
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or professional adviser.

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

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

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 6 to 16 of this circular.

The Disposal and the Equity Transfer Agreement have been approved by way of written shareholders’ approval obtained from Jiayou and Right Won (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of The Hong Kong Code on Takeovers and Mergers) in lieu of a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

12 July 2024

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DEFINITIONS

In this circular, unless otherwise defined or the context requires, the following terms and expressions shall have the following meanings:

“2022 Notes”	the US\$224,899,000 senior notes issued by the Company on 27 March 2020 due 27 March 2022 (ISIN: XS2130508000; Common Code: 213050800)
“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
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Days”	a day (other than a Saturday, Sunday and Public Holiday) on which licensed banks are open for business in the PRC
“Charged Shares”	the 516,764,000 Shares charged pursuant to the Company Share Charge
“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
“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)
“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 the 516,764,000 Shares held by it in favour of Aetos Parties as security for the obligation of Yida Parties under the Settlement Agreement
“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

DEFINITIONS

“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Sale Interests by the Vendor pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 22 April 2024 entered into among the Vendor, the Purchaser and the Target Companies in respect of the Disposal
“Final Award”	the final award from the Hong Kong International Arbitration Centre regarding the Arbitration on 20 October 2020
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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 of the Company
“Latest Practicable Date”	11 July 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“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
“Obligors”	Dalian Yida Property Co., Ltd., Gang Xin Limited and King Equity Holdings Limited, all being wholly-owned subsidiaries of the Company
“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
“Receivers”	the joint and several receivers appointed by the Aetos Parties pursuant to the Company Share Charge
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“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
“Sale Interests”	Sale Interest 1 and Sale Interest 2 collectively
“Settlement Agreement”	the settlement agreement dated 4 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
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“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
“Shareholder’s Loans”	Shareholder’s Loan 1 and Shareholder’s Loan 2, collectively
“sq.m.”	square meters
“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

DEFINITIONS

“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
“Target Group”	the Target Company and its subsidiaries
“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
“Yida Parties”	the Company, its five wholly-owned subsidiaries and its two joint ventures
“US\$”	United States dollars, the lawful currency of the United States
“%”	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
Mr. Yuan Wensheng

Non-executive Directors:

Mr. Lu Jianhua
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

12 July 2024

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the announcement of the Company dated 22 April 2024 and in relation to the Disposal.

On 22 April 2024, the Vendor, the Purchaser and the Target Companies 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.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, 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.

THE DISPOSAL

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 the Equity Transfer Agreement, 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

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, condition (1) has been fulfilled.

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.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

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**”).

LETTER FROM THE BOARD

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.

As at the Latest Practicable Date, the First Phase Completion has yet to be completed.

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 the Equity Transfer Agreement. 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	2023
	RMB'000	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.

LETTER FROM THE BOARD

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 the Equity Transfer Agreement. 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	2023
	<i>RMB'000</i>	<i>RMB'000</i>
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:

Property ownership certificate no.	Purpose	GFA (sq.m.)
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) (“ Land Parcel L ”)	Science and education	27,578.9

LETTER FROM THE BOARD

INFORMATION OF 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, 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 are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECT AND USE OF PROCEEDS

Among the total net proceeds from the Disposal of approximately RMB105.3 million, approximately RMB59 million is attributable to the disposal of Target Company 1, where approximately RMB53.4 million will be used to repay the indebtedness of the Group and approximately RMB5.6 million will be used to replenish working capital; while approximately RMB46.3 million is attributable to the disposal of Target Company 2, where approximately RMB41.9 million will be used to repay the indebtedness of the Group and approximately RMB4.4 million will be used to replenish working capital. Based on the preliminary assessment, the Group will record a gain of approximately RMB24.3 million as a result of the Disposal (comprising approximately RMB13.4 million from the disposal of Target Company 1 and approximately RMB10.9 million from the disposal of Target Company 2), being the sum of (i) the difference between the Consideration 1 of approximately RMB63 million and the estimated net assets value of Target Company 1 as at the date of the First Phase Completion of approximately RMB8.7 million, after deducting the Shareholder's Loan 1 of approximately RMB36.9 million and relevant tax expenses of approximately RMB4 million; and (ii) the difference between the Consideration 2 of approximately RMB49.6 million and the estimated net assets value of Target Company 2 as at the date of the Second Phase Completion of approximately RMB8.9 million, after deducting the Shareholder's Loan 2 of approximately RMB26.5 million and relevant tax expenses of approximately RMB3.3 million. 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Jiayou owned 1,581,485,750 Shares, representing approximately 61.20% of the Shares in issue. However, due to the appointment of the Receivers on 11 May 2022, Jiayou no longer have any power or authority to deal with 516,764,000 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.

Accordingly, Jiayou, together with Right Won Management Limited (who owns 241,400,000 Shares, representing approximately 9.34% of the issued share capital of the Company), being a closely allied group of Shareholders, 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 as at the Latest Practicable Date. Accordingly, the Company has obtained a written shareholder's approval certificate from Jiayou and Right Won Management Limited (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of The Hong Kong Code on Takeovers and Mergers) to approve the Equity Transfer Agreement and the Disposal pursuant to Rule 14.44 of the Listing Rules and no extraordinary general meeting will be convened and held by the Company to approve the Disposal.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the Disposal are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. If a general meeting were to be convened by the Company to consider and approve the Equity Transfer Agreement and the Disposal, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Equity Transfer Agreement and the Disposal.

ADDITIONAL INFORMATION

References are made to the Company's announcements dated 14 June 2024 and 27 June 2024, respectively, regarding (among others) the winding-up petition filed against the Company in relation to the 2022 Notes (the "**Petition 2**"). Pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**"), in the event that the Company is ultimately wound up as a result of the **Petition 2**, any disposition of the property directly owned by the Company (for the avoidance of doubt, excluding the property of the subsidiaries the Company), any transfer of shares of the Company, or alteration in the status of the members of the Company, made after the commencement date of the winding up which was 31 May 2024 when the **Petition 2** was filed, will be void unless a validation order is obtained from the High Court of the Hong Kong Special Administrative Region (the "**High Court**").

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has not applied for any validation order as the Sale Interests are held by the Vendor which do not strictly fall within the scope of section 182 of the Companies (WUMP) Ordinance. However, there still exists uncertainty as to whether the Disposal will be affected by the Petition 2. In the event that the Disposal is contested by the petitioner of the Petition 2 or any other creditors, the Company will seek further advice from its legal advisors to determine the necessity to apply to the High Court for a validation order. The Company will keep the Shareholders and potential investors informed of any significant development and further announcement will be made by the Company as and when appropriate.

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP FOR EACH OF THE THREE YEARS ENDED 31 DECEMBER 2020, 2021 AND 2022 AND THE SIX MONTHS ENDED 30 JUNE 2023

Details of the financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.yidachina.com.cn/html/index.php>) and can be accessed at the website addresses below:

For the annual report of the Company for the year ended 31 December 2020, please see: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900647.pdf> (pages 97 to 192)

For the annual report of the Company for the year ended 31 December 2021, please see: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042903091.pdf> (pages 109 to 200)

For the annual report of the Company for the year ended 31 December 2022, please see: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042805231.pdf> (pages 97 to 182)

For the interim report of the Company for the six months ended 30 June 2023, please see: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0928/2023092801829.pdf> (pages 3 to 70)

2. INDEBTEDNESS STATEMENT**Debts and borrowings**

As at 31 May 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding (i) secured bank loans of approximately RMB5,468.5 million, among which approximately RMB4,678.5 million is guaranteed, while the remaining of approximately RMB790 million is unguaranteed; (ii) secured corporate bond and other loans of approximately RMB4,349.4 million; (iii) unsecured corporate bond, senior notes and other loans of approximately RMB2,102.7 million (among (ii) and (iii), approximately RMB2,656.0 million is guaranteed, while the remaining of approximately RMB3,796.1 million is unguaranteed); and (iv) unsecured and unguaranteed lease liabilities of approximately RMB37.0 million.

The secured bank and other borrowings of the Group as at 31 May 2024 are secured by:

- (i) pledges over certain of the Group's buildings, properties under development, land held for development for sale, completed properties held for sale, and investment properties;
- (ii) pledges over certain of the Group's other receivables;
- (iii) pledges over the Group's equity interests in certain subsidiaries;
- (iv) guarantees given by the Company and/or its subsidiaries; and/or
- (v) pledges over certain of the Group's time deposits.

Financial guarantees

As at 31 May 2024, the contingent liabilities incurred by the Group for provision of guarantees to financial institutions in respect of the mortgage loans provided by such financial institutions to the property purchasers of the Group were approximately RMB292 million. Besides, the contingent liabilities incurred by the Group for provision of guarantees to bank loans granted to a joint venture were approximately RMB90.9 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 May 2024, have any other debt securities, whether issued and outstanding, authorised or otherwise created but unissued, term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured borrowings or debt, mortgages, charges, guarantees or other material contingent liabilities.

The Directors confirm that, save as disclosed above, there are no material changes in the indebtedness and contingent liabilities of the Group since 31 May 2024.

3. WORKING CAPITAL

As set out in the Company's interim condensed consolidated financial statements for the six months ended 30 June 2023, the Group's current liabilities exceeded its current assets by RMB8,709,923,000. At the same date, its current borrowings amounted to RMB11,855,140,000 while its cash and cash equivalents amounted to RMB112,683,000 only.

Up to 30 June 2023, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the “**Borrowings Overdue**”). Although the Group managed to settle some of these borrowings during the Period after the due dates, an aggregate principal amount of RMB3,281,493,000 remained unsettled as at 30 June 2023, and have not been subsequently repaid, renewed or extended up to the date of the approval of these consolidated financial statements.

On 18 January 2021, the Group failed to settle a payable with interest accrued thereon to the Aetos Parties according to a final award issued by Hong Kong International Arbitration Centre. On 4 March 2021, the Group and Aetos Parties entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed repayment schedule. However, the Group failed to fulfill the settlement agreement and the unpaid balance amounted to RMB1,192,341,000 as at 30 June 2023. Subsequent thereto, Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties’ satisfaction, or otherwise a winding-up petition may be presented to the court (the “**Aetos Parties Matter**”). The Group has since then has been actively negotiating with Aetos Parties.

Since 2018, the financial conditions of the Group’s controlling shareholder, China Minsheng, 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 then 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 RMB8,183,985,000 in total as at 30 June 2023 becoming immediately repayable if requested by the lenders, of which RMB3,013,810,000 represented borrowings with scheduled repayment dates within one year, while RMB5,170,175,000 represented non-current borrowings with original contractual repayment dates beyond 30 June 2024 that were reclassified as current liabilities.

As disclosed in the announcement of the Company dated 14 June 2024, the Petition 2 was filed against the Company in relation to the 2022 Notes.

As at 31 May 2024, the substantial interest bearing borrowings with the amount of approximately RMB11,920.6 million, most of which have already been matured and/or default. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

In preparing the working capital forecast for the Group for the 12 months from the date of this circular, the Group was unable to obtain (i) written agreement with relevant lenders in respect of certain loans and corporate bond that they will not exercise their rights to demand immediate repayment of the relevant loans and corporate bond prior to their scheduled contractual repayment dates, as triggered by changes in financial conditions of China Minsheng, the failure to repay certain borrowings together with accrued interests and consent

fees under the corresponding agreements with lenders according to the respective scheduled repayment dates set out therein (“**Bank Loans Default**”), the failure of paying certain consent fee and interest according to the schedule payment date to the holders of the 2022 Notes (the “**2022 Notes Non-Payment Matter**”) and the Aetos Parties Matter. As disclosed in the announcement of the Company dated 21 May 2024, the Company has recently received a notice of acceleration (the “**Notes Acceleration Notice**”) from the trustee by virtue of the 2022 Notes Non-Payment Matter. If the Notes Acceleration Notice has indeed been instructed by the relevant holders of the 2022 Notes in accordance with the indenture, the principal of, premium (if any), and accrued and unpaid interest on the 2022 Notes would become immediately due and payable. The Petition 2 was filed against the Company in relation to the 2022 Notes; and (ii) confirmation on the renewal of existing loans which are not yet due but will be due for repayment within 12 months from the date of this circular. As such, based on the existing confirmed facilities, the Group was unable to confirm that it would have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular as required under paragraph 30 of Appendix D1B to the Listing Rules.

The Group has the following plans to ensure that the it would have sufficient working capital for at least the next 12 months from the date of this circular:

- (i) The Group has been actively negotiating with Aetos Parties. Up to the Latest Practicable Date, Aetos Parties have not presented a winding-up petition to the court. The Company will continue to negotiate with Aetos Parties to reach a final settlement agreement and convince them not to exercise their rights to present a winding up petition to the court.
- (ii) In respect of 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 preliminarily intended to renew or extend the certain overdue borrowings, no formal agreement has been reached yet. The Directors will endeavour to convince such lenders not to exercise their rights to demand the Group’s immediate repayment of the borrowings and the Group will endeavour to reach final agreements with such lenders in due course.
- (iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Directors will endeavour to convince the relevant lenders not to exercise their rights to demand the Group’s immediate repayment of the borrowings prior to their scheduled contractual repayment dates.
- (iv) Subsequent to 30 June 2023, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. 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 and

obtain new borrowings when needed. In this connection, the Group was able to renew, extend or obtain new borrowings of RMB82,000,000, although the agreements of all of such new borrowings contain terms that would cause such borrowings to be immediately repayable if so requested by the lenders after the reporting period.

- (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.
- (vii) The Group will seek opportunities to dispose of certain assets and investments at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

Taking into account the financial resources available to the Group, including the internally generated funds and the existing borrowings, and the above-mentioned plans, as well as based on the assumptions that (i) the relevant lenders of the existing borrowings and corporate bond will not exercise their rights to demand immediate payment of the relevant borrowings prior to their scheduled contractual repayment dates, as triggered by changes in financial conditions of China Minsheng, the Bank Loans Default, the 2022 Notes Non-Payment Matter and Aetos Parties Matter; and (ii) the Notes Acceleration Notice was invalid or the matter was resolved, in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12).

In the event that none of the above plans could be effectively implemented, the Company will consider and seek for other appropriate alternative plan(s), including but not limited to potential equity or debt fund raising exercise, in order to ensure that the Group will have sufficient working capital.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Although as the largest business park developer and leading business park operator in the PRC, the outbreak of COVID-19 has had negative impacts on the Group's sales of properties business. The Disposal will enable the Group, by disposing a non-core asset, to quickly recover funds and repay some of the indebtedness. Under the clear market trend of growing industry concentration and declining asset expansion, the Group could control financial risk and speed up the cash inflows through optimizing asset allocation and deleveraging. Therefore, the Directors is convinced the Disposal will contribute the Group's stable development in the long term and the ability to take advantage of future market opportunities.

Despite facing multiple uncertainties, the Group remains committed to the direction of "strengthening the core competitiveness of business park operation", the implementation of the strategy of "developing asset-light and asset-heavy businesses simultaneously, leading the development of asset-light business to actuate asset-heavy business, supporting asset-light business with asset-heavy business", and refined the development model of "city-industry integration".

5. EFFECTS OF THE TRANSACTIONS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

As at 31 December 2022, the audited consolidated total assets of the Group amounted to approximately RMB39,684 million and the audited consolidated total liabilities of the Group amounted to approximately RMB28,278 million.

As at 31 December 2022, the unaudited total assets and total liabilities of the Target Group, as extracted from its unaudited financial statements as at 31 December 2022 amounted to approximately RMB80.9 million and approximately RMB63.3 million, respectively. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial information of the Target Group will no longer be consolidated into the Group's consolidated financial statements.

Based on the preliminary assessment, it is expected that the Group will record a gain of approximately RMB24.3 million as a result of the Disposal, being the difference between the Consideration and the estimated net assets value of the Target Group as at the date of Completion, after deducting the estimated amount of relevant tax expenses. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to further true-up of the estimated net assets value of the Target Group as at the date of Completion.

6. NO MATERIAL ADVERSE CHANGES

The Directors confirm that, save for the following matters, there has been no material adverse changes in the financial or trading position of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Company were made up):

- (1) as disclosed in the interim report of the Company for the six months ended 30 June 2023:
 - (a) the Group recorded net loss attributable to shareholders of the Company of RMB35.72 million for the six months ended 30 June 2023, as compared to net profit attributable to equity owners in the amount of RMB18.37 million for the corresponding period of 2022;
 - (b) the revenue of the Group for the six months ended 30 June 2023 was RMB1,572.47 million, representing a decrease of 51.8% from the corresponding period of 2022;
 - (c) the gross profit of the Group for the six months ended 30 June 2023 amounted to RMB309.08 million, representing a decrease of 58.6% from the corresponding period of 2022;
 - (d) as at 30 June 2023, the Group had bank and other borrowings of RMB12,114.14 million as compared to RMB12,050.83 million as at 31 December 2022;
 - (e) the Group recorded approximately 0.37% decrease in net assets as at 30 June 2023 as compared to 31 December 2022; and
 - (f) the Group recorded approximately 1.29% decrease in total liabilities as at 30 June 2023 as compared to 31 December 2022.
- (2) as disclosed in the inside information announcements of the Company dated 3 January 2023, 14 May 2023 and 21 May 2024, respectively, due to unfavorable factors in the macro economy, real estate market and financial environment, and multiple rounds of epidemics, the Company has not made payments on the relevant payment dates pursuant to the terms of the consent solicitation of 2022 Notes. The Company has recently received the Notes Acceleration Notice from the trustee by virtue of the Company's non-payment. If the Notes Acceleration Notice has indeed been instructed by the relevant holders of the 2022 Notes in accordance with the indenture, the principal of, premium (if any), and accrued and unpaid interest on the 2022 Notes would become immediately due and payable; and

- (3) as disclosed in the announcements of the Company dated 11 March 2024, 24 April 2024 and 27 June 2024, respectively and the section headed “Litigation” in Appendix II to this circular, on 9 March 2024, the Company received a winding up petition (the “**Petition 1**”, and together with Petition 2, the “**Petitions**”) filed by Equity Financial Press Limited in relation to the Company’s overdue payment in a total outstanding amount of HK\$889,261 as at the date of the Petition 1. On 25 June 2024, the Petition 1 was withdrawn.
- (4) as disclosed in the announcements of the Company dated 14 June 2024 and 27 June 2024, respectively and the section headed “Litigation” in Appendix II to this circular, on 13 June 2024, it came into the Company’s attention that the Petition 2 was filed against the Company in relation to the 2022 Notes.

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, underlying Shares and debentures of the Company or any of its associated corporations

(a) Long positions in the Shares and/or underlying Shares and/or debenture 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 the entire 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.

(b) 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⁽¹⁾	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.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

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⁾⁽³⁾	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%
China Minsheng Jiaye Investment Co., Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
China Minsheng Investment Corp., Ltd. ⁽²⁾	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
Yeung Mei Lee ⁽³⁾	Joint and several receivers	516,764,000	19.99%
Chen Mingxiao ⁽³⁾	Joint and several receivers	516,764,000	19.99%
Sun Yinhan ⁽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 China Minsheng Jiaye Investment Co., Ltd. (“**CMIG Jiaye**”). Shanghai Pinzui Enterprise Management Ltd. (“**Pinzui**”) is beneficially wholly-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.
- (5) Mr. Jiang Xiuwen, an executive Director, is also a director of CMIG Jiaye; Mr. Lu Jianhua, a non-executive Director, is also a director, the chairman of the board of directors and the general manager of CMIG Jiaye; and Mr. Weng Xiaoquan, a non-executive Director, is also a director of CMIG Jiaye and the deputy general manager of the finance management centre of China Minsheng. Save as disclosed, 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.

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.

4. 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).

5. 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.

6. 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.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and which are, or may be, material to the Group:

- (a) the equity transfer agreement dated 6 September 2022 was entered into among Dalian Yida Management Consultancy Company Limited* (大連億達管理諮詢有限公司) (a wholly-owned subsidiary of the Company) (as vendor), Changsha Zhenwang Investment Development Co., Ltd.* (長沙振望投資發展有限公司) (as purchaser) and Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd.* (長沙億達智造產業小鎮發展有限公司) (“**Changsha Yida**”) (as target company) in relation to the disposal of 70% equity interest in Changsha Yida at a consideration of RMB84.6 million; and
- (b) the fifth extension agreement dated 31 March 2023 (the “**Fifth Extension Agreement**”) was entered into between the Borrower and the Lender pursuant to which the revised loan amount of RMB251,558,852 was further extended to 31 December 2023 and the loan interest rate was revised from 6% to 2% per annum for the period from 1 January 2022 to 31 December 2022, with other terms of the Loan Agreement remain unchanged.

8. LITIGATION

References are made to (i) the announcements of the Company dated 11 March 2024, 24 April 2024 and 27 June 2024, respectively, in relation to the Petition 1; and (ii) the announcements of the Company dated 14 June 2024 and 27 June 2024, respectively, in relation to the Petition 2. As at the Latest Practicable Date, Petition 1 was withdrawn and so far as the Directors are aware, save for the Petitions, the Group was not engaged in any material litigation or arbitration proceedings nor was any material litigation or claim pending or threatened against it.

The Company will make further announcement on the progress and development of the Petition 2 as and when appropriate.

9. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Mr. Sun Mingze and Ms. Kwong Yin Ping, Yvonne (“**Ms. Kwong**”). Ms. Kwong is a fellow member of each of The Chartered Governance Institute and The Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The principal place of business of the Company in Hong Kong is situated at Room 2008, 20/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, whose address is situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

10. DOCUMENTS ON DISPLAY

A copy of the Equity Transfer Agreement will be published on the Company’s website (www.yidachina.com) and the HKEXnews website (www.hkexnews.hk) for a period of 14 days from the date of this circular.

11. LANGUAGE

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