1 and Target Company 2 are wholly-owned by the Vendor. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for being the subsidiaries of the Company (in relation to the Target Companies), the Purchaser, its ultimate beneficial owners, and each of the Target Companies 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 (together with the Shareholder's Loans).

**Consideration:** The total Consideration under the Disposal is approximately RMB112.6 million, comprising Consideration 1 of approximately RMB63 million and Consideration 2 of approximately RMB49.6 million, which shall be payable by the Purchaser to the Vendor in the following manner:

#### Consideration 1

- (1) within 7 business days of the signing of the Equity Transfer Agreement, the Purchaser shall deposit approximately RMB12.6 million into the Vendor's Escrow Account (representing approximately 20% of the Consideration 1) and approximately RMB50.4 million into the Purchaser's Escrow Account (representing approximately 80% of the Consideration 1); and
- (2) upon the fulfillment of all the conditions precedent to the First Phase Completion (defined below), the parties shall arrange for the release of the Consideration 1 from the relevant Escrow Accounts within 5 Business Days. Among which, approximately RMB36.9 million for the repayment of Shareholder's Loan 1 shall be transferred to the designated bank account of Target Company 1; and the remaining amount of the Consideration 1 shall be transferred to the designated bank account of the Vendor.

#### Consideration 2

- (1) on 18 December 2023, the Vendor and the Purchaser has entered into a memorandum of understanding in relation to the proposed Disposal and pursuant to which the Purchaser has paid earnest money of RMB1 million to the Vendor. Upon the signing of the Equity Transfer Agreement, such earnest money shall become the first deposit for Consideration 2 (the "**First Deposit**");
- (2) within 5 business days of the signing of the Equity Transfer Agreement, the Purchaser shall pay to the Vendor a second deposit of RMB1 million for Consideration 2 (the "**Second Deposit**", and together with the First Deposit, collectively the "**Deposit**");
- (3) after the First Phase Completion and up to 3 business days prior to the first anniversary of the date of the Equity Transfer Agreement, the Purchaser shall deposit approximately RMB9.5 million into the Vendor's Escrow Account (representing approximately 20% of the Consideration 2 after deducting the Deposit) and approximately RMB38.1 million into the Purchaser's Escrow Account (representing approximately 80% of the Consideration 2 after deducting the Deposit); and

- (4) upon the fulfillment of all the conditions precedent to the Second Phase Completion (defined below), the parties shall arrange for the release of the Consideration 2 from the relevant Escrow Accounts within 5 Business Days. Among which, approximately RMB26.5 million for the repayment of Shareholder's Loan 2 shall be transferred to the designated bank account of Target Company 2; and the remaining amount of the Consideration 2 shall be transferred to the designated bank account of the Vendor.

**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 Target Companies were shell companies holding Land Parcel L (as defined below) and Land Parcel M (as defined below) only; (ii) the book values of Land Parcel L and Land Parcel M in the amount of RMB45.6 million and RMB35.32 million, respectively, as at 31 December 2023; (iii) the respective amount of the Shareholder's Loans; 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 shall be conditional upon the fulfillment of all of the following Conditions: –

In respect of the First Phase Completion (defined below):

- (1) the Equity Transfer Agreement having been executed;
- (2) the approval by the relevant governmental authority in relation to the development proposals for Land Parcel M and Land Parcel L (all as defined below) (including the change in land usage, adjustment of GFA indicators and dates of commencement and completion of construction works) having been obtained;
- (3) the Mortgagee having issued a letter to the satisfaction of the Purchaser agreeing to release the Pledge 1; and
- (4) all necessary authorisations, consents and approvals as may be required for the parties 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 having been obtained by the Company).

If the above conditions to the First Phase Completion are not fulfilled within 45 days from the date of the Equity Transfer Agreement, a grace period of a further 20 days shall be given by either party and after which, unless the parties agreed in writing for extension, either party shall be entitled to terminate the Equity Transfer Agreement and the Consideration 1 and Deposit paid shall be refunded to the Purchaser. None of the parties shall have any claim against the other in respect of the Equity Transfer Agreement.

In respect of the Second Phase Completion (defined below):

- (1) the First Phase Completion having been taken place; and
- (2) the Mortgagee having issued a letter to the satisfaction of the Purchaser agreeing to release the Pledge 2.

If the above conditions to the Second Phase Completion are not fulfilled within 30 days from the date of deposit of the Consideration 2 into the Escrow Accounts by either party in accordance with the terms of the Equity Transfer Agreement, unless the parties agreed in writing for extension, either party shall be entitled to terminate the Equity Transfer Agreement and the Consideration 2 and Deposit paid shall be refunded to the Purchaser. None of the parties shall have any claim against the other in respect of the Equity Transfer Agreement.

**Completion:** Completion shall take place in two phases:

- (1) the first phase of the Completion shall fall on the next day following the completion of the transfer and registration procedures of Sale Interest 1 (the “**First Phase Completion**”), which shall take place within 3 Business Days after the completion of registration of the release of the Pledge 1; and
- (2) conditional upon the completion of the First Phase Completion and within one year after the date of the Equity Transfer Agreement, the second phase of the Completion shall fall on the next day following the completion of the transfer and registration procedures of Sale Interest 2, which shall take place within 3 Business Days after the completion of registration of the release of the Pledge 2 (the “**Second Phase Completion**”).

Immediately upon the First Phase Completion, the Company will cease to have any equity interest in Target Company 1. Target Company 1 will then cease to be a subsidiary of the Company and their financial information will no longer be consolidated into the Group’s consolidated financial statements.

Immediately upon the Second Phase Completion, the Company will cease to have any equity interest in Target Company 2. Target Company 2 will then cease to be a subsidiary of the Company and their financial information will no longer be consolidated into the Group’s consolidated financial statements.

## INFORMATION ON THE TARGET COMPANIES

### Target Company 1

Target Company 1 is a company established in the PRC with limited liability and is wholly-owned by the Vendor as at the date of this announcement. It is principally engaged in enterprise management consulting.

Set out below is the unaudited consolidated financial information of Target Company 1 for the two financial years ended 31 December 2023:

	For the financial year ended 31 December	
	2022 RMB'000	2023 RMB'000
Revenue	0	0
Net loss before taxation	74.4	74.3
Net loss after taxation	74.4	74.3

Based on the unaudited consolidated financial information of Target Company 1, the total assets value and net assets value of Target Company 1 were approximately RMB45.6 million and RMB8.7 million respectively as at 31 December 2023.

As at the date of the Equity Transfer Agreement, Target Company 1 has obtained the land use right certificates in respect of the following land parcel:

Property ownership certificate no.	Purpose	GFA (sq.m.)
Liao (2017) Dalian Inner Fourth District Real Estate Ownership No. 00900140 (遼(2017)大連市內四區不動產權第00900140號) (“Land Parcel M”)	Science and education	32,971.1

### Target Company 2

Target Company 2 is a company established in the PRC with limited liability and is wholly-owned by the Vendor as at the date of this announcement. It is principally engaged in real estate development and sales.

Set out below is the unaudited consolidated financial information of Target Company 2 for the two financial years ended 31 December 2023:

	For the financial year ended 31 December	
	2022 RMB'000	2023 RMB'000
Revenue	0	0
Net loss before taxation	62.3	62.1
Net loss after taxation	62.3	62.1

Based on the unaudited consolidated financial information of Target Company 2, the total assets value and net assets value of Target Company 2 were approximately RMB35.3 million and RMB8.9 million respectively as at 31 December 2023.

As at the date of the Equity Transfer Agreement, Target Company 2 has obtained the land use right certificates in respect of the following land parcel:

<b>Property ownership certificate no.</b>	<b>Purpose</b>	<b>GFA (sq.m.)</b>
Liao (2017) Dalian Inner Fourth District Real Estate Ownership No. 00900141 (遼(2017)大連市內四區不動產權第00900141號) (“ <b>Land Parcel L</b> ”)	Science and education	27,578.9

## **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 educational information consulting, development of educational software and educational supplies technology, technical services, and technology transfer. The Purchaser is ultimately owned as to approximately 95% by Ms. Qian Xiuli and 5% by Mr. Liu Yongxing.

## **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.

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, 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 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 and replenish working capital. Based on the preliminary assessment, the Group will record a gain of approximately RMB23.8 million as a result of the Disposal, being the sum of (i) the difference between the Consideration 1 and the estimated net assets value of Target Company 1 as at the date of the First Phase Completion of approximately RMB13.1 million; and (ii) the difference between the Consideration 2 and the estimated net assets value of Target Company 2 as at the date of the Second Phase Completion of approximately RMB10.7 million, 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 Companies as at the respective date of the First Phase Completion and the Second Phase Completion.

## LISTING RULES IMPLICATIONS

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.

## 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. The Company has obtained the written shareholders' approval certificate from Jiayou and Right Won Management Limited (being a closely allied group of Shareholders) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and accordingly, no extraordinary general meeting will be convened and held by the Company to approve the Disposal.

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 14 May 2024.

**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 total consideration under the Disposal, comprising Consideration 1 and Consideration 2
“Consideration 1”	the total consideration of approximately RMB63 million for the disposal of the entire equity interest in Target Company 1, among which (i) approximately RMB26.1 million shall be the consideration for the transfer of Sale Interest 1; and (ii) approximately RMB36.9 million shall be for the repayment of Shareholder’s Loan 1
“Consideration 2”	the total consideration of approximately RMB49.6 million for the disposal of the entire equity interest in Target Company 2, among which (i) approximately RMB23.1 million shall be the consideration for the transfer of Sale Interest 2; and (ii) approximately RMB26.5 million shall be for the repayment of Shareholder’s Loan 2
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interests (together with the Shareholder’s Loans) by the Vendor pursuant to the Equity Transfer Agreement
“Escrow Accounts”	the Purchaser’s Escrow Account and the Vendor’s Escrow Account, collectively

“Equity Transfer Agreement”	the equity transfer agreement dated 22 April 2024 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
“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
“Mortgagee”	Dalian Bank Co., Ltd. (大連銀行股份有限公司), being the mortgagee under the Pledge 1 and Pledge 2
“Pledge 1”	the pledge of Land Parcel M in favor of the Mortgagee by Target Company 1
“Pledge 2”	the pledge of Land Parcel L in favor of the Mortgagee by Target Company 2
“PRC”	the People’s Republic of China
“Purchaser”	大連鈞大教育企業管理有限公司(Dalian Junda Education Enterprise Management Co., Ltd. *), a company established in the PRC with limited liability
“Purchaser’s Escrow Account”	an escrow account opened under the name of the Purchaser for the purpose of the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	Sale Interest 1 and Sale Interest 2, collectively
“Sale Interest 1”	the 100% equity interest held by the Vendor in Target Company 1
“Sale Interest 2”	the 100% equity interest held by the Vendor in Target Company 2
“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)
“Shareholder’s Loans”	Shareholder’s Loan 1 and Shareholder’s Loan 2, collectively

“Shareholder’s Loan 1”	the interest-free loan in the principal amount of RMB36,910,711 owed by Target Company 1 to Yida Development
“Shareholder’s Loan 2”	the interest-free loan in the principal amount of RMB26,460,000 owed by Target Company 2 to Yida Development
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Target Company 1 and Target Company 2, collectively
“Target Company 1”	大連科技城欣銳開發有限公司(Dalian Science and Technology City Xinrui Development Co., Ltd.*), a company established in the PRC with limited liability and is wholly-owned by the Vendor as at the date of the Equity Transfer Agreement
“Target Company 2”	大連科技城泰銳開發有限公司(Dalian Science and Technology City Tairui Development Co., Ltd.*), a company established in the PRC with limited liability and is wholly-owned by the Vendor as at the date of the Equity Transfer Agreement
“Vendor”	大連科技城發展有限公司(Dalian Science and Technology City Development Company Limited*), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“Vendor’s Escrow Account”	an escrow account opened under the name of the Vendor for the purpose of the Disposal
“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, 22 April 2024

*As at the date of this announcement, 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.*

\* *for identification purpose only*