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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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

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

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**YIDA 亿达**  
**YIDA CHINA HOLDINGS LIMITED**  
**億達中國控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3639)**

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

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



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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 20 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 21 to 22 of this circular. A letter from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 32 of this circular.

A notice convening the EGM of Yida China Holdings Limited to be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Tuesday, 1 June 2021 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yidachina.com](http://www.yidachina.com)).

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

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

30 April 2021

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## DEFINITIONS

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

|                      |  |
|----------------------|--|
| “Aetos Parties”      | Lorraine Investment, Ltd., Normandy Investment, Ltd., Capital Chain Holdings Limited and Better Chance Investments Limited, each of them and their ultimate beneficial owners is an Independent Third Party  |
| “Amended Put Option” | the exercise of a put option at the price determined pursuant to a formula stipulated in the Supplemental Agreements   |
| “Arbitration”        | the submission of arbitration applications by the Claimants relating to the exercise of the Amended Put Option stipulated in the Supplemental Agreements pursuant to an arbitration notice received by the Group on 23 October 2017  |
| “associate(s)”       | has the meaning ascribed thereto in the Listing Rules  |
| “Board”              | the board of Directors   |
| “Borrower”           | Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company as at the Latest Practicable Date, principally engaged in property development in the PRC                             |
| “Claimants”          | certain joint venture partners of two joint ventures, namely Dalian Yihong Property Development Co. Ltd. and Dalian Yize Property Development Co. Ltd., regarding the exercise of the Amended Put Option at the price determined pursuant to a formula stipulated in the Supplemental Agreements |
| “China Minsheng”     | China Minsheng Investment Corp., Ltd. (中國民生投資股份有限公司), a limited liability company established under the laws of the PRC  |
| “CMIG Jiaye”         | China Minsheng Jiaye Investment Co., Ltd. (中民嘉業投資有限公司), a limited liability company established under the laws of the PRC  |
| “Company”            | Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 3639)   |

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## DEFINITIONS

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|-----------------------------------|---|
| “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 20% Shares held by it in favour of Aetos Parties as security for the obligation of Yida Parties under the Settlement Agreement |
| “connected person”                | has the meaning ascribed to it under the Listing Rules  |
| “Dalian Yitong”                   | Dalian Yitong Property Development Company Limited (大連益通房地產開發有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC  |
| “Dalian Yitong Pledged Assets”    | has the meaning as ascribed to it under the paragraph headed “The Pledge Agreement” of this circular  |
| “Dalian Zhongxing”                | Dalian Software Park Zhongxing Development Co., Ltd. (大連軟件園中興開發有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC  |
| “Dalian Zhongxing Pledged Assets” | has the meaning as ascribed to it under the paragraph headed “The Pledge Agreement”   |
| “Director(s)”                     | the director(s) of the Company  |
| “EGM”                             | the extraordinary general meeting of the Company to be convened and held for the purpose of, among others, approving the Third Extension Agreement  |
| “Final Award”                     | the final award from the Hong Kong International Arbitration Centre regarding the Arbitration on 20 October 2020  |
| “Final Dividend”                  | the final cash dividend of RMB8 cents per Share for the year ended 31 December 2017 declared by the Company and payable to the Shareholders whose names appear on the register of members of the Company on 25 June 2018 which was paid on 12 February 2020     |
| “First Extension Agreement”       | the first extension agreement dated 18 February 2020 entered into between the Borrower and the Lender   |
| “First Tranche Loan”              | the first tranche of the Loan in the amount of RMB230,000,000   |

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## DEFINITIONS

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| “Group”  | the Company and its subsidiaries   |
| “Guarantee Agreement”                                | the guarantee agreement dated 3 December 2019 entered into by Yida Development and the Lender, as further detailed in the paragraph headed “The Guarantee Agreement” in this circular  |
| “Hong Kong”  | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Board Committee”                        | the independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, established for the purpose of advising the Independent Shareholders on the Third Extension Agreement  |
| “Independent Financial Adviser”<br>or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the entering of the Third Extension Agreement |
| “Independent Shareholder(s)”                         | the Shareholder(s) other than Jiayou and its associates  |
| “Independent Third Party(ies)”                       | third party(ies) independent of the Company and its connected persons  |
| “Independent Valuer”                                 | Dalian Hengyuan Real Estate Land Appraisal Co., Ltd.<br>(大連恒源房地產土地評估有限公司)  |
| “Jiayou”   | Jiayou (International) Investment Limited (嘉佑 (國際) 投資有限公司), a company incorporated in the British Virgin Islands and owned as to approximately 61.20% of the Shares in issue as at the Latest Practicable Date and a controlling shareholder (as defined under the Listing Rules) of the Company   |
| “Jiayu” or “Lender”                                  | Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司), a limited liability company duly established and validly existing under the laws of the PRC   |

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## DEFINITIONS

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|------------------------------|--|
| “Latest Practicable Date”    | 23 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular   |
| “Listing Rules”              | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Loan”                       | the loan granted to the Borrower by the Lender in a principal amount of up to a maximum amount of RMB288,500,000 under the Loan Agreement  |
| “Loan Agreement”             | the maximum amount loan agreement dated 3 December 2019 and entered into by the Borrower and the Lender in relation to the provision of the Loan by the Lender to the Borrower, as amended and supplemented by the First Extension Agreement, the Second Extension Agreement and the Third Extension Agreement |
| “Model Code”                 | Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules   |
| “Obligors”                   | Dalian Yida Property Co., Ltd., Gang Xin Limited and King Equity Holdings Limited, all being wholly-owned subsidiaries of the Company  |
| “Pledge Agreement”           | the maximum amount pledge agreement dated 3 December 2019 entered into by Dalian Yitong, Dalian Zhongxing and the Lender, as further detailed in the paragraph headed “The Pledge Agreement” in this circular  |
| “PRC”                        | the People’s Republic of China   |
| “Revised Loan”               | the revised loan amount taking into account the interests charged on the First Tranche Loan pursuant to the Third Extension Agreement  |
| “RMB”                        | Renminbi, the lawful currency of the PRC   |
| “Second Extension Agreement” | the second extension agreement dated 9 June 2020 entered into between the Borrower and the Lender  |

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## DEFINITIONS

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|-----------------------------|--|
| “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”                       | Securities and Futures Ordinance (Chapter 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)”            | holder(s) of the Share(s)  |
| “Stock Exchange”            | The Stock Exchange of Hong Kong Limited  |
| “Subordination Agreement”   | the subordination agreement entered into on 11 March 2021 by Yida Parties, Jiayu and the Aetos Parties, pursuant to which Jiayu covenanted and agreed that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by the Obligors under the Settlement Agreement |
| “subsidiary(ies)”           | has the meaning ascribed to it under the Listing Rules   |
| “Supplemental Agreements”   | the supplementary agreements dated 18 December 2013  |
| “Third Extension Agreement” | the third extension agreement dated 11 March 2021 (as supplemented on 31 March 2021 as disclosed in the Company’s announcement dated 31 March 2021) entered into by the Borrower and the Lender  |
| “Total Payment Obligation”  | an aggregate sum of US\$208,793,407 as set out in the Settlement Agreement   |
| “Yida Development”          | Yida Development Company Limited (億達發展有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company principally engaged in property development in the PRC  |
| “Yida Parties”              | the Company, its five wholly-owned subsidiaries and its two joint ventures   |
| “%”                         | per cent   |

\* *for identification purpose only*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Jiang Xiuwen (*Chairman and  
chief executive officer*)

*Non-executive Directors:*

Mr. Wang Gang  
Mr. Zhang Xiufeng  
Mr. Cheng Xuezhi  
Mr. Ni Jie

*Independent non-executive Directors:*

Mr. Yip Wai Ming  
Mr. Guo Shaomu  
Mr. Wang Yinping  
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 1215, 12th Floor  
Two Pacific Place  
88 Queensway, Admiralty  
Hong Kong

30 April 2021

*To the Shareholders,*

Dear Sir or Madam,

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

**1. INTRODUCTION**

Reference is made to the: (a) announcement of the Company dated 5 March 2021 in relation to the Settlement Agreement; (b) the announcement of the Company dated 3 December 2019 and the circular of the Company dated 30 December 2019 in relation to the original Loan Agreement entered between the Borrower (a wholly-owned subsidiary of the Company) and the Lender, pursuant to which the Lender agreed to provide to the Borrower the Loan of up to RMB288,500,000; (c) the announcements of the Company dated 18

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## LETTER FROM THE BOARD

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February and 9 June 2020 regarding the loan extension under the First Extension Agreement and the Second Extension Agreement; and (d) the announcements of the Company dated 11 March and 31 March 2021 in relation to the Third Extension Agreement.

Pursuant to the Loan Agreement, a maximum of RMB288,500,000 was made available to the Borrower. On 4 February 2020, the Borrower only drew the First Tranche Loan of RMB230,000,000 with the remaining Loan lapsed in accordance with the Loan Agreement. The First Tranche Loan was divided into three parts: (a) RMB22,000,000 that would be due on 18 February 2020; (b) RMB34,000,000 that would be due on 2 August 2020; and (c) the remaining RMB174,000,000 that would be due on 3 February 2021 pursuant to the Loan Agreement, all of which were subsequently extended to 31 March 2021 pursuant to the First Extension Agreement and/or the Second Extension Agreement (where applicable).

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

On 11 March 2021, the Borrower and the Lender entered into the Third Extension Agreement (as supplemented on 31 March 2021) in order to further extend the repayment date of the First Tranche Loan from 31 March 2021 (which was originally extended pursuant to the Second Extension Agreement) to 31 October 2021 and revised the loan amount to the Revised Loan by taking into account the unpaid interests charged on the First Tranche Loan.

The purpose of this circular is to provide the Shareholders with, among other things, further particulars of the Third Extension Agreement, together with the recommendations of the Independent Board Committee, a letter from the Independent Financial Adviser, and a notice convening the EGM to consider and, if thought fit, to approve the entering of the Third Extension Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### 2. THE THIRD EXTENSION AGREEMENT

#### Parties to the Third Extension Agreement

- Date: 11 March 2021 (as supplemented on 31 March 2021)
- Parties: (1) Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司) (a wholly-owned subsidiary of the Company) as the Borrower; and
- (2) Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司) as the Lender.

#### Principal terms of the Third Extension Agreement

Pursuant to the Third Extension Agreement, the Borrower and the Lender agreed to extend the repayment date for the First Tranche Loan and revise the principal amount of the First Tranche Loan to the Revised Loan as follows:

| <b>Relevant portion of the First Tranche Loan</b> | <b>Term of the First Tranche Loan pursuant to the original Loan Agreement (as amended and extended by the First Extension Agreement and the Second Extension Agreement)</b>   | <b>Revised term as agreed under the Third Extension Agreement</b>   |
|---|---|---|
| RMB22,000,000                                     | Commenced from the relevant drawdown date and ending on the 14th day thereafter, and as amended and extended by the First Extension Agreement (i.e. 30 June 2020), and as amended and extended by the Second Extension Agreement (i.e. 31 March 2021) | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB24,077,707.05 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021. |
| RMB34,000,000                                     | Commenced from the relevant drawdown date and ending on the 180th day thereafter (i.e. 2 August 2020), and as amended and extended by the Second Extension Agreement (i.e. 31 March 2021)   | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB37,216,014.48 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021. |

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## LETTER FROM THE BOARD

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| <b>Relevant portion of the First Tranche Loan</b> | <b>Term of the First Tranche Loan pursuant to the original Loan Agreement (as amended and extended by the First Extension Agreement and the Second Extension Agreement)</b>                 | <b>Revised term as agreed under the Third Extension Agreement</b>  |
|---|---|--|
| RMB174,000,000                                    | Commenced from the relevant drawdown date and ending on the 365th day thereafter (i.e. 3 February 2021), and as amended and extended by the Second Extension Agreement (i.e. 31 March 2021) | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB190,265,130.01 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021. |

Save as the aforesaid change in term of the First Tranche Loan and the increase of the relevant loan amount by the interest element, all other terms and conditions of the Loan Agreement shall remain unchanged.

### **Principal terms of the First Tranche Loan under the Loan Agreement**

Principal amount: RMB230,000,000

Interest rate: Interests are payable at 8% per annum. Interests are payable 8% per annum, which was determined with reference to the average financing cost for the Group's interest-bearing debt of approximately 8.5% per annum taking into consideration of the interest rates applicable to the Group's outstanding loan as at 31 October 2019.

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## LETTER FROM THE BOARD

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Pursuant to the Third Extension Agreement, the interest payable for the Revised Loan will remain at 8% per annum.

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

- (i) the interest rate applicable to the Revised Loan is below the Group's average financing cost of 10.7% as at 28 February 2021. As at 28 February 2021, the Group had outstanding loan amounted to approximately RMB15.3 billion, approximately 31.1% of which bear an interest rate of below 8%, whilst approximately 68.9% of which bear an interest rate not below 8%. Except for bonds of approximately RMB1.5 billion and loans of approximately RMB0.4 billion which were not secured by any pledged assets, all other outstanding loans were secured by assets pledged by the Group. 73.0% of outstanding loans with interest rate below 8% were either obtained by the Group before the year 2019 or renewed subsequently with the same terms as the previous loans obtained before the year 2019 when the Group's financial conditions began to be adversely affected by the liquidity difficulties encountered by China Minsheng. As the Company is a subsidiary of China Minsheng, certain banks and financial institutions have indicated that they would not enter into new loan agreements with the Group until the liquidity difficulties of China Minsheng are resolved, as such, the Group had faced the difficulties in obtaining new loan facilities from certain banks and financial institutions as well as drawdown suspension by one of the financial institutions; and
- (ii) the difficulty for the Group to obtain other new financing comparable to the size of the Revised Loan with interest rate more favorable than 8%, the Board is of the view that the interest rate applicable to the Revised Loan is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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- Term:** The term of the First Tranche Loan shall be extended to 31 October 2021 pursuant to the Third Extension Agreement.
- Please refer to the paragraph headed “The Third Extension Agreement” above for details.
- Usage:** The purpose of the First Tranche Loan was for the payment of the Final Dividend, or any other purpose as the Lender considers appropriate.
- Conditions Precedent:** The Third Extension Agreement is subject to:
- (a) the Borrower and the Lender having obtained their respective internal approval in relation to the entering of the Third Extension Agreement; and
  - (b) the Third Extension Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the EGM.
- Others:** If the Borrower has not repaid the First Tranche Loan on 31 March 2021 and that the announcement regarding the Third Extension Agreement has been published on the Stock Exchange’s website pending Independent Shareholders approval to be obtained at the EGM, the Lender agreed that: (i) it will not claim against the Borrower for breach of the Loan Agreement from 1 April 2021 to the date of the EGM; and (ii) it will not claim against the Borrower for breach of the Loan Agreement from 1 April 2021 to the date of the EGM after the Independent Shareholders approval has been obtained at the EGM.
- Security:** Subject to the Third Extension Agreement having become effective, the Pledge Agreement as provided under the Loan Agreement shall continue to be in effect and be provided by the Borrower in favour of the Lender as security of the Revised Loan.
- Please refer to the paragraphs headed “The Pledge Agreement” and “The Guarantee Agreement” below for details.

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## LETTER FROM THE BOARD

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### 3. THE PLEDGE AGREEMENT

In consideration of the provision of the Loan to the Borrower under the Loan Agreement, the Pledge Agreement was entered into in favour of the Lender, pursuant to which Dalian Yitong and Dalian Zhongxing (each a wholly-owned subsidiary of the Company) agreed to charge to the Lender the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledge Assets as security to the obligations of the Borrower under the Loan Agreement. Subject to the Third Extension Agreement having become effective, the Pledge Agreement as provided under the Loan Agreement shall continue to be in effect and be provided by the Borrower in favour of the Lender as security of the Revised Loan.

The principal terms of the Pledge Agreement are summarised as follows:

Date: 3 December 2019

Parties: (i) the Lender as chargee;  
(ii) Dalian Zhongxing as one of the chargors;  
(iii) Dalian Yitong as one of the chargors; and  
(iv) the Borrower.

Subject: Pursuant to the Pledge Agreement, Dalian Yitong and Dalian Zhongxing agreed to charge the following assets to the Lender as security to the obligations of the Borrower under the Loan Agreement:

| Pledged assets   | Property ownership certificate no.  | Total land/property area                   |
|--|---|--|
| (1) The land use rights of two (2) plots of land located at Gan Jing Zi District, Dalian, the PRC and owned by Dalian Yitong (the "Dalian Yitong Pledged Assets"). | Liao (2017) Dalian Neisi Real Estate No. 009000034 (遼 (2017) 大連市內四區不動產權第 00900034號) | Total land area of 23,686.71 square meters |
| The Dalian Yitong Pledged Assets has been approved for urban residential land purpose for the term until 30 December 2080.   | Dagan Guo Yong (2011) No. 40028 (大甘國用(2011)第40028號)                                 | Total area of 5,236.43 square meters       |
| The asset value of the Dalian Yitong Pledged Assets as at 12 March 2021 as appraised by the Independent Valuer amounted to RMB216,250,000.                         |   |  |

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## LETTER FROM THE BOARD

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| (2) | The property and land use rights of the land located at Gaoxin Park District, Dalian, the PRC and owned by Dalian Zhongxing (the “ <b>Dalian Zhongxing Pledged Assets</b> ”). The Dalian Zhongxing Pledged Assets has been approved for wholesale and retail purpose for the term until 29 June 2050. | Gaoxin Yuanqu (2010) No. 05052 (高新園區國用(2010)第05052號)                                    | Total property area of 8,534.33 square meters |
|     |   | Liao (2019) Dalian Gaoxin Yuanqu Real Estate No. 05003978 (遼(2019)大連高新園區不動產權第05003978號) | Total land area of 12,597.4 square meters     |

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

Term of the Pledge Agreement: being the period commencing from the drawdown date of the First Tranche Loan and up to the date on which the Borrower fulfills all its repayment obligations under the Loan Agreement.

As at 12 March 2021, the carrying value of the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets amounted to RMB93,700,000 and RMB148,040,000, respectively. As at the Latest Practicable Date, no development works were commenced on the Dalian Yitong Pledged Assets and the Dalian Zhongxing Pledged Assets.

#### 4. THE GUARANTEE AGREEMENT

In consideration of the provision of the Loan to the Borrower under the Loan Agreement, the Guarantee Agreement was entered into in favour of the Lender, pursuant to which Yida Development (a wholly-owned subsidiary of the Company) agreed to provide a guarantee in favour of the Lender of the total guaranteed amount equivalent to the amount of the Loan. Subject to the Third Extension Agreement having become effective, the Guarantee Agreement as provided under the Loan Agreement shall continue to be in effect and be provided in favour of the Lender as security of the Revised Loan.

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## LETTER FROM THE BOARD

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### 5. REASONS FOR AND BENEFITS OF THE LOAN

As disclosed in the Company's annual report for the year ended 31 December 2019, the Company had encountered various challenges which are out of the Group's expectation and had resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group including: (i) the asset freeze order which was imposed on the Company's controlling shareholder, China Minsheng; (ii) the detention of Mr. Chen Donghui, a former executive Director, by Public Security Bureau\* (公安部門) of the PRC for suspected embezzlement (職務侵佔罪) details of which are disclosed in the Company's announcement dated 23 February 2020 (Mr. Chen was subsequently removed as the Director at the Company's annual general meeting on 15 June 2020); and (iii) the late payment of the outstanding principal amount of US\$52,854,000 regarding the US\$300,000,000 6.95 per cent. senior notes due 2020 details of which are disclosed in the Company's announcement of 23 April 2020.

The First Tranche Loan was obtained by the Borrower to fulfill the payment of the Final Dividend. The Final Dividend was paid by the Company on 12 February 2020 and it was then the Company's plan to obtain other additional financing and/or utilise its internal resources to fulfill the repayment obligations of the First Tranche Loan. Taking into the current financial conditions of the Company and the arrangement agreed with the Aetos Parties to resolve the outstanding payables pursuant to the Final Award, the Borrower and the Lender agreed to further extend the repayment date of the First Tranche Loan to enable the Company to repay the Aetos Parties in priority pursuant to the Subordination Agreement.

The Pledge Agreement and the Guarantee Agreement were entered into as security for the Loan. Subject to the taking effect of the Third Extension Agreement, the Pledge Agreement and the Guarantee Agreement as provided under the Loan Agreement shall continue to be in effect and be provided in favour of the Lender as security of the Revised Loan. The Company will continue to exert its efforts to continue to improve its business operation and to ensure the repayment of the Revised Loan in accordance to the Third Extension Agreement. Accordingly, the Board is of the view that the chance that the Lender will be required to take enforcement against the security provided under the Pledge Agreement is relatively minimal.

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

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

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## LETTER FROM THE BOARD

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### 6. REASONS FOR AND BENEFITS OF FURTHER EXTENSION OF LOAN

The Board is of the view that the entering of the Settlement Agreement would enable the Company to: (a) settle the outstanding principal and interest claimed under the Final Award with the reduction of an amount by approximately US\$34 million from approximately US\$209 million to US\$175 million, which would lessen the Group's financial burden and improve its liquidity positions; and (b) eliminate the negative impact of the Arbitration on the Company's public image. The Third Extension Agreement is incidental to the Subordination Agreement as contemplated under the Settlement Agreement, As such, the Directors, including the independent non-executive Directors, consider that the terms of the Settlement Agreement, the Third Extension Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### 7. INFORMATION ON THE PARTIES TO THE LOAN AGREEMENT

#### The Company and the Group

The Company is an investment holding company. The Group is the largest business park developer and leading business park operator in China, the main business involves the development and operation of business parks, sales of business park supporting residential buildings, office buildings and independent houses, business park entrusted operation management, provision of construction and decoration and landscaping services.

#### The Lender

As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye. As at the Latest Practicable Date, CMIG Jiaye indirectly owned 100% of Jiayou which owned approximately 61.20% of the Shares in issue and a controlling shareholder (as defined under the Listing Rules) of the Company. Accordingly, the Lender is a connected person of the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, CMIG Jiaye was owned as to:

- a) 67.26% by China Minsheng;
- b) 14.87% by Huaxia Life Insurance Co., Ltd. (華夏人壽保險股份有限公司) (“**Huaxia Life**”), a joint stock company established in the PRC principally engaged in insurance and regulated by the China Banking and Insurance Regulatory Commission;
- c) 8.18% by Herun Group Co., Ltd. (和潤集團有限公司), a limited liability company established in the PRC and principally engaged in pre-packaged foods sales, industrial investment and real estate development;

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## LETTER FROM THE BOARD

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- d) 5.44% by Ningbo Shangpin Construction Co., Ltd. (寧波尚品建設有限公司), a limited liability company established in the PRC and principally engaged in civil engineering;
- e) 3.72% by Sega Holding Group (Hangzhou) Co., Ltd. (世嘉控股集團(杭州)有限公司), a limited liability company established in the PRC and principally engaged in, among others, investment management, industrial business investment and hotel management; and
- f) 0.53% by Jiangsu Hongdou International Development Co., Ltd. (江蘇紅豆國際發展有限公司), a limited liability company established in the PRC and principally engaged in, among others, textiles and garments production.

As confirmed by China Minsheng and to the best knowledge, information and belief, and having made all reasonable enquiries by the Company, as at the Latest Practicable Date, China Minsheng was owned as to 14.91% by Khorgos Guoxin Baotai Enterprise Investment Co., Ltd. (霍爾果斯市國信保泰創業投資有限公司) (“**Guoxin Baotai**”), 8.40% by Tianan Life Insurance Co., Ltd. (天安人壽保險股份有限公司) (“**Tianan Life**”) and by 59 other shareholders none of whom owns more than 4% equity interest in China Minsheng.

The following information is summarised based on public information available to the Board as at the Latest Practicable Date:

*Ultimate beneficial owners of Guoxin Baotai*

- (i) Guoxin Baotai is owned as to 6.10% by Zhongtai Trust Co., Ltd. (中泰信託有限公司) (“**Zhongtai Trust**”) and 49 other shareholders none of whom owns more than 5% equity interest in Guoxin Baotai.
- (ii) Zhongtai Trust is owned as to 31.6% indirectly by Beijing International Trust Co., Ltd. (北京國際信託有限公司) (“**Beijing Trust**”), 30.0% by Shanghai New Huangpu Industrial Group Co., Ltd. (上海新黃浦實業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code 600638), 20.0% indirectly by The People’s Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code 601319); and the remaining 18.40% by three shareholders none of whom owns more than 10% equity interest in Zhongtai Trust.
- (iii) Beijing Trust is indirectly owned as to 34.3% by the Beijing Municipal People’s Government (北京市人民政府), 15.3% by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), 15.3% by Win Eagle Investment Limited (威益投資有限公司), a limited liability company incorporated in Hong Kong, 14.3% by China Petroleum & Chemical Corporation (中國石油化工股份有限公司), a

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## LETTER FROM THE BOARD

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company listed on the Shanghai Stock Exchange (stock code 600028) and 6 other shareholders none of whom owns more than 7% equity interest in Beijing Trust.

### *Ultimate beneficial owners of Tianan Life*

- (iv) Tianan Life is owned as to 20% each by Hangzhou Tengran Industrial Co., Ltd. (杭州騰然實業有限公司) (“**Hangzhou Tengran**”), Dalian Qiaodu Industrial Co., Ltd. (大連喬都實業有限公司) (“**Dalian Qiaodu**”), Beijing Jinjia Weiye Information Consulting Co., Ltd. (北京金家偉業信息諮詢有限公司) (“**Beijing Jinjia**”), Shaanxi Huaqin Land Reclamation and Consolidation Engineering Co., Ltd. (陝西華秦土地開墾整理工程有限公司) (“**Shaanxi Huaqin**”) and Ling Rui Asset Management Co., Ltd. (領銳資產管理有限公司) (“**Ling Rui**”).
- (v) Hangzhou Tengran is indirectly owned as to 38.1% by Mr. Chen Zhong (陳忠) and Ms. Fu Qing (付青); and 61.9% by Ms. Zhou Xueqin (周學琴) and Mr. Zhou Wuyun (周五雲).
- (vi) Dalian Qiaodu is indirectly owned as to 100% by Ms. Wei Ziqin (魏子欽) and Ms. Feng Xuejing (馮雪靜).
- (vii) Beijing Jinjia is indirectly owned as to 81.1% by Ms. Fu Shuai (符帥) and Mr. He Shilei (何世鏞); and 18.9% by Mr. Li Fuyuan (李複元) and Mr. Zhang Zhengde (張正德).
- (viii) Shaanxi Huaqin is indirectly owned as to 78.4% by Mr. Yang Botao (楊波濤) and Ms. Tong Xiaoxiao (童肖肖); and 21.6% by Mr. Zeng Dongqiang (曾東強) and Ms. Xiaoxin (肖鑫).
- (ix) No public information is available as to the ultimate beneficial owners of Ling Rui.

### *Ultimate beneficial owners of Huaxia Life*

- (x) Huaxia Life is owned as 20% by Beijing Century Leehom Computer Software Technology Co., Ltd. (北京世紀力巨集電腦軟體科技有限公司) (“**Beijing Century**”), 20% by Beijing Millennium Shihao Electronic Technology Co., Ltd. (北京千禧世豪電子科技有限公司) (“**Beijing Millennium**”), 14.9% by Shandong Zero Degree Juzhen Trading Co., Ltd. (山東零度聚陣商貿有限公司) (“**Shandong Zero Degree**”), 13.4% by Beijing Zhongsheng Century Technology Co., Ltd. (北京中勝世紀科技有限公司) (“**Beijing Zhongsheng**”), 13.4% by Beijing Baili Bowen Technology Co., Ltd. (北京百利博文技術有限公司) (“**Beijing Baili**”), 11.2% by Tianjin Huayu World Trading Company Ltd. (天津華宇天地商貿有限公司) (“**Tianjin Huayu**”) and 7 other shareholders none of whom owns more than 6% equity interest in Huaxia Life.

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## LETTER FROM THE BOARD

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- (xi) Beijing Century is ultimately owned by Mr. Cui Wanchang (崔萬昌).
- (xii) Beijing Millennium is indirectly owned as to 68.8% by Mr. Wei Hai (魏凱) and Mr. Xu Dachun (徐大春); and 31.2% by Ms. Zhang Lei (張蕾).
- (xiii) Shandong Zero Degree is indirectly owned as to 100% by Mr. Yang Ruiqing (楊瑞清) and Ms. Hao Gaizhen (郝改珍).
- (xiv) Beijing Zhongsheng is indirectly owned as to 100% by Mr. Lin Lijuan (林麗娟) and Ms. Xiao Leilei (肖磊磊).
- (xv) Beijing Baili is indirectly owned as to 60.0% by Mr. Yang Ke (楊科) and Mr. Li Peidong (李培棟); and 40.0% by Ms. Zhou Xuefei (周雪飛) and Mr. Zhou Zhiqiang (周志強).
- (xvi) Tianjin Huayu is indirectly owned as to 50.0% by Ms. Zhou Hongxia (周紅霞) and Mr. Shao Junguang (邵俊光); and 50.0% by Ms. Zhou Xueqin (周學琴) and Mr. Zhou Wuyun (週五雲).

Based on the public information available and to the best knowledge, information and belief, and having made all reasonable enquiries by the Company, as at the Latest Practicable Date, except for China Minsheng which is a connected person of the Company, all other shareholders of CMIG Jiaye and their ultimate beneficial owners are Independent Third Parties.

The Lender is a company established in the PRC and principally engaged in investment management, industrial investment and asset management.

### 8. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye. As at the Latest Practicable Date, CMIG Jiaye indirectly owned 100% of Jiayou which owned approximately 61.20% of the Shares in issue and a controlling shareholder (as defined under the Listing Rules) of the Company. Accordingly, the Lender is a connected person of the Company under Chapter 14A of the Listing Rules, and the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the Third Extension Agreement is more than 5%, the entering of the Third Extension Agreement is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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None of the Directors (including the members of the Independent Board Committee) had material interest in the Third Extension Agreement and the transactions contemplated thereunder and was required to abstain from voting on the board resolutions approving the Third Extension Agreement.

### 9. THE EGM

The EGM will be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Tuesday, 1 June 2021 at 10:30 a.m., during which an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Third Extension Agreement and the transactions contemplated thereunder by way of poll, the results of which will be announced after the EGM. Set out on pages EGM-1 to EGM-2 of this circular is a notice convening the EGM. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.yidachina.com](http://www.yidachina.com)). Whether or not the Shareholders intend to attend the EGM, the Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should the Shareholders so wish and in such event, the proxy shall be deemed to be revoked.

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

As at the Latest Practicable Date, the Lender is a wholly-owned subsidiary of CMIG Jiaye. As at the Latest Practicable Date, CMIG Jiaye indirectly owned 100% of Jiayou which owned 1,581,485,750 Shares, representing approximately 61.20% of the Shares in issue. Jiayou and its associates will abstain from voting at the EGM in respect of the resolution approving the Third Extension Agreement. Save as otherwise disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Third Extension Agreement and is required to abstain from voting on the resolution to approve the Third Extension Agreement at the EGM.

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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

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

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Third Extension Agreement, and Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from Gram Capital containing its recommendation in respect of the Third Extension Agreement is set out on pages 23 to 32 of this circular.

### 11. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on page 6 of this circular; (ii) the letter from Gram Capital as set out on pages 23 to 32 of this circular; and (iii) the additional information as set out in the appendix of this circular.

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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

**YIDA 亿达**  
**YIDA CHINA HOLDINGS LIMITED**  
**億達中國控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3639)

30 April 2021

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONNECTED TRANSACTION FURTHER EXTENSION OF LOAN**

We refer to the circular dated 30 April 2021 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

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

Gram Capital Limited has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in connection with the Third Extension Agreement. Details of the advice from Independent Financial Adviser, together with the reasons for its opinion, the key assumptions made and the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 23 to 32 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 6 to I-6 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the information as set out in the letter from the Board, the terms and conditions of the Third Extension Agreement, the factors and reasons considered by, and the opinion of Independent Financial Adviser as set out in its letter of advice, we are of the view that the Third Extension Agreement, although is not in the ordinary and usual course of business, is entered into on normal commercial terms, fair and reasonable and in the best

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Third Extension Agreement.

Yours faithfully

For and on behalf of the Independent Board Committee of  
**Yida China Holdings Limited**

**Mr. Yip Wai Ming**      **Mr. Guo Shaomu**      **Mr. Wang Jinping**      **Mr. Han Gensheng**  
*Independent non-executive Directors*

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## LETTER FROM GRAM CAPITAL

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*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 Extension 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

30 April 2021

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

Dear Sirs,

### **CONNECTED TRANSACTION FURTHER EXTENSION OF LOAN**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Third Extension Agreement (the “**Extension**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 30 April 2021 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 11 March 2021, the Borrower and the Lender entered into the Third Extension Agreement in order to further extend the repayment date of the First Tranche Loan from 31 March 2021 (which was originally extended pursuant to the Second Extension Agreement) to 31 October 2021 and revised the loan amount to the Revised Loan by taking into account the unpaid interests charged on the First Tranche Loan.

On 31 March 2021, the Borrower and the Lender entered into a supplemental agreement to amend the terms to remove the deadline regarding the Stock Exchange’s clearance on the Circular.

With reference to the Board Letter, the Extension constitutes a connected transaction of the Company under the Listing Rules and is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Jinping 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 Extension are on normal commercial terms and are fair and reasonable; (ii) whether the Extension is in the interests of the Company and the Shareholders as a whole and is

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## LETTER FROM GRAM CAPITAL

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conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Extension 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

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of (i) the Company's connected transaction in respect of the loan agreement dated 3 December 2019 (i.e. the original Loan Agreement) together with the Pledge Agreement and the Guarantee Agreement), details of which are set out in the Company's circular dated 30 December 2019; and (ii) the Company's connected transaction in respect of the Second Extension Agreement, details of which are set out in the Company's announcement dated 9 June 2020 (note: with reference to the Company's announcement dated 9 June 2020, the aforesaid connected transaction was exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules and our engagement as independent financial adviser ended then accordingly).

Notwithstanding the aforesaid past engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as a 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 aforesaid engagements and this engagement as the Independent Financial Adviser, there was no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the 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

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## LETTER FROM GRAM CAPITAL

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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 is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Extension. 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.

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 Group. 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 Lender or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group as a result of the Extension. 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.

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## LETTER FROM GRAM CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

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

(1) **Background and reasons for the Extension**

*Information on the Group*

With reference to the Board Letter, the Group is the largest business park developer and leading business park operator in China, the main business involves the development and operation of business parks, sales of business park supporting residential buildings, office buildings and independent houses, business park entrusted operation management and provision of construction, decoration and landscaping services.

With reference to the Company's annual results announcement for the year ended 31 December 2020, as at 31 December 2020, the Group recorded (i) restricted cash of approximately RMB1.00 billion; (ii) cash and cash equivalents of approximately RMB0.57 billion; and (iii) interest-bearing bank and other borrowings of approximately RMB15.28 billion.

*Information on the Lender*

With reference to the Board Letter, the Lender is a company established in the PRC and principally engaged in investment management, industrial investment and asset management.

With reference to the Board Letter, the Lender is a wholly-owned subsidiary of CMIG Jiaye, which indirectly owned 100% of Jiayou. Jiayou owned approximately 61.20% of the Shares in issue and a controlling Shareholder of the Company. Accordingly, the Lender is a connected person of the Company.

*Information on the Loan*

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

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## LETTER FROM GRAM CAPITAL

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

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

Set out below are the basic information of the Loan:

| Relevant portion of the First Tranche Loan under the original Loan Agreement | Term of the First Tranche Loan pursuant to the Loan Agreement | Interest rate | Principal amount of the relevant portion of the First Tranche Loan and respective unpaid interest under the Loan Agreement assuming the relevant portion will be repaid on maturity date |
|--|---|---------------|--|
| RMB22,000,000  | 31 March 2021   | 8% per annum  | RMB24,077,707.05   |
| RMB34,000,000  | 31 March 2021   | 8% per annum  | RMB37,216,014.48   |
| RMB174,000,000   | 31 March 2021   | 8% per annum  | RMB190,265,130.01  |

### *Reasons for and benefits of the Extension*

With reference to the Company's announcement dated 5 March 2021, the Aetos Parties, the Obligors and the Yida Parties entered into the Settlement Agreement. Pursuant to the Settlement Agreement, among other things, (i) the Yida Parties have agreed, among others, to execute the Subordination Agreement under which Jiayu will covenant and agree that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by the Obligors under the Settlement Agreement; and (ii) in the event that the Obligors were to complete each deferred payment obligation on or before the relevant scheduled payment dates, the Aetos Parties shall, as incentive, waive the obligation of the Obligors to pay such remaining balance of the Total Payment Obligation (i.e. US\$33,793,407). As the First Tranche Loan falls under the scope of the Subordination Agreement, the First Tranche Loan would be required to be further extended under the Subordination Agreement.

With reference to the Board Letter, the Board is of the view that the entering of the Settlement Agreement would enable the Company (i) to settle the outstanding principal and interest claimed under the Final Award with the reduction of an amount by approximately US\$34 million from approximately

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## LETTER FROM GRAM CAPITAL

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US\$209 million to US\$175 million (subject to the completion of each deferred payment obligation on or before the relevant scheduled payment dates), which would lessen the Group's financial burden and improve its liquidity positions; and (ii) to eliminate the negative impact of the Arbitration on the Company's public image. The Third Extension Agreement is incidental to the Subordination Agreement as contemplated under the Settlement Agreement.

The Pledge Agreement and the Guarantee Agreement were entered into as security for the Loan in December 2019. Subject to the taking effect of the Third Extension Agreement, the Pledge Agreement and the Guarantee Agreement as provided under the Loan Agreement shall continue to be in effect and be provided in favour of the Lender as security of the Revised Loan. The Company will continue to exert its efforts to continue to improve its business operation and to ensure the repayment of the Revised Loan in accordance to the Third Extension Agreement. Accordingly, the Board is of the view that the chance that the Lender will be required to take enforcement against the security provided under the Pledge Agreement is relatively minimal.

For our due diligence purpose, we noted from the Company's annual results announcement for the year ended 31 December 2020 that in view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. Certain plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group, details of which are set out on page 8 of the 2020 annual results announcement.

According to the plans and measures:

- (a) The Group has constantly maintained active communication with relevant banks and financial institutions to explain changes in the financial conditions of China Minsheng, Mr. Chen detention matter, senior notes default and bank loans default.
- (b) The Group is also actively negotiating with several existing financial institutions on the renewal of and extension for repayments of certain borrowings.
- (c) 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 outstanding sales proceeds and other receivables.
- (d) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

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## LETTER FROM GRAM CAPITAL

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As advised by the Directors, the Group will use internal resources or other appropriate financing methods as determined by the Company to repay the Revised Loan.

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

- the Settlement Agreement would enable the Company to settle the outstanding principal and interest claimed under the Final Award with the reduction of an amount by approximately US\$34 million from approximately US\$209 million to US\$175 million (subject to the completion of each deferred payment obligation on or before the relevant scheduled payment date);
- pursuant to the Settlement Agreement, the Yida Parties have agreed, among others, to execute the Subordination Agreement under which Jiayu will covenant and agree that the obligation of any Yida Party to repay the shareholder loans lent by Jiayu shall be subordinate and junior in right of payment to the prior payment in full of the Total Payment Obligation by the Obligors under the Settlement Agreement; and
- as the First Tranche Loan falls under the scope of the Subordination Agreement, the First Tranche Loan would be required to be further extended under the Subordination Agreement,

and having also considered that the Extension can relieve the imminent need of the Company to repay the relevant portions of the First Tranche Loan (i.e. 31 March 2021), which in turn, allows the Group to retain its cash flow and liquidity and have more financial flexibility and additional time to develop/maintain its business, we are of the view that although the Extension is not conducted in the ordinary and usual course of business of the Group, the Extension is in the interests of the Company and the Shareholders as a whole.

### (2) Principal terms of the Extension

The table below summarises the major terms of the Extension, details of which are set out under the sections headed “THE THIRD EXTENSION AGREEMENT” of the Board Letter:

|                 |  |
|-----------------|--|
| <b>Date:</b>    | 11 March 2021 (as supplemented on 31 March 2021)   |
| <b>Parties:</b> | (i) Dalian Shengyue Property Development Company Limited as the Borrower; and (ii) Shanghai Jiayu Medical Investment Management Co., Ltd. as the Lender. |

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## LETTER FROM GRAM CAPITAL

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**Subject matters:** The Borrower and the Lender agreed to extend the repayment date for the First Tranche Loan and revise the principal amount of the First Tranche Loan to the Revised Loan as follows:

| <b>Relevant portion of the First Tranche Loan</b> | <b>Term of the First Tranche Loan pursuant to the original Loan Agreement (as amended and extended by the First Extension Agreement and the Second Extension Agreement)</b>   | <b>Revised term as agreed under the Third Extension Agreement</b>  |
|---|---|--|
| RMB22,000,000                                     | Commenced from the relevant drawdown date and ending on the 14th day thereafter, and as amended and extended by the First Extension Agreement (i.e. 30 June 2020) and the Second Extension Agreement (i.e. 31 March 2021) | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB24,077,707.05 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021.  |
| RMB34,000,000                                     | Commenced from the relevant drawdown date and ending on the 180th day thereafter (i.e. 2 August 2020), and as amended and extended by the Second Extension Agreement (i.e. 31 March 2021)                                 | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB37,216,014.48 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021.  |
| RMB174,000,000                                    | Commenced from the relevant drawdown date and ending on the 365th day thereafter (i.e. 3 February 2021), and as amended and extended by the Second Extension Agreement (i.e. 31 March 2021)                               | The principal amount of the relevant portion of the First Tranche Loan shall be increased to RMB190,265,130.01 taking into account the respective unpaid interest since the drawdown up to 31 March 2021. The term shall end on 31 October 2021. |

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## LETTER FROM GRAM CAPITAL

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### *The interest rate*

Pursuant to the Third Extension Agreement, the interest payable for the Revised Loan will remain at 8% per annum.

With reference to the Board Letter, the First Tranche Loan's interests are payable 8% per annum, which was determined with reference to the average financing cost for the Group's interest-bearing debt of approximately 8.5% per annum taking into consideration of the interest rates applicable to the Group's outstanding loan as at 31 October 2019.

We noted that the interest rate of 8% per annum under the Third Extension Agreement is same as the interest rate under the Loan Agreement.

To further assess the fairness and reasonableness of the interest rate, we obtained the information of interest-bearing bank and other borrowings as at 28 February 2021 as follows:

|                         | <b>Outstanding<br/>principal amount<br/>as at 28<br/>February 2021<br/>Approximate<br/>RMB'000</b> | <b>Effective interest<br/>rate<br/>%</b> | <b>Weighted<br/>average of<br/>pledged assets<br/>value<sup>(Note 1&amp;2)</sup><br/>to<br/>outstanding<br/>principal amount</b> |
|-------------------------|--|--|--|
| Bank loans – secured    | 5,901,231  | 4.30-12.00                               | 283%   |
| Bank loans – unsecured  | 4,600  | Approximately<br>4.25                    | N/A  |
| Other loans – secured   | 5,987,760  | 7.42-15.00                               | 229%   |
| Other loans – unsecured | 3,472,320  | 1.20-15.00                               | N/A  |

*Notes:*

1. The pledged assets includes, among other things, the Group's properties under development, investment properties, land held for development for sale, completed properties, etc..
2. The pledged assets value was based on the latest available value of such assets. The Directors consider that there will be no material change of the latest available value of such assets as compared to the value of such assets as at 28 February 2021.

According to the above table, we noted the following:

- the weighted average of pledged assets value represented approximately 283% and 229% to the outstanding principal amounts of the Group's secured bank loans and secured other loans as at 28 February 2021 respectively; and

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## LETTER FROM GRAM CAPITAL

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- as at 28 February 2021, the effective interest rate of the Group's secured loans ranged from 4.30% to 15.00% per annum, with a weighted average of approximately 10.2%. The interest rate of 8% per annum payable for the Revised Loan falls within the aforesaid range and is less than the average effective interest rate of the Group's secured loans.

As advised by the Directors and according to our calculation:

- (i) the pledged assets value of approximately RMB411,780,000 relating to the Revised Loan, accounting for approximately 163.69% of the Revised Loan; and
- (ii) pursuant to the Guarantee Agreement, the guarantee period will be two years from the due date of the Loan. In addition, Yida Development's guarantee obligation will be reduced and/or released in correspondence to the Borrower's fulfilment of its obligation under the Loan Agreement,

we consider the interest rate of 8% per annum, which is same as the interest rate under the Loan Agreement, to be fair and reasonable.

With reference to the Board Letter, save as the change in term (i.e. maturity date) of the First Tranche Loan and the increase of the relevant loan amount by the interest element, all other terms and conditions of the Loan Agreement shall remain unchanged.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Extension are on normal commercial terms and are fair and reasonable; and (ii) although the Extension is not conducted in the ordinary and usual course of business of the Group, the Extension 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 to be proposed at the EGM to approve the Extension and we recommend the Independent Shareholders to vote in favour of the resolution 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 25 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. DISCLOSURE OF INTERESTS

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

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

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

| Name of Director | Capacity/<br>Nature of interest      | Number of<br>Shares held <sup>(1)</sup> | Approximate<br>percentage in<br>the Company's<br>issued share<br>capital |
|------------------|--------------------------------------|---|--|
| Mr. Jiang Xiuwen | Interest of a controlled corporation | 68,600,000(L) <sup>(2)</sup>            | 2.65%  |
| Mr. Wang Gang    | Interest of a controlled corporation | 69,200,000(L) <sup>(3)</sup>            | 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 87.21% of the issued share capital of Grace Sky Harmony Limited. Grace Sky Harmony Limited owns 2.68% of the issued share capital of the Company. By virtue of the SFO, Mr. Wang Gang is deemed to be interested in the Shares held by Grace Sky Harmony Limited.

**(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 <sup>(1)</sup> | 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) <sup>(2)</sup>         | 74.21%   |
| Mr. Wang Gang    | Grace Sky Harmony Limited      | Interest of a controlled corporation | 6,140(L) <sup>(3)</sup>         | 87.21%   |

*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.
- (3) These shares are held by Mighty Equity Limited which is wholly-owned by Mr. Wang Gang.

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

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

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

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

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

### Interests and Short Positions of Substantial Shareholders

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

| Name of shareholder   | Capacity/<br>Nature of interest   | Number of<br>shares held <sup>(1)</sup> | Approximate<br>percentage in<br>the Company's<br>issued share<br>capital |
|---|---|---|--|
| Jiayou <sup>(2)</sup>   | Beneficial owner  | 1,581,485,750(L)                        | 61.20%   |
| Jiahuang (Holdings)<br>Investment<br>Limited <sup>(2)</sup>     | Interest of corporation<br>controlled by the<br>substantial shareholder | 1,581,485,750(L)                        | 61.20%   |
| Shanghai Pinzui<br>Enterprise<br>Management Ltd. <sup>(2)</sup> | Interest of corporation<br>controlled by the<br>substantial shareholder | 1,581,485,750(L)                        | 61.20%   |
| CMIG Jiaye <sup>(2)</sup>                                       | Interest of corporation<br>controlled by the<br>substantial shareholder | 1,581,485,750(L)                        | 61.20%   |
| China Minsheng <sup>(2)</sup>                                   | Interest of corporation<br>controlled by the<br>substantial shareholder | 1,581,485,750(L)                        | 61.20%   |
| Sun Yinhuan <sup>(3)</sup>                                      | Founder of a<br>discretionary trust                                     | 241,400,000(L)                          | 9.34%  |
| TMF (Cayman) Ltd. <sup>(3)</sup>                                | Trustee   | 241,400,000(L)                          | 9.34%  |
| Right Ying Holdings<br>Limited <sup>(3)</sup>                   | Interest of controlled<br>corporation                                   | 241,400,000(L)                          | 9.34%  |
| Right Won<br>Management<br>Limited <sup>(3)</sup>               | Beneficial owner  | 241,400,000(L)                          | 9.34%  |

*Notes:*

- (1) The letter “L” denotes the person’s long position in such securities.
- (2) China Minsheng owns 67.26% share equity of CMIG Jiaye. Shanghai Pinzui Enterprise Management Ltd. (“**Pinzui**”) is beneficially owned by CMIG Jiaye. Jiahuang (Holdings) Investment Limited (“**Jiahuang**”) is beneficially wholly-owned by Pinzui. Jiayou is beneficially wholly-owned by Jiahuang. By virtue of the SFO, China Minsheng, CMIG Jiaye, Pinzui and Jiahuang are deemed to hold equity in 1,581,485,750 Shares held by Jiayou. 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.
- (3) The entire issued share capital of Right Won Management Limited is held by TMF (Cayman) Ltd. (as the trustee of The Right Ying Trust) through Right Ying Holdings Limited. The entire issued share capital of Right Ying Holdings Limited is held by TMF Cayman Ltd. The Right Ying Trust is a discretionary trust established by Mr. Sun Yinhuan on 14 November 2018. The beneficiaries of The Right Ying Trust include Mr. Sun Yinhuan and certain of his family members.

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

### **3. DIRECTORS’ SERVICE CONTRACTS**

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

### **4. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES**

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

### **5. DIRECTORS’ INTEREST IN CONTRACTS AND ASSETS OF THE GROUP AND OTHER INTERESTS**

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

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

**6. LITIGATION**

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

**7. QUALIFICATION AND CONSENT OF EXPERT**

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

| <b>Name</b>          | <b>Qualification</b>  |
|----------------------|---|
| 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, Gram Capital:

- (a) had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group;
- (b) had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2020 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased; and
- (c) had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its advice, letters, reports and/or summary of its opinions (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

**8. NO MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Company since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturday, Sunday and public holiday excluded) at the principal place of business of the Company at Room 1215, 12th Floor, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Loan Agreement;
- (b) the Pledge Agreement;
- (c) the Guarantee Agreement;
- (d) the First Extension Agreement;
- (e) the Second Extension Agreement;
- (f) the Third Extension Agreement;
- (g) the Settlement Agreement;
- (h) the Subordination Agreement;
- (i) the Supplemental Agreement;
- (j) the letter from the Board, the text of which is set out on pages 6 to 20 of this circular;
- (k) the letter from the Independent Board Committee dated 30 April 2021, the text of which is set out on pages 21 to 22 of this circular;
- (l) the letter from Gram Capital dated 30 April 2021, the text of which is set out on pages 23 to 32 of this circular;
- (m) the written consent of Gram Capital referred to in the paragraph headed “8. Qualification and Consent of Expert” in this appendix; and
- (n) this circular.

**10. LANGUAGE**

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

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## NOTICE OF EGM

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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)**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Yida China Holdings Limited (the “**Company**”) will be held at Boardroom, Level 10, Yida Square, No. 93 Dongbei Road, Shahekou District, Dalian, Liaoning Province, PRC on Tuesday, 1 June 2021 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifying the following resolution as ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

##### **“THAT**

- (a) the extension agreement for the principal amount of RMB230,000,000 (the “**First Tranche Loan**”) dated 11 March 2021 (as supplemented on 31 March 2021) (the “**Third Extension Agreement**”) entered into between (i) Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司) (a wholly-owned subsidiary of the Company) as borrower (the “**Borrower**”), and (ii) Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司) as lender (the “**Lender**”), pursuant to which the Lender and the Borrower agreed to further extend the repayment date of the First Tranche Loan under the loan agreement dated 3 December 2019 (the “**Loan Agreement**”) between the Lender and the Borrower to 31 October 2021 and the revision of the principal amount of the First Tranche Loan taking into account the interest element as set out in the circular of the Company dated 30 April 2021, with other terms contained in the Loan Agreement, the pledge agreement dated 3 December 2019 (the “**Pledge Agreement**”) and the guarantee agreement dated 3 December 2019 (the “**Guarantee Agreement**”) shall remain unchanged (copies of the (i) Third Extension Agreement marked “A”; (ii) the Loan Agreement marked “B”; (iii) the Pledge Agreement marked “C”; and (iv) the Guarantee Agreement marked “D”), each signed by the chairman of the meeting for identification purpose, have been produced in the meeting), be and is hereby approved, confirmed and ratified; and

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## NOTICE OF EGM

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- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things and to sign and execute all such other documents or instrument for and on behalf of the Company (including the affixation of the common seal of the Company where required) as he or she may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to, the Third Extension Agreement and to implement the transactions contemplated thereunder (the “**Transactions**”) and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the Transactions or incidental to the Transactions.”

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

Hong Kong, 30 April 2021

*Notes:*

- (i) A member of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the memorandum of association and articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (ii) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the EGM or any adjournment thereof, should he/she so wish.
- (iii) Completion and return of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) For determining the entitlement to attend and vote at the above meeting, the transfer books and register of members will be closed from Friday, 28 May 2021 to Tuesday, 1 June 2021, both days inclusive, during which period no share transfers can be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 27 May 2021.
- (v) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.

*As at the date of this circular, the executive Director is Mr. Jiang Xiuwen, the non-executive Directors of the Company are Mr. Wang Gang, Mr. Zhang Xiufeng, Mr. Cheng Xuezhi and Mr. Ni Jie and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.*