
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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yida China Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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
SUBSCRIPTION OF NEW SHARES BY A CONNECTED PERSON
UNDER SPECIFIC MANDATE
AND
NOTICE OF EGM

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



A notice convening the extraordinary general meeting (the “**EGM**”) of Yida China Holdings Limited (the “**Company**”) to be held at Business Centre Executive Boardroom, Level 7, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 15 September 2017 at 10 a.m., is set out on pages 32 to 33 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

31 August 2017

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 17 August 2017 in relation to, among other things, the Subscription
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business during their normal business hours
“CMIG Jiaye”	China Minsheng Jiaye Investment Co., Ltd, a controlling shareholder of the Company
“Company”	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and if thought fit, approving, among other things, the Subscription Agreement and the transactions contemplated thereunder, including the grant of Specific Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng

DEFINITIONS

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, and being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription
“Independent Shareholders”	Shareholders other than (1) Jiayou International and its associates; or (2) those who have a material interest in the Subscription or are required by the Listing Rules to abstain from voting on the resolution approving the Subscription, the allotment and issue of the Subscription Shares and other transactions contemplated under the Subscription Agreement
“Jiayou International”	Jiayou (International) Investment Limited, a controlling shareholder of the Company and an indirect wholly owned subsidiary of CMIG Jiaye
“Last Trading Day”	16 August 2017, being the day immediately preceding the date of the Subscription Agreement
“Latest Practicable Date”	29 August 2017, 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
“Long Stop Date”	31 December 2017 (or such later date as the Company and the Subscriber may agree in writing)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holder(s) of the Share(s)
“Shares”	ordinary shares of the Company
“Specific Mandate”	the specific mandate for the allotment and issue of the Subscription Shares, which is subject to approval by the Independent Shareholders voting by way of poll at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscriber”	Jiarui (Holdings) Investment Limited, a company incorporated in Hong Kong and a connected person of the Company by virtue of being an indirect wholly owned subsidiary of CMIG Jiaye, a controlling shareholder of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 17 August 2017 entered into by the Subscriber and the Company in relation to the Subscription
“Subscription Price”	the subscription price of HK\$2.3 per Subscription Share
“Subscription Shares”	339,130,000 new Shares
“%”	per cent.

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. Zhang Zhichao (*Chairman*)
Mr. Jiang Xiuwen (*Chief Executive Officer*)
Mr. Gao Wei
Mr. Chen Donghui
Ms. Ma Lan

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

Non-executive Directors:

Mr. Sun Yansheng
Mr. Zhao Xiaodong
Mr. Chen Chao

*Headquarter in the People's
Republic of China*
Block 4, Yida Plaza
93 Northeast Road
Shahekou District
Dalian, Liaoning Province
PRC

Independent Non-executive Directors:

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

*Principal Place of Business in
Hong Kong*
Room 1215, 12th Floor
Building 2, Pacific Place
88 Queensway
Admiralty
Hong Kong

31 August 2017

To: the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO
THE ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Subscription.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others, (i) details of the Subscription Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM.

THE SUBSCRIPTION

On 17 August 2017, the Company and the Subscriber entered into the Subscription Agreement. The principal terms are set out below:

Date

17 August 2017

Parties

- (a) the Company; and
- (b) the Subscriber.

Subscription Shares

Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue, and the Subscriber conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price.

The Subscription Shares represent (i) approximately 13.12% of the issued share capital of the Company as at the date of the Subscription Agreement; and (ii) 11.60% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price is HK\$2.3 per Subscription Share. The Subscription Price represents:

- (a) a premium of approximately 1.77% over the closing price of HK\$2.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 1.77% over the average closing price per Share of HK\$2.26 for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 1.77% over the average closing price per Share of HK\$2.26 for the last 10 consecutive trading days up to and including the Last Trading Day; and
- (d) a premium of approximately 1.77% over the closing price per Share of HK\$2.26 as at the Latest Practicable Date.

LETTER FROM THE BOARD

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent trading performance of the Shares and the business prospects of the Group. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Payment terms

The Subscriber shall pay the total Subscription Price of HK\$779,999,000 through bank wire transfer on the date of Completion.

Conditions precedent to Completion

Completion is conditional upon the following conditions being fulfilled or waived (as the case may be):

- (a) the passing of the resolution(s) at the EGM by the Independent Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate to the Directors to allot and issue the Subscription Shares;
- (b) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange and such permission not having been revoked or withdrawn;
- (c) dealings in the Shares on the main board of the Stock Exchange not having been suspended for more than seven consecutive trading days during the period from the date of the Subscription Agreement to the date of Completion (both dates inclusive), except where the suspension of dealings in the Shares relates to the Subscription Agreement or the transactions contemplated thereunder;
- (d) the Company not having received written notice from the Stock Exchange indicating that the listing of the Shares on the Stock Exchange would be suspended, revoked or withdrawn immediately after Completion due to the Subscription Agreement and/or the transactions contemplated thereunder;
- (e) the Company will not, due to the Subscription Agreement and/or the transactions contemplated thereunder, violate the minimum public float requirement under the Listing Rules;

LETTER FROM THE BOARD

- (f) save for condition (b) above, the Company having obtained all necessary consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver (including but not limited to those provided by the Hong Kong Securities and Futures Commission, the Stock Exchange or any other third party (if applicable)) in relation to the Subscription Agreement and/or the transactions contemplated thereunder, and such consent, permit, approval, registration, filing, notice, confirmation, authorisation or waiver not having been revoked or withdrawn;
- (g) the Company not being or not being deemed by the Stock Exchange as a cash company (as defined under Rule 14.82 of the Listing Rules) under the Listing Rules;
- (h) the representations, warranties and undertakings given by the Company under the Subscription Agreement remaining true and accurate in all material respects;
- (i) the Company having fulfilled its obligations under the Subscription Agreement in all material respects;
- (j) the representations, warranties and undertakings given by the Subscriber under the Subscription Agreement remaining true and accurate in all material respects; and
- (k) the Subscriber having fulfilled its obligations under the Subscription Agreement in all material respects.

The Company shall use its best endeavour to fulfill all the Conditions (save for Conditions (j) and (k)). The Subscriber shall use its best endeavour to fulfill Conditions (j) and (k). The Subscriber may waive all the Conditions (save for Conditions (a), (b), (d), (e), (f) and (g) above) in whole or in part. The Company may waive Conditions (j) and (k) above. As at the Latest Practicable Date, none of the conditions precedent has been fulfilled.

If any of the Conditions is not fulfilled or waived (as applicable) on or before the Long Stop Date, the Subscription Agreement shall lapse and all the rights and obligations under the Subscription Agreement shall cease, save for any rights or obligations which may accrue prior to the date of such lapse.

Completion

Subject to the Conditions having been fulfilled or waived (as applicable), Completion will take place on the third (3rd) Business Day following the day on which the last of Conditions has been fulfilled (or such other date as may be agreed by the Company and the Subscriber in writing). As at the Latest Practicable Date, the Company and the Subscriber expect that the Completion will take place no later than 31 October 2017.

LETTER FROM THE BOARD

On the date of Completion, the Subscriber shall pay to the Company the total Subscription Price of HK\$779,999,000 and the Subscription Shares shall be allotted and issued to the Subscriber which shall rank *pari passu* among themselves (and shall rank in full for dividends and other distributions declared or paid thereafter) and with the Shares then in issue and be free from all encumbrances.

MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the main board of the Stock Exchange.

REASONS FOR THE SUBSCRIPTION

Upon completion of the Subscription, the gross proceeds from the Subscription will be HK\$779,999,000. Net proceeds from the Subscription, after deducting related expenses in connection with the Subscription which will be borne by the Company, are estimated to be approximately HK\$779,499,000 and the net proceeds raised per Subscription Share upon Completion is approximately HK\$2.30. The Company intends to apply the net proceeds in the following manner:

- (a) approximately 80% (i.e. HK\$623,599,200) will be used to acquire new property development projects and business park development projects in the PRC. As at the Latest Practicable Date, the Company is under negotiations for the acquisition of a property development project in the PRC which may or may not materialise and has not entered into any legally binding documents in relation to the acquisition. The said project is a business park project located in the PRC with a site area of approximately 1.2 million square meters; and
- (b) approximately 20% (i.e. HK\$155,899,800) will be used for working capital and general corporate purposes.

The Directors consider that the Subscription would enhance the Company's share liquidity, and the terms of the Subscription Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

CHANGES OF SHAREHOLDING STRUCTURE AS A RESULT OF THE SUBSCRIPTION

The shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately upon Completion are as follows:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon Completion	
	Number of Shares	%	Number of Shares	%
The Subscriber ⁽¹⁾	—	—	339,130,000	11.60
Jiayou International ⁽¹⁾	1,578,751,750	61.11	1,578,751,750	54.01
Keen Sky Grace Limited ⁽²⁾	78,800,000	3.05	78,800,000	2.70
Keen High Keen Source Limited ⁽³⁾	68,600,000	2.65	68,600,000	2.35
Other public Shareholders	<u>857,818,250</u>	<u>33.19</u>	<u>857,818,250</u>	<u>29.34</u>
Total	<u>2,583,970,000</u>	<u>100.00</u>	<u>2,923,100,000</u>	<u>100.00</u>

- (1) Each of the Subscriber and Jiayou International is a wholly owned subsidiary of CMIG Jiaye, a controlling shareholder of the Company.
- (2) Mr. Sun Yansheng, a non-executive Director, beneficially owns the entire issued share capital of Everest Talent Limited, which in turn owns 37.50% of the issued share capital of Keen Sky Grace Limited. Mr. Gao Wei, an executive Director, beneficially owns the entire issued share capital of Everest Excellence Limited, which in turn owns 25% of the issued share capital of Keen Sky Grace Limited. Keen Sky Grace Limited owns approximately 3.05% of the issued share capital of the Company. By virtue of the SFO, Mr. Sun Yansheng and Mr. Gao Wei are deemed to be interested in the Shares held by Keen Sky Grace Limited.
- (3) Mr. Jiang Xiuwen, an executive Director, beneficially owns the entire issued share capital of Grace Excellence Limited, Everest Everlasting Limited and Wonderful High Limited, which together in turn own in total 74.21% of the issued share capital of Keen High Keen Source Limited. Keen High Keen Source Limited owns approximately 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities in the twelve months immediately preceding the date of this circular.

PRINCIPAL ACTIVITIES OF THE GROUP

The Group is a leading business park developer and operator in the PRC. The Group develops, leases and sells properties in and manages large-scale, high-quality and low-density business parks in the PRC, which comprise office buildings and residential properties. In addition, the Group develops and sells residential properties in multi-functional, integrated residential community projects, as well as providing property management and construction, decoration and landscaping services.

LETTER FROM THE BOARD

PRINCIPAL ACTIVITIES OF THE SUBSCRIBER

The Subscriber is an indirect wholly owned subsidiary of CMIG Jiaye, an important platform of China Minsheng Investment Corp., Ltd. for specialising in financial real estate, industrialised construction, and medical and health investment. By leveraging on the strong brand and resources advantage of China Minsheng Investment Corp., Ltd. and riding on the trend of economic structural adjustment and industry improvement, CMIG Jiaye will focus on investment and operations in industries with strong potential growth, and select those sectors which are in line with China's strategic directions on industry development and able to satisfy the need for social development as the key investment. Based on the information made available to the Company, CMIG Jiaye is owned as to 69.40% and controlled by China Minsheng Investment Corp., Ltd. a leading international private investment group founded in Shanghai which was initiated by The All-China Federation of Industry and Commerce in China and launched by 59 large scale private enterprises in China, some of which are among China's top 500 companies. China Minsheng Investment Corp., Ltd. is a conglomerate with a wide variety of businesses including equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management, and investment consulting.

IMPLICATIONS UNDER THE LISTING RULES

The Subscriber is an indirect wholly owned subsidiary of CMIG Jiaye, a controlling shareholder of the Company, and therefore a connected person under Chapter 14A of the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will at the EGM seek approval for the Subscription Agreement and the transaction contemplated thereunder. Save for Jiayou International, which is a controlling shareholder of the Company and together with the Subscriber are indirect wholly owned subsidiaries of CMIG Jiaye, and its associates, no Shareholder has a material interest in the Subscription. As such, save for Jiayou International who held 1,578,751,750 Shares (representing approximately 61.11% of the total number of issued Shares) as at the Latest Practicable Date, no Shareholder is required to abstain from voting for the resolution to approve the Subscription at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Subscription Agreement. Gram Capital was appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at Business Centre Executive Boardroom, Level 7, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong at 10 a.m. on 15 September 2017 is set out on pages 32 to 33 of this circular. Shareholders of the Company are advised to read the notice and complete and return the form of proxy for use at the EGM enclosed with this circular in accordance with the instructions printed thereon.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors are of the opinion that the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from Gram Capital and the additional information set out in the appendices to this circular and the notice of EGM.

By Order of the Board of
Yida China Holdings Limited
Zhang Zhichao
Chairman and Executive Director

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)

31 August 2017

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION IN RELATION TO
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular of the Company (the “**Circular**”) dated 31 August 2017 which this letter forms part.

Terms defined in the Circular have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether, the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and Shareholders as a whole and to the voting action that should be taken.

We wish to draw your attention to the letter from the Board and the letter of advice from Gram Capital as set out in the Circular.

Having considered the Agreement, the transactions contemplated thereunder and the advice given by Gram Capital, we are of the opinion that the Subscription Agreement and transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Subscription Agreement and the transactions thereunder.

Yours faithfully

For and on behalf of

Independent Board Committee

Mr. Yip Wai Ming

Mr. Guo Shaomu

Mr. Wang Yinping

Mr. Han Gensheng

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

31 August 2017

*To: The independent board committee and the independent shareholders
of Yida China Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION SUBSCRIPTION OF NEW SHARES BY A CONNECTED PERSON

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 Subscription, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 31 August 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 17 August 2017, the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue the Subscription Shares in cash at the Subscription Price of HK\$2.30 per Share.

With reference to the Board Letter, the Subscriber is a connected person of the Company. Accordingly, the Subscription constitutes a non-exempt connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders’ approval requirements pursuant to Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Subscription is in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the

LETTER FROM GRAM CAPITAL

Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Subscription and the transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides, apart from the advisory fee and expenses payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Subscription Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

The 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 the 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

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, the Subscriber or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group as a result of the Subscription. 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. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Subscription, we have taken into consideration the following principal factors and reasons:

(1) Background and reasons for the Subscription

Information on the Group

With reference to the Board Letter, the Group is a leading business park developer and operator in the PRC. The Group develops, leases and sells properties in and manages large-scale, high-quality and low-density business parks in the PRC, which comprises office buildings and residential properties. In addition, the Group develops and sells residential properties in multi-functional, integrated residential community projects, as well as providing property management and construction, decoration and landscaping services.

LETTER FROM GRAM CAPITAL

Set out below is a summary of the consolidated financial information on the Group for the six months ended 30 June 2017 as extracted from the Company's interim results announcement for the six months ended 30 June 2017 (the "2017 Interim Results Announcement") and the two years ended 31 December 2016 as extracted from the Company's annual report for the year ended 31 December 2016 (the "2016 Annual Report"):

	For the six months ended 30 June 2017	For the year ended 31 December 2016	For the year ended 31 December 2015	Year on year change
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
	(Unaudited)	(Audited)	(Audited)	
Revenue	3,044,374	7,004,548	7,473,200	(6.27)
Profit for the period/year	252,078	574,153	821,468	(30.11)
		As at 31 December 2016	As at 31 December 2015	
	As at 30 June 2017	<i>RMB'000</i>	<i>RMB'000</i>	Year on year change
	<i>RMB'000</i>	(Audited)	(Audited)	<i>%</i>
	(Unaudited)			
Cash and cash equivalents	3,487,268	1,856,039	1,058,565	75.34
Net assets	10,339,514	10,146,529	9,408,486	7.84

As illustrated by the above table, the Group's revenue and net profit for the year ended 31 December 2016 ("FY2016") decreased by approximately 6.27% and 30.11% respectively as compared to those for the year ended 31 December 2015 ("FY2015"). With reference to the 2016 Annual Report and as advised by the Directors, the decrease in profit was primarily attributable to a decrease in gross profit margin for properties sold by the Group during the year as a result of a decrease in average selling price, a fair value losses on certain derivative financial instruments, and partially offset by the gain on bargain purchase arising from the acquisition of certain subsidiaries during FY2016. Furthermore, with reference to the 2016 Annual Report, revenue derived from property development business represented approximately 82.5% to total revenue of the Group for the year ended 31 December 2016 (2015: 84.0%).

As at 30 June 2017, the Group recorded net assets and cash and cash equivalents RMB10.34 billion and RMB3.49 billion respectively. We noted that cash and cash equivalents represented a substantial increase as at 30 June 2017 as compared to that as at 31 December 2016. In this regard, we enquired into the Directors regarding the

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substantial increase and noted that such increase was mainly due to the successful issuance of senior notes with principal amount of US\$300 million by the Company in April 2017.

As at 30 June 2017, the Group's total floor area of land reserves has been approximately 8.87 million square meters, and the floor area of land reserves attributable to the Group has been approximately 5.64 million square meters.

With reference to the 2017 Interim Results Announcement, the Group's core business is city-industry comprehensive development emphasising simultaneous development of office properties and residential properties. In the future, in its city-industry development and operation projects, the Group will integrate resources, carry out multi-channel cooperation and coordination, and further optimise and improve the business mode of city-industry integration development. In addition, the Group will mainly utilise the Group's capital advantages, speed up to obtain influential integrated city-industry development projects from the provinces and major cities that cooperate with the Group strategically, and implement land development PPP mode in appropriate regions, so as to, through large scale and regional first-class and second-class linkage development, obtain "capital income + land premium income + project development and operation income". At the same time, the Group will also seize the M&A opportunities brought by the overall trend of real estate market, opt to obtain asset-heavy projects at a proper time, with types including but not limited to business parks, independent office property, independent residential property and urban complex projects (the "**Proposed Development Strategy**").

Information on the Subscriber

With reference to the Board Letter, the Subscriber is an indirect wholly-owned subsidiary of CMIG Jiaye, an important platform of China Minsheng Investment Corp., Ltd. for specialising in financial real estate, industrialised construction, and medical and health investment. By leveraging on the strong brand and resources advantage of China Minsheng Investment Corp., Ltd. and riding on the trend of economic structural adjustment and industry improvement, CMIG Jiaye will focus on investment and operations in industries with strong potential growth, and select those sectors which are in line with China's strategic directions on industry development and able to satisfy the need for social development as the key investment. Based on the information made available to the Company, CMIG Jiaye is owned as to 69.40% and controlled by China Minsheng Investment Corp., Ltd., a leading international private investment group founded in Shanghai which was initiated by The All-China Federation of Industry and Commerce (ACFIC) in China and launched by 59 large scale private enterprises in China, some of which are among China's top 500 companies. China Minsheng Investment Corp., Ltd. is a conglomerate with a wide variety of businesses including equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management, and investment consulting.

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Reasons for and benefits of the Subscription and the use of proceeds

As advised by the Directors, the Company operates in a capital-intensive business. We understood from the Company that the Group will start new projects at a proper time in Wuhan, Nanjing, Changsha, Hefei and other key strategic target cities to increase high-quality land reserves, and thus lay solid foundation for the development of the Company. The Directors advised us that the Subscription could help fulfill the on-going capital expenditure needs of the Company to further expand the Company's businesses. In addition, as the Subscriber is an indirect wholly-owned subsidiary of CMIG Jiaye, the Subscriber's participation in the Subscription will demonstrate solid confidence of CMIG Jiaye, being the controlling Shareholder, in the prospect of the Company.

Furthermore, with reference to the 2017 Interim Results Announcement, the Group attaches great importance to expansion of financing channels, and believes that main business development by virtue of domestic and foreign capital market resources will ensure it can more efficiently, sustainably, and firmly capture the strategic opportunities in a timely manner, which is of great significance to the Group's development in current stage.

Financing alternatives available to the Group

The Company has not carried out any equity fund raising activities in the twelve months immediately preceding the Latest Practicable Date.

We have enquired into the Directors and were informed by the Directors that the Group has considered various methods, namely debt financing and equity financing, for fund raising. Nevertheless, the Directors advised us that upon comprehensive consideration, the Company prefers equity financing which cannot only save the financial cost, but also reduce the Company's gearing ratio, thus enabling the Company to further expand in the future.

With regard to equity financing, the Directors advised us that although both open offer and rights issue would allow Shareholders to maintain their respective pro-rata shareholdings in the Company and at the same time to strengthen the capital base of the Company, such fund raising exercises (i) require the Company to procure commercial underwriting, which may incur addition cost; and (ii) more likely than not set subscription price at a discount to current market price of the Share in order to encourage existing Shareholders to participate, while the subscription price under the Subscription Agreement represent a premium over the closing price per Share on the Last Trading Day, the Directors consider that open offer and rights issue would be less preferable methods in this regard.

The Directors are hence of the opinion that the Subscription is a more preferable method of fund raising for the Group.

LETTER FROM GRAM CAPITAL

Use of proceeds

With reference to the Board Letter, upon completion of the Subscription, the gross proceeds from the Subscription will be HK\$779,999,000. Net proceeds from the Subscription, after deducting related expenses in connection with the Subscription which will be borne by the Company, are estimated to be approximately HK\$779,499,000 and the net proceeds raised per Subscription Share upon Completion is approximately HK\$2.30. The Company intends to apply the net proceeds in the following manner:

- (a) approximately 80% (i.e. HK\$623,599,200) will be used to acquire new property development projects and business park development projects in the PRC; and
- (b) approximately 20% (i.e. HK\$155,899,800) will be used for working capital and general corporate purposes.

In light of (i) the Group develops, leases and sells properties in and manages large-scale, high-quality and low-density business parks in the PRC; (ii) the Proposed Development Strategy as mentioned in 2017 Interim Results Announcement; (iii) the Company operates in a capital-intensive business; and (iv) as mentioned above, revenue derived from property development business represented approximately 82.5% to total revenue of the Group for the year ended 31 December 2016 (2015: 84.0%), we consider that the proposed use of proceeds from the Subscription to be acceptable.

Having considered the above, in particular, (i) the Subscription being a more preferable method of fund raising currently available to the Group due to the reasons as set forth under the sub-section headed “Financing alternatives available to the Group” above; (ii) the proposed use of the net proceeds from the Subscription; (iii) as the Subscriber is an indirect wholly-owned subsidiary of CMIG Jiaye, the Subscriber’s participation in the Subscription will demonstrate solid confidence of CMIG Jiaye, being the controlling Shareholder, in the prospect of the Company; and (iv) background information of the Subscriber as well as its beneficial owners, we consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

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(2) Principal terms of the Subscription Agreement

The table below summarises the major terms of the Subscription Agreement, details of which are set out under the section headed “The Subscription” of the Board Letter:

Principal terms of the Subscription Agreement

Date:	17 August 2017
Parties:	The Company (as the issuer); and The Subscriber (as the subscriber).
Subscription Shares:	Pursuant to the Subscription Agreement, the Company conditionally agreed to allot and issue, and the Subscriber conditionally agreed to subscribe for, the Subscription Shares at the Subscription Price.
Subscription Price:	HK\$2.30 per Subscription Share.

Analysis on the Subscription Price

The Subscription Price is HK\$2.30 per Subscription Share. The Subscription Price represents:

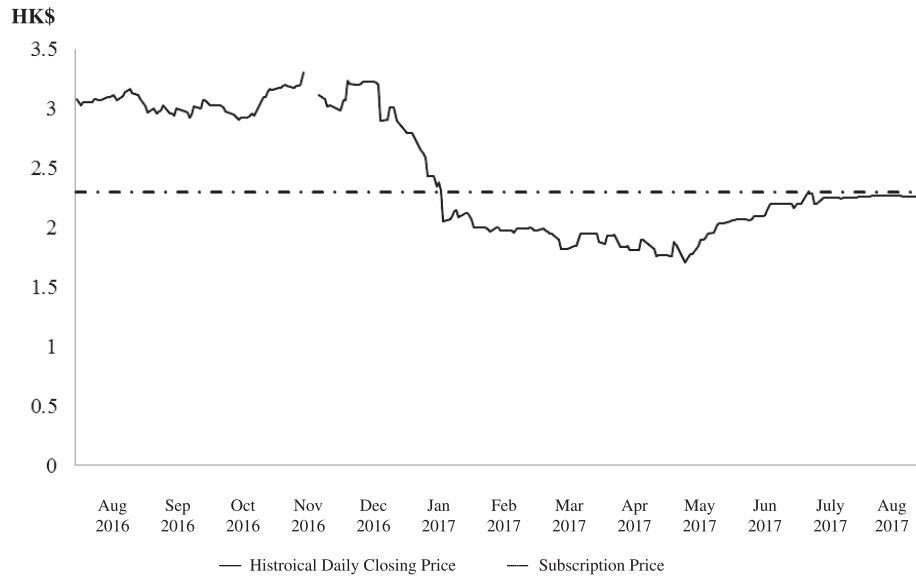
- (a) a premium of approximately 1.77% over the closing price of HK\$2.26 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 1.77% over the closing price of HK\$2.26 per Share as quoted on the Stock Exchange on the Last Trading Day (the “**LTD Premium**”);
- (c) a premium of approximately 1.77% over the average closing price of HK\$2.26 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day; and
- (d) a premium of approximately 1.77% over the average closing price of approximately HK\$2.26 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

With reference to the Board Letter, the Subscription Price was arrived at after arm’s length negotiations between the Company and the Subscriber with reference to the recent trading performance of the Shares and the business prospects of the Group.

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In order to assess the fairness and reasonableness of the Subscription Price, we have reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 1 August 2016 up to and including the Last Trading Day (the “**Review Period**”), being approximately one year prior to the date of the Subscription Agreement, which is commonly used for analysis purpose. The comparison of daily closing prices of the Shares and the Subscription Price is illustrated as follows:

Historical daily closing price per Share



Source: the Stock Exchange's website

Note: trading in the Shares was suspended from 14 November 2016 to 17 November 2016 (both days inclusive)

During the Review Period, after the closing price of the Share reached the peak of HK\$3.31 on 11 November 2016, the closing price of the Shares moved in a decreasing trend and reached the bottom of HK\$1.71 on 2 May 2017. Afterwards, the closing price of the Share recovered and moved close to the Subscription Price. The Subscription Price is within the range of the lowest and highest closing prices of the Shares as quoted on the Stock Exchange during the Review Period. In addition, the Subscription Price was above the daily closing prices of the Shares during the past six months immediately preceding the Last Trading Day.

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As part of our analysis, we have also identified transactions regarding subscription of new shares under specific mandate and the subscription price being fixed when signing relevant subscription agreements during the period from 16 May 2017 up to the Last Trading Day (being the recent three months period prior to and including the Last Trading Day) as announced by companies listed on the mainboard of Stock Exchange (the “**Comparables**”). We consider that a sampling period of approximately three months is adequate and appropriate given that (i) such period is sufficiently recent to demonstrate the prevailing market practices prior to and including the Last Trading Day; and (ii) we were able to identify sufficient samples for comparison with such period. To the best of our knowledge and as far as we are aware of, we found eight transactions which met the said criteria and they are exhaustive. Despite that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables, the Comparables could provide a general reference for the recent (i.e. three months period prior to and including the Last Trading Day) common market practice of mainboard listed companies in the subscription of new shares under specific mandate. As such, we are of the view that the Comparables are fair and representative. Summarised below is our relevant findings:

Company name	Stock code	Date of announcement	Premium/(discount) of the issue price over/to the closing price per share on the last trading day prior to/the date of announcement/ agreement in relation to the respective subscription of share %
China Financial Services Holdings Limited	605	17 May 2017	(5.60)
Sunshine Oilsands Limited	2012	5 Jun 2017	(16.43)
China Southern Airlines Company Limited	1055	26 Jun 2017	(7.52)
Shenzhen Mingwah Aohan High Technology Corporation Limited	8301	7 July 2017	(16.67)
O Luxe Holdings Limited	860	7 July 2017	(19.61)
China Health Group Limited	673	14 July 2017	23.46
Beijing Sports and Entertainment Industry Group Limited	1803	25 July 2017	(21.01)
China Resources and Transportation Group Limited	269	1 August 2017	(19.30)
Maximum			23.46
Minimum			(21.01)
Average			(10.34)
The Company	3639	17 August 2017	1.77

LETTER FROM GRAM CAPITAL

As shown by the above table, the Subscription Prices of the Comparables ranged from a discount of approximately 21.01% to a premium of approximately 23.46% to/over the respective closing prices of their shares on the last trading days prior to/on the date of the announcements/agreement in relation to the relevant share subscription (the “**Market Range**”), with an average of a discount of approximately 10.34%. The LTD Premium is thus within the Market Range and above the average of the Comparables.

Having taken into account that (i) the Subscription Price of HK\$2.30 per Share is within the range of the lowest and highest closing prices of the Shares as quoted on the Stock Exchange during the Review Period; (ii) the Subscription Price was above the daily closing prices of the Shares during the past six months immediately preceding the Last Trading Day; and (iii) the LTD Premium is within the Market Range and above the average of the Comparables, we consider that the subscription price is fair and reasonable so far as the Independent Shareholders are concerned.

Taking into account the principal terms of the Subscription Agreement as highlighted above, we are of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

(3) Dilution effect on the shareholding interests of the existing public Shareholders

As depicted by the table under the section headed “Change of shareholding structure as a result of the Subscription” of the Board Letter, upon completion of the Subscription, the shareholding interests of the existing public Shareholders would be diluted by approximately 3.85 percent points. Nonetheless, in view of (i) the reasons for and the possible benefits of the Subscription to the Company; and (ii) the terms of the Subscription Agreement being fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

(4) Financial effects of the Subscription

Based on the 2017 Interim Results Announcement, the unaudited consolidated net asset value of the Group was approximately RMB10.34 billion as at 30 June 2017. As confirmed by the Directors, the Subscription will increase the net asset value of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon completion of the Subscription.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Subscription is 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 resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in investment banking industry.

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. SHARE CAPITAL OF THE COMPANY

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon Completion (assuming there is no change to the issued share capital of the Company on or before Completion) were as follows:

<i>Authorised:</i>	<i>US\$</i>
<u>50,000,000,000</u> Shares	<u>500,000,000</u>

Assuming there is no change to the issued share capital of the Company and none of the outstanding Options are being exercised on or before the completion of the Subscription:

<i>Issued and fully paid or credited as fully paid:</i>	<i>US\$</i>
2,583,970,000 Shares in issue as at the Latest Practicable Date	25,839,700
<u>339,130,000</u> Subscription Shares to be issued	<u>3,391,300</u>
<u>2,923,100,000</u> Shares in issue and fully paid immediately upon Completion	<u>29,231,000</u>

As at the Latest Practicable Date, the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

The Subscription Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Subscription Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Directors

(a) *Directors' interests in the Company and associated corporations*

As at the Latest Practicable Date, the interests of the Directors in the Shares and the underlying Shares and any of its associated corporations (within the meaning of Part XV of the SFO), 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers of the Listing Rules were as follows:

(i) *Interest in the Shares of the Company*

Name of Director	Nature of interest	Number of ordinary shares held⁽¹⁾	Approximate of percentage of shareholding
Sun Yansheng ⁽²⁾	Interest in a controlled corporation	78,800,000(L)	3.05%
Jiang Xiuwen ⁽³⁾	Interest in a controlled corporation	68,600,000(L)	2.65%
Gao Wei ⁽⁴⁾	Interest in a controlled corporation	78,800,000(L)	3.05%

Notes:

- (1) The letter "L" denotes the person's long position in such securities.
- (2) Mr. Sun Yansheng beneficially owns the entire issued share capital of Everest Talent Limited, which in turn owns 37.50% of the issued share capital of Keen Sky Grace Limited. Keen Sky Grace Limited owns 3.05% of the issued share capital of the Company. By virtue of the SFO, Mr. Sun Yansheng is deemed to be interested in the Shares held by Keen Sky Grace Limited.
- (3) 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.

- (4) Mr. Gao Wei beneficially owns the entire issued share capital of Everest Excellence Limited, which in turn owns 25% of the issued share capital of Keen Sky Grace Limited. Keen Sky Grace Limited owns 3.05% of the issued share capital of the Company. By virtue of the SFO, Mr. Gao Wei is deemed to be interested in the Shares held by Keen Sky Grace Limited.

(ii) *Interest in Associated Corporations of the Company*

Name of Director	Name of associated company	Nature of interest	Number of ordinary shares held⁽¹⁾	Approximate of percentage of shareholding
Sun Yansheng ⁽²⁾	Keen Sky Grace Limited	Interest in a controlled corporation	3,000(L)	37.50%
Jiang Xiuwen ⁽³⁾	Keen High Keen Source Limited	Interest in a controlled corporation	5,180(L)	74.21%
Gao Wei ⁽⁴⁾	Keen Sky Grace Limited	Interest in a controlled corporation	2,000(L)	25.00%

Notes:

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) These shares are held by Everest Talent Limited which is wholly owned by Mr. Sun Yansheng.
- (3) These shares held by Grace Excellence Limited, Everest Everlasting Limited and Wonderful High Limited, each wholly owned by Mr. Jiang Xiuwen.
- (4) These shares are held by Everest Excellence Limited which is wholly owned by Mr. Gao Wei.

(iii) *Interest in debentures of the Company*

- US\$300,000,000 aggregate principal amount of its 6.95% senior notes due 2020 (“2020 USD Notes”)

Name of Director	Nature of interest	Amount of the debentures of the Company held	Approximate percentage of the interest in the 2020 USD notes ⁽¹⁾
Ma Lan	Beneficial owner	US\$500,000	0.17%

Notes:

- (1) The percentage of interest in the 2020 USD Notes is based on the aggregate principal amount of US\$300,000,000.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange.

(b) *Directors’ interests in assets and contracts of the Company*

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Group were made up.

None of the Director was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

(c) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or may not be terminated by the Company within one year without payment of compensation (other than statutory compensation).

(d) Directors' interests in competing businesses

As at the Latest Practicable Date, none of the Directors or any of their respective close associates was interested in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

(ii) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following 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 and section 336 of the SFO were as follows:

Name of shareholder	Nature of interest	Number of shares held⁽¹⁾	Approximate percentage in the Company's issued share capital
Jiayou (International) Investment Limited ⁽²⁾	Beneficial owner	1,578,751,750(L)	61.11%
Jiahuang (Holdings) Investment Limited ⁽²⁾	Interest of corporation controlled	1,578,751,750(L)	61.11%
Jiaxin Investment (Shanghai) Co., Ltd. ⁽²⁾	Interest of corporation controlled	1,578,751,750(L)	61.11%
China Minsheng Jiaye Investment Co., Ltd. ⁽²⁾	Interest of corporation controlled	1,578,751,750(L)	61.11%
China Minsheng Investment Corp., Ltd. ⁽²⁾	Interest of corporation controlled	1,578,751,750(L)	61.11%
Right Won Management Limited ⁽³⁾	Beneficial owner	241,400,000(L)	9.34%
Sun Yinhan ⁽³⁾	Interest of corporation controlled	241,400,000(L)	9.34%

Notes:

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) China Minsheng Investment Corp., Ltd owns 69.40% share equity of China Minsheng Jiaye Investment Co., Ltd. Jiaxin Investment (Shanghai) Co., Ltd. is beneficially owned by China Minsheng Jiaye Investment Co., Ltd. Jiahuang (Holdings) Investment Limited is beneficially wholly-owned by Jiaxin Investment (Shanghai) Co., Ltd. Jiayou (International) Investment Limited is beneficially wholly-owned by Jiahuang (Holdings) Investment Limited. By virtue of the SFO, China Minsheng Investment Corp., Ltd, China Minsheng Jiaye Investment Co., Ltd, Jiaxin Investment (Shanghai) Co., Ltd and Jiahuang (Holdings) Investment Limited are deemed to hold equity in 1,578,751,750 shares held by Jiayou (International) Investment Limited.
- (3) Right Won Management Limited is beneficially owned by Mr. Sun Yinhuan. By virtue of the SFO, Mr. Sun Yinhuan is deemed to be interested in the Shares held by Right Won Management Limited.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, 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 and section 336 of the SFO.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

5. MATERIAL ADVERSE CHANGE

The Directors are of the opinion that there are no material adverse changes in the financial or trading position of the Group since the date to which the latest published audited accounts of the Company have been made up.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinions, letter or advices contained in this circular:

Name	Qualification
Gram 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, the expert named above does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct

or indirect interests in any assets which have been, since 31 December 2016 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The expert named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they are included.

7. MISCELLANEOUS

- (i) The joint secretaries of the Company are Ms. Wang Huiting and Ms. Kwong Yin Ping Yvonne. Ms. Kwong Yin Ping Yvonne who is a fellow of The Hong Kong Institute of Chartered Secretaries and a fellow of The Institute of Chartered Secretaries and Administrators.
- (ii) The English text of this circular shall prevail over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at Room 1215, 12th Floor, Building 2, Pacific Place 88 Queensway, Admiralty, Hong Kong during normal business hours on any weekday other than public holidays from the date of this circular, up to and including the date of the EGM:

- (a) the Subscription Agreement;
- (b) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix;
- (c) the letter of recommendation from the Independent Board Committee;
- (d) the letter of advice from Gram Capital;
- (e) 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)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (“**Meeting**”) of Yida China Holdings Limited (the “**Company**”) will be held at Business Centre Executive Boardroom, Level 7, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on 15 September 2017 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifying the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

“THAT:

- (a) the subscription agreement dated 17 August 2017 (the “**Subscription Agreement**”) (a copy of which has been produced to the meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification) and entered into between the Company as issuer and Jiarui (Holdings) Investment Limited as subscriber (the “**Subscriber**”) in respect of the issue of a total of 339,130,000 new shares (the “**Subscription Shares**”) of the Company and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to fulfilment of the conditions precedent set out in the Subscription Agreement, the allotment and issue of the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement be and is hereby approved;
- (c) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to exercise the powers of the Company to allot and issue the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement, where such Subscription Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares of the Company in issue as at the date of allotment and issue. The Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (d) any director of the Company be and is hereby authorised to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any two directors of the Company or any director of the Company together with the secretary of the Company) and to take such steps as he/she may

NOTICE OF EGM

consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Subscription Agreement or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and to agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith.”

By Order of the Board
Yida China Holdings Limited
Zhang Zhichao
Chairman

Hong Kong, 31 August 2017

Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the this notice is entitled to appoint one or, if he/she/it is the holder of two or more Shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company, but must be present in person at the Meeting to represent the member.
2. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members of the Company.
3. In order to be valid, the form of proxy of the Company together with original or certified copy of the power of attorney or other authority (if any) under which it is signed must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof should you so wish. In such event, the form of proxy previously submitted shall be deemed to be revoked.

As at the date of this notice, the executive directors of the Company are Mr. Zhang Zhichao, Mr. Jiang Xiuwen, Mr. Gao Wei, Mr. Chen Donghui and Ms. Ma Lan, the non-executive directors of the Company are Mr. Sun Yansheng, Mr. Zhao Xiaodong and Mr. Chen Chao and the independent non-executive directors of the Company are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.