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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2018 amounted to RMB7,356.96 million, representing an increase of 0.5% as compared to 2017;

2. Gross profit amounted to RMB2,051.21 million, representing an increase of 16.1% as compared to 2017, and the gross profit margin was 27.9%;

3. Profit attributable to equity owners of the Company amounted to RMB833.92 million, representing a decrease of 15.3% as compared to 2017; the core profit attributable to equity owners of the Company (profit attributable to equity owners of the Company excluding effects of fair value gains on investment properties, net of tax) amounted to RMB828.98 million, with core profit margin of 11.3%, representing an increase of 13.8% as compared to 2017;

4. Basic earnings per share was RMB32 cents and basic core earnings per share was RMB32 cents; and

5. The Board does not recommend any payment of final dividend for the year ended 31 December 2018.

FINANCIAL INFORMATION

The board of directors (the "**Board**") of Yida China Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2018 together with comparative figures for the corresponding period in 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	Notes	**2018** ***RMB'000***	2017 *RMB'000*
REVENUE	*4*	**7,356,958**	7,317,619
Cost of sales	*5*	**(5,305,746)**	(5,551,155)
Gross profit		**2,051,212**	1,766,464
Other income	*4*	**51,927**	70,491
Gains arising from acquisition of subsidiaries	*16*	**790,959**	–
Fair value gains on investment properties	*10*	**6,586**	341,216
Net impairment losses on financial and contract assets		**(23,861)**	–
Other (losses)/gains – net		**(45,058)**	19,998
Selling and marketing expenses	*5*	**(192,886)**	(236,083)
Administrative expenses	*5*	**(502,698)**	(478,585)
Finance costs – net	*6*	**(659,853)**	(334,461)
Share of profits and losses of:			
Joint ventures		**8,810**	86,743
Associates		**–**	362,959
PROFIT BEFORE INCOME TAX		**1,485,138**	1,598,742
Income tax expenses	*7*	**(681,552)**	(504,480)
PROFIT FOR THE YEAR		**803,586**	1,094,262
Attributable to:			
Owners of the Company		**833,919**	984,302
Non-controlling interests		**(30,333)**	109,960
		803,586	1,094,262
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB per share)	*9*	**0.32**	0.38

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	2018	2017
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**803,586**	1,094,262
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:		
Exchange difference	**21,027**	(29,178)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**824,613**	1,065,084
Attributable to:		
Owners of the Company	**854,946**	955,124
Non-controlling interests	**(30,333)**	109,960
	824,613	1,065,084

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**93,868**	88,044
Investment properties	*10*	**18,604,066**	12,244,622
Investments in joint ventures		**1,780,760**	2,585,466
Investments in associates		**21,300**	20,699
Prepayments for acquisition of land		**2,555,067**	2,297,438
Land held for development for sale		–	501,643
Prepayments and other receivables		**22,934**	705,094
Intangible assets		**32,959**	14,992
Available-for-sale investments		–	24,540
Deferred tax assets		**150,820**	124,892
Total non-current assets		**23,261,774**	18,607,430
CURRENT ASSETS			
Inventories		**14,658**	10,199
Land held for development for sale		**1,111,781**	607,203
Properties under development		**5,121,082**	1,670,574
Completed properties held for sale		**5,453,716**	6,121,194
Prepayments for acquisition of land		**1,121,228**	249,655
Contract assets		**140,242**	–
Gross amounts due from contract customers		–	162,463
Trade receivables	*11*	**1,186,619**	990,036
Prepayments, deposits and other receivables		**3,463,103**	5,131,013
Prepaid corporate income tax		**143,720**	30,851
Prepaid land appreciation tax		**262,178**	153,188
Restricted cash	*12*	**728,486**	1,879,540
Cash and cash equivalents	*12*	**1,077,775**	1,484,138
Total current assets		**19,824,588**	18,490,054
TOTAL ASSETS		**43,086,362**	37,097,484

	Notes	**2018** *RMB'000*	2017 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*14*	**4,375,520**	10,073,500
Deferred tax liabilities		**2,516,583**	1,878,348
Total non-current liabilities		**6,892,103**	11,951,848
CURRENT LIABILITIES			
Contract liabilities		**3,046,881**	–
Gross amounts due to contract customers		**–**	525,575
Receipts in advance		**–**	881,468
Trade payables	*13*	**2,716,306**	2,319,770
Other payables and accruals		**4,138,083**	1,935,900
Derivative financial instruments		**746,708**	591,065
Interest-bearing bank and other borrowings	*14*	**12,651,205**	6,912,232
Corporate income tax payable		**469,079**	454,604
Provision for land appreciation tax		**587,438**	382,116
Total current liabilities		**24,355,700**	14,002,730
TOTAL LIABILITIES		**31,247,803**	25,954,578
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**11,215,526**	10,578,761
		11,374,944	10,738,179
Non-controlling interests		**463,615**	404,727
TOTAL EQUITY		**11,838,559**	11,142,906
NET CURRENT (LIABILITIES)/ASSETS		**(4,531,112)**	4,487,324
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,730,662**	23,094,754

1. Corporate and Group Information

Yida China Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 26 November 2007 as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's ordinary shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. During the year ended 31 December 2018, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in property development, property investment, business park operation and management, property construction, decoration and landscaping and property management in Dalian, Wuhan, Shenyang, Beijing, Shanghai, Tianjin, Zhengzhou, Hefei, Xi'an, Suzhou, Hangzhou, Shenzhen, Changsha, Chongqing and Chengdu, the People's Republic of China (the "**PRC**").

In the opinion of the directors of the Company (the "**Directors**"), the holding company of the Company is Jiayou (International) Investment Limited ("**Jiayou**"), which is incorporated in the British Virgin Islands (the "**BVI**"), and the ultimate holding company of the Company is China Minsheng Investment Corp., Ltd..

The financial information is presented in thousands of Renminbi ("RMB'000) unless otherwise stated.

2.1 Basis of Preparation

(a) Compliance with HKFRS and HKCO

The financial information set out in this announcement is extracted from the consolidated financial statements of the Group for the year ended 31 December 2018 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap 622.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and certain financial instruments which have been measured at fair value.

(c) Going concern basis

As at 31 December 2018 the Group's current liabilities exceeded its current assets by RMB4,531,112,000. At the same date, its current borrowings amounted to RMB12,651,205,000 while its cash and cash equivalents amounted to RMB1,077,775,000 only. During the year then ended, the financial conditions of certain related parties of the Group changed in such a way that triggered certain terms specified in the Group's loan agreements. This resulted in certain of the Group's borrowings amounted to RMB8,371,035,000 in total as at 31 December 2018 becoming immediately repayable if requested by the lenders, of which RMB3,365,561,000 represented bank loans with scheduled repayment dates within one year, while RMB5,005,474,000 represented non-current bank loans or corporate bond with original maturity dates beyond 31 December 2019 that were reclassified as current liabilities.

The above conditions indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company 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. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its financial position of the Group:

(i) Although no demand for immediate repayment has been made by the relevant lenders, and interest payments and the repayments of such loans have been made in accordance with original repayment schedules up to the release of this announcement, the Group is actively communicating with the relevant banks and financial institutions to explain the Group's financial independence from its related parties, that the Group has not provided guarantee to, nor pledged any of its assets in favour of, those related parties, and that it has no ongoing or planned transactions with those related parties that would have a negative impact on the Group's financial position, cash flows and normal operations. The directors are confident to convince the relevant lenders not to exercise their rights to request the Group for immediate repayment of the bank loans and corporate bond prior to their scheduled contractual repayment dates.

(ii) The Group has timely repaid RMB1.375 billion of corporate bond due in March 2019, and the remaining principal amount of RMB0.625 billion with the original repayment date in March 2019 has been extended to March 2021.

(iii) The Group is also actively negotiating with several existing banks and financial institutions for renewal of and extension for repayment of certain borrowings. Subsequent to 31 December 2018, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. In this connection, the Group was able to obtain new borrowings of RMB3.586 billion from existing and new lenders, and RMB2.373 billion of these new borrowings are attributable to agreements that do not contain any restrictions relating to the financial conditions of the Group's related parties (although the loan agreements for the remaining new borrowings of RMB1.213 billion contain such restrictions that cause these borrowings to be subject to immediate repayment if requested by the lenders). The directors believe that the Group will be able to renew the existing bank loans as well as to secure new bank loans when needed given the Group's good credit history, and the availability of the Group's properties as security for these loans.

(iv) The Group has implemented 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.

(v) The Group will continue to take active measures to control administrative costs and containment of capital expenditures.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2018. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2018. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) the successful maintenance of a continuing and normal business relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to exercise their contractual rights to demand immediate repayment of the relevant borrowings and corporate bond;

(ii) the successful negotiations with the lenders for renewal of or extension for repayment of outstanding borrowings;

(iii) the successful obtaining of additional new sources of financing as and when needed; and

(iv) the successful implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of outstanding sales proceeds and other receivables, and control costs and contain capital expenditure so as to generate adequate net cash inflows.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(d) New standards, amendments and interpretations of HKFRSs adopted by the Group

The Group has applied the following new standards, amendments and interpretation in 2018 for its annual reporting period commencing 1 January 2018.

- *HKFRS 9 Financial Instruments ("HKFRS 9")*
- *HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15")*
- *Amendments to HKFRS 2 regarding classification and measurement of share-based payment transactions*
- *Annual Improvements to HKFRSs 2014-2016 cycle*
- *Amendments to HKAS 40 regarding transfers to investment property*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*

The impact of the adoption of HKFRS 9 and HKFRS 15 are described in Note 2.2 below. The other newly effective standards, amendments and interpretation to existing standards did not have any impact on the Group's financial statements and did not require retrospective adjustments.

(e) New standards, amendments and interpretations of HKFRSs not yet adopted

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretation of HKFRSs which have been issued but are not yet effective for the year ended 31 December 2018. Among these to-be-effective HKFRSs, the following new standard is considered as may have some impact to the Group's financial statements.

- HKFRS 16 Leases ("**HKFRS 16**").

HKFRS 16 is effective for annual period beginning from 1 January 2019. The Group is in the process of making assessments on the impacts of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. The Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB810,360,000 as at 31 December 2018. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognized as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognized, including, but not limited to, any amounts relating to leases of low-value assets and short-term leases which could be exempted, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

There are no other new standards, amendments and interpretation of HKFRSs that are not yet effective and that would be expected to have some or material impact on the Group's financial statements.

2.2 Changes in accounting policies

The Group has adopted HKFRS 9 and HKFRS 15 since 1 January 2018, which led to changes in accounting policies and impact on the financial statements.

(a) Impact on financial statements

According to the transitional provision of HKFRS 9, the Group did not restate figures of the comparative period. Therefore, any reclassification and impairment provision for financial assets or liabilities during the comparative period have not been restated. All adjustments are recognised at the beginning of the period accordingly.

According to the transitional provision of HKFRS 15, the Group applied modified retrospective approach upon adoption and did not restate figures of the comparative period.

(b) Impact of adoption of HKFRS 9

HKFRS 9 replaced relevant requirements of HKAS 39 Financial Instruments relating to the recognition, classification and measurement of financial assets and liabilities; derecognition of financial instruments; and impairment and hedge accounting of financial assets.

The impact on the retained earnings of the Group as at 1 January 2018 due to the classification and measurement of financial instruments are as follows:

	RMB'000
Closing retained earnings – HKAS39 as at 31 December 2017	8,164,375
Increase in provision for trade receivables and contract assets	(5,822)
Increase in provision for other receivables	(9,462)
Increase in deferred tax assets	3,821
Adjustments to retained earnings from adoption of HKFRS 9 on 1 January 2018	(11,463)
Opening retained earnings – HKFRS 9 as at 1 January 2018	8,152,912

(i) Classification and measurement of financial instruments

On the date of initial application of HKFRS 9 (i.e. 1 January 2018), the management has assessed the business models and cash flow contract terms of the financial assets held by the Group and classified its financial instruments into the appropriate HKFRS 9 categories. On 1 January 2018, equity investments in unlisted companies with book value of RMB24,540,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities except for derivative financial instruments. The derecognition rules have been transferred from HKAS 39 and have not been changed.

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables
- contract assets relating to construction contracts
- other receivables (excluding prepayments)

The Group has revised its impairment methodology according to HKFRS 9 for these three classes of assets. For trade receivables and contract assets, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of lifetime expected loss provision for all trade receivables and contract assets. For other receivables, the Group applies the general model for expected credit losses prescribed by HKFRS 9, since credit risk has not significantly increased after initial recognition, provision is provided, the loss allowance recognised during the period was therefore limited to 12 months expected losses.

(c) Impact of adoption of HKFRS 15

After considering the changes in accounting policies as a result of the initial application of HKFRS 15, the Directors considered that the initial application of HKFRS 15 has no material impact on the consolidated financial statements of the Group, save for the presentation of contract assets and liabilities.

Presentation of contract assets and liabilities

Reclassification has been made since 1 January 2018 to conform to the terms used in HKFRS 15:

- Contract assets relating to construction contracts presented as gross amount due from contract customers in prior periods were now reclassified to contract assets (1 January 2018, net of provision: RMB162,463,000);
- Contract liabilities relating to proceeds received from presale of property development presented as receipts in advance in prior periods were now reclassified to contract liabilities (1 January 2018: RMB881,468,000).

Accounting policy on the recognition of sales income from property development

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. If on the contract commencement date, the Group expects that the interval between the customer's obtaining control of the property and the payment of consideration by the customer will not exceed 1 year, the financing component will not be considered as significant.

The Group recognises the incremental costs of obtaining a contract as an asset under costs of obtaining contract if the Group expects to recover those costs. Where the amortisation period of such asset does not exceed one year, it will be recognised in profit or loss as incurred.

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

(a) the property development segment engages in the development and sale of properties;

(b) the property investment segment invests in properties for their rental income potential and/or for capital appreciation;

(c) the business park operation and management segment engages in the provision of operation and management services to the business park projects owned by the local governments or other independent third parties;

(d) the construction, decoration and landscaping segment engages in property construction, the provision of interior decoration to property buyers and landscaping services to property projects;

(e) the property management segment engages in the provision of management services to properties; and

(f) the others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before income tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before income tax except that interest income dividend income, unallocated gain corporate and other expenses and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid corporate income tax, prepaid land appreciation tax, amounts due from related parties, restricted cash and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude derivative financial liabilities, interest-bearing bank and other borrowings, amounts due to related parties, tax payable, provision for land appreciation tax and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year, revenue transactions with a single external customer amounted to 32% of the Group's total revenue. In the year ended 31 December 2017, no revenue from transaction with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2018

	Property development *RMB'000*	Property investment *RMB'000*	Business park operation and management *RMB'000*	Construction, decoration and landscaping *RMB'000*	Property management *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:							
Sales to external customers	5,957,781	478,598	62,842	318,599	539,138	–	7,356,958
Segment results	1,205,905	342,745	(34,810)	(10,746)	16,049	2,264	1,521,407
Reconciliation:							
Interest income							33,339
Dividend income and unallocated gains							790,959
Corporate and other unallocated expenses							(200,714)
Finance costs							(659,853)
Profit before tax							1,485,138
Income tax expenses							(681,552)
Profit for the year							803,586
Segment assets	50,013,463	26,004,152	211,200	6,908,659	440,659	14,188,326	97,766,459
Reconciliation:							
Elimination of intersegment receivables							(57,180,310)
Corporate and other unallocated assets							2,500,213
Total assets							43,086,362
Segment liabilities	41,054,705	12,325,139	227,135	6,602,612	386,154	17,484,399	78,080,144
Reconciliation:							
Elimination of intersegment payables							(57,180,310)
Corporate and other unallocated liabilities							10,347,969
Total liabilities							31,247,803
Other segment information:							
Depreciation and amortisation	9,804	5,501	3,262	6,669	3,084	260	28,580
Capital expenditure*	29,980	181,262	23,850	3,378	10,582	–	249,052
Fair value gains on investment properties	–	6,586	–	–	–	–	6,586
Share of profits and losses of joint ventures	(7,795)	31,924	198	(9,841)	391	(6,067)	8,810
Share of profits and losses of associates	–	–	–	–	–	–	–
Investments in joint ventures	941,979	791,858	7,289	16,600	2,925	20,109	1,780,760
Investments in associates	–	–	16,817	–	600	3,883	21,300

* Capital expenditure consists of additions to property, plant and equipment, additions to investment properties and additions to intangible assets.

Year ended 31 December 2017

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	5,991,179	385,508	60,236	467,742	412,954	–	7,317,619
Segment results	1,345,622	645,683	(93,067)	21,079	77,440	(17,148)	1,979,609
Reconciliation:							
Interest income							52,002
Dividend income and unallocated gains							1,254
Corporate and other unallocated expenses							(99,662)
Finance costs							(334,461)
Profit before tax							1,598,742
Income tax expenses							(504,480)
Profit for the year							1,094,262
Segment assets	36,149,335	14,633,395	113,944	5,747,445	315,046	9,256,265	66,215,430
Reconciliation:							
Elimination of intersegment receivables							(32,790,555)
Corporate and other unallocated assets							3,672,609
Total assets							37,097,484
Segment liabilities	23,881,986	2,458,647	266,856	4,570,068	310,324	6,965,387	38,453,268
Reconciliation:							
Elimination of intersegment payables							(32,790,555)
Corporate and other unallocated liabilities							20,291,865
Total liabilities							25,954,578
Other segment information:							
Depreciation and amortisation	15,208	2,170	598	4,250	174	157	22,557
Capital expenditure*	4,477	109,183	9,401	3,598	1,382	–	128,041
Fair value gains on investment properties	–	341,216	–	–	–	–	341,216
Share of profits and losses of joint ventures	(20,973)	115,470	(218)	(7,613)	77	–	86,743
Share of profits and losses of associates	362,959	–	–	–	–	–	362,959
Investments in joint ventures	1,797,001	757,499	1,992	26,441	2,533	–	2,585,466
Investments in associates	20,699	–	–	–	–	–	20,699

* Capital expenditure consists of additions to property, plant and equipment, additions to investment properties and additions to intangible assets.

Geographical information

Geographical information is not presented since all of the Group's revenue from external customers is generated in Mainland China and approximately 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

4. Revenue and Other Income

Revenue represents the gross proceeds from the sale of properties, gross rental income received and receivable from investment properties, property management income received and receivable, an appropriate proportion of contract revenue from construction, decoration and landscaping, and business park operation and management service income received and receivable from the provision of operation and management services to the business park projects, all net of business tax, value-added tax and surcharges, during the year.

An analysis of the Group's revenue and other income is as follows:

	Notes	**2018**	2017
		RMB'000	*RMB'000*
Revenue			
Sale of properties		**5,957,781**	5,991,179
Rental income		**478,598**	385,508
Business park operation and management service income		**62,842**	60,236
Construction, decoration and landscaping income		**318,599**	467,742
Property management income		**539,138**	412,954
		7,356,958	7,317,619
Other income			
Interest income		**33,339**	52,002
Dividend income		**3,928**	1,254
Government subsidies	*(a)*	**14,660**	17,235
		51,927	70,491

Note:

(a) Government subsidies have been received by the Group from government authorities in Mainland China which are mainly for the Group's business park operation. The government subsidies have been recognised in the consolidated statement of profit or loss to the extent of operating expenses incurred up to the year ended 31 December 2018 and 31 December 2017 respectively. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. Expenses by nature

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analyzed as follows:

	2018	2017
	RMB'000	*RMB'000*
Cost of properties sold	**4,107,662**	4,593,603
Cost of services provided	**777,071**	756,926
Impairment of properties under development and completed properties held for sale	**214,463**	55,622
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**206,550**	145,004
Employee benefit expense	**310,756**	289,220
Operating lease expenses	**32,402**	53,041
Depreciation	**17,330**	16,081
Amortisation of intangible assets	**11,250**	6,476
Auditor's remuneration	**5,180**	5,530
Other cost and expenses	**318,666**	344,320
Total cost of sales, selling and marketing expenses and administrative expenses	**6,001,330**	6,265,823

6. Finance costs – net

An analysis of finance costs and income is as follows:

	2018	2017
	RMB'000	*RMB'000*
Finance costs		
Interest on bank loans and other loans	**1,470,484**	1,244,717
Less: Interest capitalised	**(675,848)**	(771,856)
	794,636	472,861
Interest income	**(134,783)**	(138,400)
Finance costs – net	**659,853**	334,461

7. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil). The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on their taxable profits for the year.

An analysis of the income tax charges for the year is as follows:

	2018	2017
	RMB'000	*RMB'000*
Current – PRC		
Corporate income tax charge for the year	**105,971**	274,614
Land appreciation tax charge for the year	**409,417**	214,306
Overprovision of PRC land appreciation tax in prior years*	**–**	(80,790)
	515,388	408,130
Deferred		
Current year	**166,164**	76,153
Reversal of deferred tax assets on LAT overprovided in prior years	**–**	20,197
	166,164	96,350
Total tax charge for the year	**681,552**	504,480

* During the year ended 31 December 2017, the Group filed and agreed with the local tax bureau in the PRC the computation for the LAT of certain property development projects that had been completed and sold in previous years. As a result of the local tax bureau's assessments, the Group had reversed and recognised an overprovision of LAT on the relevant property development projects of RMB80,790,000 in the 2017 consolidated statement of profit or loss.

8. Dividend

	2018	2017
	RMB'000	*RMB'000*
Proposed no final dividend (2017: RMB8 cents) per ordinary share	**–**	206,718

In addition, no interim dividend has been declared during the year (2017: Nil).

9. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share is based on the consolidated profit for the year attributable to the ordinary equity holders of the Company of RMB833,919,000 (2017: RMB984,302,000), and the weighted average number of ordinary shares of 2,583,970,000 (2017: 2,583,970,000) in issue during the year.

Diluted earnings per share is same as basic earnings per share amounts presented for the years ended 31 December 2018 and 2017 as the Group had no potentially dilutive ordinary shares in issue during those years.

10. Investment Properties

	Completed	**Under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January 2017	9,936,350	1,858,683	11,795,033
Additions	63,694	44,679	108,373
Transfers upon completion of investment properties	480,000	(480,000)	–
Net gains from fair value adjustments	51,906	289,310	341,216
Carrying amount at 31 December 2017 and 1 January 2018	**10,531,950**	**1,712,672**	**12,244,622**
Additions arising from acquisition of subsidiaries (note 16)	**1,896,450**	**4,947,100**	**6,843,550**
Other additions	**40,819**	**156,488**	**197,306**
Disposals	**(80,898)**	**–**	**(80,898)**
Transfer to properties under development	**–**	**(607,100)**	**(607,100)**
Net gains from fair value adjustments	**6,330**	**256**	**6,586**
Carrying amount at 31 December 2018	**12,394,650**	**6,209,416**	**18,604,066**

At 31 December 2018, certain of the Group's investment properties of RMB13,869,213,000 (2017: RMB11,949,268,000) were pledged to banks to secure the loans granted to the Group.

The Group's completed investment properties are leased to third parties under operating leases.

The Group's completed investment properties and investment properties under construction, which were stated at fair value, were revalued at the end of the reporting period by DTZ Cushman & Wakefield Limited, independent professionally qualified valuers.

For completed investment properties, valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

For investment properties under construction which were stated at fair value at 31 December 2018 and 2017, valuations were based on the residual and market approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain completed investment properties and investment properties under construction measured at fair value in the aggregate carrying amount of RMB1,530,000,000 as at 31 December 2018 (2017: RMB1,495,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and development and outsourcing services.

11. Trade Receivables

	2018	2017
	RMB'000	*RMB'000*
Trade receivables – gross amount	**1,225,429**	1,009,306
Less: Allowances for impairment of trade receivables	**(38,810)**	(19,270)
	1,186,619	990,036

Trade receivables mainly represent receivables for contract works. The payment terms of contract works receivables are stipulated in the relevant contracts. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and before net of provision, is as follows:

	2018	2017
	RMB'000	*RMB'000*
Within 1 year	**908,533**	792,132
1 to 2 years	**259,626**	167,066
Over 2 years	**57,270**	50,088
	1,225,429	1,009,306

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2018, a provision of RMB38,810,000 (1 January 2018: RMB24,929,000) was made against the gross amount of trade receivables.

As at 31 December 2018, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB145,456,000 (2017:RMB325,760,000),which are repayable on credit terms similar to those offered to the major customers of the Group.

As at 31 December 2018, included in the Group's trade receivables are amounts due from the Group's associates of RMB20,981,000 (2017:Nil).

12. Cash and Cash Equivalents and Restricted Cash

	2018	2017
	RMB'000	*RMB'000*
Cash and bank balances	**1,806,261**	3,363,678
Less: Restricted cash	**(728,486)**	(1,879,540)
Cash and cash equivalents	**1,077,775**	1,484,138

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB1,803,429,000 (2017: RMB3,198,477,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Notes:

- According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. At 31 December 2018, such guarantee deposits amounted to RMB134,632,000 (2017: RMB1,082,292,000).
- At 31 December 2018, the deposits of the Group amounted to RMB51,854,000 (2017: RMB20,248,000), which was the deposits placed at designated bank accounts by certain subsidiaries of the Group for potential industrial accidents during construction work and trading talents, according to the relevant regulation implemented by the local government and contracts.
- At 31 December 2018, certain of the Group's time deposits of RMB542,000,000 (2017: RMB777,000,000) were pledged to banks to secure the bank and other loans granted to the Group (note 14).

13. Trade Payable

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2018	2017
	RMB'000	*RMB'000*
Due within 1 year or on demand	**1,615,470**	1,805,833
Due within 1 to 2 years	**1,100,836**	513,937
	2,716,306	2,319,770

The trade payables are non-interest-bearing and unsecured.

As at 31 December 2018, included in the Group's trade payables are amounts due to the Group's joint ventures of RMB29,117,000 (2017:RMB336,924,000) which are unsecured and interest-free.

14. Interest-Bearing Bank and Other Borrowings

	2018			2017		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – secured	**4.35-10.60**	**2019**	**6,316,447**	2.24-7.50	2018	3,147,877
Other loans – secured	**5.7-18.00**	**2019**	**4,089,128**	1.20-12.00	2018	2,732,300
Other loans – unsecured	**1.20-7.00**	**2019**	**2,245,630**	3.00-6.76	2018	1,032,055
			12,651,205			6,912,232
Non-current						
Bank loans – secured	**3.58-6.18**	**2020-2021**	**1,554,508**	3.58-7.50	2019-2030	3,764,650
Other loans – secured	**8.50-15.00**	**2020**	**761,057**	1.20-10.60	2019-2025	2,309,500
Other loans – unsecured	**6.95**	**2020**	**2,059,955**	6.76-8.23	2020-2021	3,999,350
			4,375,520			10,073,500
			17,026,725			16,985,732

	2018	2017
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**6,316,447**	3,147,877
In the second year	**1,188,320**	1,359,040
In the third to fifth years, inclusive	**366,188**	1,539,806
Beyond five years	**–**	865,804
	7,870,955	6,912,527
Other loans repayable:		
Within one year or on demand	**6,334,758**	3,764,355
In the second year	**2,821,012**	1,220,000
In the third to fifth years, inclusive	**–**	5,071,350
Beyond five years	**–**	17,500
	9,155,770	10,073,205
	17,026,725	16,985,732

As at 31 December 2018, included in bank loans of the Group is an amount of RMB1,742,480,000 (2017: RMB1,472,000,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank borrowings included borrowings with principal amounts of RMB5,005,474,000 (2017: Nil) with original maturity beyond 31 December 2019 which have been reclassified as current liabilities as at 31 December 2018 as a result of the matters described in note 2.1(c).

(a) Included in other loans of the Group are corporate bonds in an aggregate principal amount of RMB2,801,748,000 (31 December 2017: RMB3,000,000,000). The first tranche of RMB1,000,000,000 and the second tranche of RMB2,000,000,000 of the corporate bonds were issued by Yida Development Company Limited ("Yida Development"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively. At the end of third year, Yida Development shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to Yida Development. A principal amount of RMB 198,252,000 of the first tranche has been redeemed during 2018. The principal amount of RMB1,374,976,000 of the second tranche has been redeemed on 7 March 2019 as scheduled and the maturity date of the remaining principal amount of RMB625,024,000 of the second tranche has been extended to 6 March 2021.

(b) Included in other loans of the Group are senior notes with principal amount of USD300,000,000 (approximately RMB2,058,960,000) (31 December 2017: USD300,000,000, approximately RMB1,960,260,000) issued by the Company in April 2017 (the "Senior Notes"). The net proceeds after deducting the issuance costs, amounted to approximately USD289,819,000 (approximately RMB1,989,086,000). The Senior Notes are unsecured, have a term of three years and bear interest at a rate of 6.95% per annum. The Senior Notes will mature on 19 April 2020.

    The Company, at its option, can redeem all or up to 35% of the aggregate principal outstanding amount of the Senior Notes at any time prior to the maturity date at the redemption prices (principal amount plus applicable premium) plus accrued interest and unpaid interest up to the redemption date, as set forth in the written agreement between the Company and the trustees of the Senior Notes.

    The Senior Notes of the Company are denominated in United States dollars ("USD") and are guaranteed by certain subsidiaries of the Group.

(c) Certain of the Group's bank and other loans are secured or guaranteed by:

    (i) mortgages over the Group's properties under development with an aggregate carrying value at 31 December 2018 of approximately RMB1,760,467,000 (2017: RMB1,243,299,000);

    (ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2018 of approximately RMB13,869,213,000 (2017: RMB11,949,268,000);

    (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2018 of approximately RMB833,898,000 (2017: RMB461,673,000);

    (iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2018 of approximately RMB3,899,419,000 (2017: RMB3,708,060,000);

    (v) pledge of a building of the Group with a carrying value at 31 December 2018 of approximately RMB45,308,000 (2017: RMB50,721,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB9,027,509,000 (2017: RMB10,612,607,000) as at 31 December 2018;

(vii) pledges of certain equity interests of the subsidiaries of the Company as at the end of the reporting period;

(viii) pledges of certain of the Group's time deposits with an aggregate carrying value at 31 December 2018 of approximately RMB542,000,000 (2017: RMB777,000,000); and

(ix) pledges of other receivables of the Group with a carrying value at 31 December 2018 of approximately RMB254,400,000 (2017:RMB Nil).

(d) Other than certain other loans with a carrying amount of RMB2,059,955,000 (2017: RMB2,603,370,000) denominated in USD as at 31 December 2018 and RMB245,836,000 (2017: Nil) denominated in HKD as at 31 December 2018, all other bank and other loans of the Group are denominated in RMB as at 31 December 2018 and 31 December 2017.

(e) As at 31 December 2018, included in other loans of the Group are loans from joint ventures with principal amounts of RMB21,000,000 (2017: RMB21,000,000), which is unsecured, bears interest at 4.75% per annum and is repayable on demand, and RMB13,480,000 (2017: RMB13,480,000), which is unsecured, bears interest at 3% per annum and is repayable on demand, respectively.

15. Financial Guarantees

The Group had the following financial guarantees as at the end of the reporting period:

(a) As at 31 December 2018, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB324,054,000 (2017: RMB454,930,000).

At the end of the reporting period, the Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks.

Under the above arrangement, the related properties were pledged to the banks as security on the mortgage loans. Upon default on mortgage payments by these purchasers, the banks are entitled to take over the legal titles and can realise the pledged properties through open auction. The Group is obliged to repay the banks for the shortfall if the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans, and ends upon the earlier of (i) the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties; and (ii) the settlement of mortgage loans between the mortgage banks and the purchasers.

(b) As at 31 December 2017, the Group provided a guarantee for an amount not exceeding RMB41,600,000 in respect of the payment obligations of a subsidiary of Richcoast Group to a joint venture (formed between Richcoast Group and an independent third party) and the joint venture partner. Such guarantee has been released during the year ended 31 December 2018.

(c) The Group provided guarantees to the extent of RMB954,372,000 as at 31 December 2017 in respect of bank loans granted to the joint ventures. Such guarantees has been released during the year ended 31 December 2018.

In determining whether financial liabilities should be recognised in respect of the Group's financial guarantee contracts, the Directors exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation.

In the opinion of the Directors, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value has been recognised in the financial statements and no expected credit losses has been recognised.

16. Business Combinations

(a) Summary of acquisition

As at 31 December 2016, the Group held 10.26% equity interests in Richcoast Group, which held 78% equity interests in a real estate project known as Project Dalian Tiandi through certain project companies, while the remaining 22% equity interests in Project Dalian Tiandi was held by the Group directly. As a result, the Group held approximately 30% effective equity interests in Project Dalian Tiandi. Richcoast Group and those certain project companies of Project Dalian Tiandi were recognised as associates to the Group.

On 14 November 2017, the Group entered into acquisition agreements with the other two shareholders of Richcoast Group respectively, to acquire the entire remaining equity interests in Richcoast Group. As at 31 December 2017, the acquisition of additional 28.20% equity interests of Richcoast Group from Main Zone Group Limited was completed by the Group, and therefore the Group increased the equity interests in Richcoast Group from 10.26% to 38.46% and held approximately 52% effective equity interests in Project Dalian Tiandi. Since then, Richcoast Group became a joint venture of the Group.

On 14 May 2018, the Group completed the acquisition of the remaining 61.54% equity interests in Richcoast Group, as a result, Richcoast Group became a wholly owned subsidiary of the Group, and therefore the Group held 100% equity interests in Project Dalian Tiandi. The consideration for the 61.54% acquisition was RMB3,160 million (including the consideration for 61.54% equity interests and the consideration for purchasing certain shareholder's loan). During the year ended 31 December 2018, the Group recorded a gain of approximately RMB790.96 million for the acquisition of the interests in Richcoast Group, including the gains of approximately RMB160.52 million on remeasurement of the fair value of pre-existing interests in a joint venture to the date of obtaining control and acquisition and gains of approximately RMB630.44 million on bargain purchase, which were separately disclosed as gains arising from acquisition of subsidiaries in the consolidated statement of profit or loss.

The following table summarises the consideration, the fair value of the identifiable assets and liabilities and the non-controlling interests at the acquisition date of 14 May 2018.

	Fair value recognised on acquisition of Richcoast Group RMB'000
Consideration in cash	
– Amount paid in 2017	338,332
– Amount paid in 2018	1,140,412
– Amount not yet paid as at 31 December 2018	1,681,256
	3,160,000
– Fair value of interest in a joint venture held before business combination	981,139
	4,141,139
Fair value of identifiable assets and liabilities acquired on the acquisition date:	
Property, plant and equipment	1,505
Intangible assets	78
Investment properties	6,843,550
Properties under development	4,599,000
Completed properties held for sale	258,213
Trade receivables	168,817
Prepayments, deposits and other receivables	712,804
Prepaid corporate income tax	21,915
Prepaid land appreciation tax	21,526
Cash and cash equivalents	461,316
Trade payables	(1,162,103)
Other payables and accruals	(3,967,541)
Contract liabilities	(1,457,598)
Deferred tax liabilities	(449,964)
Interest-bearing bank and other borrowings	(1,279,941)
Net identifiable assets acquired	4,771,577
Gains on bargain purchase	630,438

The gains on re-measurement of pre-existing interests in the Richcoast Group to the fair value as of the acquisition date a mounting to RMB160,521,000 upon obtaining control of Richcoast Group was included in "gains arising from acquisition of subsidiaries" in the consolidated statement of profit or loss.

The recognition of gains on bargain purchase was due to the fact that the consideration for equity interests in Richcoast Group was lower than fair value of identifiable assets and liabilities acquired. The consideration is determined after arm's length negotiations between the counterparties.

(b) Purchase consideration – cash outflow

	RMB'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration paid	(1,140,412)
Less: Cash balance acquired	461,316
Net outflow of cash — investing activities	(679,096)

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

We draw attention to note 2.1 (c) to the consolidated financial statements, which states that as at 31 December 2018 the Group's current liabilities exceeded its current assets by RMB4,531,112,000. At the same date, its current borrowings amounted to RMB12,651,205,000 while its cash and cash equivalents amounted to RMB1,077,775,000 only. During the year then ended, the financial conditions of certain related parties of the Group changed in such a way that triggered certain terms specified in the Group's loan agreements. This resulted in certain of the Group's borrowings amounted to RMB8,371,035,000 in total as at 31 December 2018 becoming immediately repayable if requested by the lenders, of which RMB3,365,561,000 represented bank loans with scheduled repayment dates within one year, while RMB5,005,474,000 represented non-current bank loans or corporate bond with original maturity dates beyond 31 December 2019 that were reclassified as current liabilities. Such conditions, along with other matters as set forth in note 2.1 (c) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

THE BOARD’S RESPONSE TO THE OPINION OF THE INDEPENDENT AUDITOR

In the Independent Auditor’s Report of the Company’s annual report for the year ended 31 December 2018, the independent auditor issued an opinion on the issues as set out in “Material Uncertainty Related to Going Concern”. The Board’s considerations and responses to the aforesaid issues are as follows:

1. The operation of the Group is the most important consideration for the lender to exercise its right to demand repayment

The Board considers that the Group has been relatively independent from its related parties without any guarantee, collateral, lending or other capital transactions. Whether the lender demands the repayment of the Group in accordance with the standard terms is mainly based on the judgment of the Group’s operation. As of the date of this announcement, the Group has made normal repayment, addition and renewal of various loans and the overall operating conditions remained healthy.

2. The Group has the ability to repay loans due

As at 31 December 2018, the actual amount of the Group’s short-term borrowings due within one year was RMB7.65 billion. Among which, as of the date of this announcement, RMB4.75 billion has been repaid or renewed, RMB0.5 billion is secured by equivalent amount of time deposit certificate, and the remaining amount of RMB2.4 billion which required to be repaid before 31 December 2019 has sufficient collateral. Due to the impact of the change in financial conditions of the Group’s related parties, the long-term borrowings originally due after 31 December 2019 of approximately RMB5 billion were reclassified as short-term borrowings, which resulted in the amount disclosed by the Group of short-term borrowings due within one year amounted to RMB12.65 billion.

The Board believes that the Group’s operations, including presale and collection of sales proceeds, are in normal condition. Its good relationship with the lenders, the status of leading enterprise in the region and the acceleration of receivable collection guarantee the Group’s financing capabilities. The Board and the management have been actively communicating with the lenders to specify that the Company achieved normal and good operating results and actively promoted internal proceeds collection to ensure the long-term stable development of the Company.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present you the annual results of the Group for the year ended 31 December 2018 (the "**Year**").

RESULTS

During the Year, the Group recorded revenue of RMB7,357 million, of which sales income from residential properties within and outside business parks and office properties was RMB5,958 million; rental income from business parks was RMB479 million; business park operation and management income was RMB62.84 million; construction, decoration and landscaping income was RMB319 million; and property management income was RMB539 million. Gross profit increased by 16.1% to RMB2,051 million from the corresponding period of last year, with a gross profit margin of 27.9%. Net profit attributable to shareholders of the Company was RMB834 million.

REVIEW OF 2018

2018 was a milestone of the Group which marked the 20th anniversary of its strategic positioning in the business park market. Facing the tightened industry and financial policies and intensified competition, the Group, based on its well-planned expansion in key cities, achieved remarkable results. In 2018, it maintained strong growth momentum and further consolidated its leading position in the industry. As a leading business park operator in China, the Group aims to develop in line with commerces in China. Adhering to the development concept of "promoting city with industry, achieving city-industry integration, accomplishing coordinative development, and creating values together", the Group has deepened its development in Dalian and Wuhan and extended its presence in the Beijing-Tianjin-Hebei Region, the Yangtze River Delta, the Pearl River Delta, the central and western areas and other economically vibrant regions. It operates 32 business parks with a mix of self-owned and asset-light business models in 21 cities and is committed to replicating and innovating successful business models in more cities. Through the creation of industrial clusters, the Group aims to gather new hi-tech company tenants with high technological content to form clusters in the regions and serves as strong demonstration of robust economic activities.

I. Widened national presence, steadily implemented the core strategy of "city-industry integration" and enriched the industrial development with move product lines

The Company continued to implement its development strategy of "consolidating market position in Dalian, gearing-up development effort in Wuhan and expanding business coverage nation-wide", expanded to asset-light and asset-heavy businesses in cities through operation services and accelerated the progress of comprehensive city-industry development projects in province and key cities under strategic cooperation to explore the development and operation models for new city-industry projects to achieve profit expansion. During the Year, the acquisition of equity interests in Dalian Tiandi, a flagship project, was completed and it was incorporated into the consolidated financial statements of the Group. The residential properties of two phases of "Dalian Tiandi – Hekou Bay" were sold out immediately after launch. The Group jointly developed the project with Longfor Group, a leading property developer. The two parties complemented each other's advantages and achieved operation and form regional property enterprises linkage and interaction. During the Year, the Company added approximately 2 million square metres in area of city industry integration projects and obtained the Changsha Yida Intelligent Manufacturing Industrial Village project with the integration of industry, residence and ancillary functions, the Zhengzhou New Technology City project positioned for the new-generation information technology and intelligent manufacturing industry, the Changsha Meixihu Intelligent Health City project positioned for big health industry, the Chongqing Beibei Yida Innovation Square project positioned for the information technology and digital cultural creative industries and locked phase 2 land acquisition, and also jointly developed Hefei Yida Intelligent Technology City with Hefei government's platform company.

II. Expanded asset-light business scale, developed benchmark projects and implemented in depth the strategy of "developing asset-light and asset-heavy businesses simultaneously"

For the asset-light business, the Company strengthened project management, optimized project resources and further improved the operation quality of existing projects, obtaining 10 asset-light projects in target cities in the Yangtze River Delta and central and western areas. As at the end of the year, the number of the Company's entrusted operation and management projects reached 26 with an operation area of approximately 6.75 million square metres. With Dalian Software Park and Wuhan First City as model, the Group has, based on the development characteristics of regional industries, established the Beijing Zhongguancun No. 1 focusing on artificial intelligent industry, Changsha Meixihu Innovation Centre focusing on e-business industry, Chengdu Western Geography Information Technology Industrial Park focusing on artificial intelligent industry and other flagship projects across the country. Through the operation of existing and newly acquired projects, the Company further increased its tenant resources and over 1,000 customers have settled in the business parks of the Group on the whole.

III. Expanded financing channels, strengthened internal control management and successfully implemented re-financing plans

The Group has completed its re-financing plan within the Year and achieved a healthy cash flow. With excellent performance in property sales proceeds and recurring revenue, the Company has replenished its core asset portfolio by obtaining quality resources for projects outside Dalian in the land market.

OUTLOOK FOR 2019

In 2019, under the new policies, the Group will firmly uphold the "market-oriented, customer-centric and profit-based" operation concept in mind, closely focus on the development targets on national emerging industries, steadfastly implement its main businesses, improve the quality of industrial coverage, strengthen the core drivers to industrial development, consolidate the foundation for strategic transformation, achieve leapfrog ging development in the operation of the Company and maintain the leading position in the industry.

I. Focus on city-industry projects and adopt various models to enhance the development momentum of enterprise

In respect of the development of asset-heavy business, the Company will comprehensively enhance the core operation capability of city-industry integration projects and improve the industrial clustering effect, and will focus on its presence in new tier-1 cities and the prospering tier-2 cities, targetting Dalian, Wuhan, Hefei and Changsha and increasing its presence in city-industry projects in Chongqing, Nanjing, Suzhou, Chengdu, Zhengzhou and other cities to reserve sufficient resources for the Company's continuous and steady development. For business development, the Company will flexibly adopt various joint investment and cooperation models, seek high-quality business partners to deepen cooperation, leveraging on their respective advantages and obtain projects at reasonable prices to achieve win-win development.

II. Improve the operation of business parks and strengthen core industrial competence

In respect of the asset-light business coverage, the Company will improve its operation capability, increase service adaptability and stably innovate the operation service model of intelligent parks. IOT platforms, integrated platforms for attracting tenants, leasing and sales, industrial service platforms and visual big data analysis in business parks and build services sharing platforms with the integration of online and offline digital technology and financial services will be fully introduced. The Company will achieve online operation, management and services for all industry-city integration projects and develop an tenant service system with "providing space is providing services" to build real cloud service sharing platforms in intelligent parks and gradually achieve the strategic optimization towards a "service-oriented company".

III. Practice the medium and long-term development objective of destocking, de-leveraging and developing asset-light and asset-heavy businesses simultaneously and stably implement re-financing plans

Under the environment with tighter funding resources and increasing market uncertainties and to avoid the dual adverse effects from operation management, investment and financing, the Group proposes to speed up in assets destocking and strive to realize the strategic objectives of de-leveraging through gradually optimizing and consolidating the long term interest-bearing liabilities of certain assets, transforming from asset-heavy businesses to asset-light businesses, increasing the proportion of asset-light business and realising overall innovation in investment and financing models in operation and project expansion. The Group will focus on operating cash flow management, exploit the advantages of domestic and overseas financing channels and steadily implement its refinancing plan in 2019. The Company will actively bring new strategic resources, realize the fundamental optimization of its capital structure, and create a more sustainable, profitable and risk-resistant enterprise development model.

On behalf of the Board of Directors, I would like to express our heartfelt thanks to all shareholders, investors, business partners and customers for their support for the Group and to the management and employees for their unremitting efforts and contributions.

Jiang Xiuwen
Chairman and chief executive officer
Yida China Holdings Limited

Hong Kong, 29 March 2019

BUSINESS REVIEW

I. Operation of Business Parks Owned by the Group

During the Year, the Group's wholly-owned business parks included Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, it also owned a 50% stake in Wuhan First City and Dalian Ascendas IT Park. The total completed gross floor area in the above parks was approximately 1,615 thousand square metres, and an area available for leasing was approximately 1,612 thousand square metres. During the Year, the Group recorded a rental income of approximately RMB479 million, which increased by 24.1% as compared to that of the corresponding period of 2017.

The following table shows the business parks owned by the Group (Unit: thousand sq.m.):

Business Parks	Rights and Interests of the Group	Total Completed Floor Area	Leasable Area				Occupancy Rate at the End of the Period
			Office Buildings	Apartments	Shops	Parking Spaces	
Dalian Software Park	100%	637	391	180	33	42	94%
Dalian BEST City	100%	147	99	–	7	41	84%
Yida Information Software Park	100%	155	131	–	4	20	69%
Dalian Tiandi	100%	334	207	37	41	38	83%
Wuhan First City	50%	138	138	–	–	–	45%
Dalian Ascendas IT Park[1]	50%	204	178	–	–	25	95%
Total		1,615	1,612				

Note:

1. The financial statement of Dalian Ascendas IT Park is not consolidated, therefore the rental income of the Group excludes the rental income from such park.

Improved market environment and optimized industrial structure boosted the development of industry and service sectors

- As China lent more support to the emerging industries, providing new opportunities to the development of enterprises with independent research and development on products in artificial intelligence, intelligent manufacturing, intelligent medical treatment, internet finance and other industries. Traditional software and information service enterprises are also expanding their businesses to new frontiers to meet market changes.

- Dalian government released Certain Policies on Supporting the Development of Software and Information Services in Dalian City and Opinions on Certain Policies Further Opening Up and Utilization of Foreign Capitals in Dalian City and other favorable policies, specifying that it will give priority to supporting artificial intelligence, life health and other futuristic industries on the basis of further expanding the size of software and information service industries and encourage foreign investment in key industries and conduct cooperation in R&D. The industries where the customers in the parks operate will gradually transform towards being driven by the new-generation information technology and software and information services with futuristic industries as supplemental growth drivers.

- Leveraging on its unique geographical location and government supporting policies, Dalian achieved takeoff in industrial upgrading, and the international markets are increasingly relying on Dalian. Indian enterprises have brought artificial intelligence technology to the intelligent manufacturing industries in old industrial bases in northeast China and are actively introducing the National Association of Software and Services Companies in India (Nasscom) to build proprietary business parks in Dalian. Currently, most of the businesses of Furuno Softech are located in the Chinese market, and has expanded the original software and hardware production to the research and development and production of new-generation biological medicine and reagents. After years of preparation and operation, the overall positioning of the business parks of Yida has gradually upgraded from initial the "services outsourcing centre in Northeast Asia" to "global innovation centre".

Refined property services and enhanced environmental quality facilitated full life cycle management of assets

During the Year, the Group completed the acquisition of Dalian Tiandi. With the business office in the software park as the core, Huangnichuan area of Dalian Tiandi becomes a green working and living area for people engaged in the intellectual business. The industrial ecosystem has complete facilities integrating public services, business exhibitions, software development, technological R&D, information services, education and training and exclusive parks for large enterprises.

- In terms of the optimization of the field management structure, the Company consolidated the fundamental property service models, adjusted the organization based on regions and regularly organized property service staff to conduct standard trainings to improve the property standard and management quality.

- For the preliminary stage and takeover of new projects, the Company fully leveraged on its asset management experience and proposed on the overall takeover plan on Dalian Tiandi Business Park through deeply carrying out field examinations on equipment and facilities, asset inspection, appraisal reports, asset transformation plans and property operation management. Based on the preliminary participation in the machinery design, installment and decoration, parking operation and guide system and the design of external environment for Dalian Tiandi (Hekou Bay) and Area E of Dalian BEST City, the Company proposed practical suggestions on the delivery standards based on customers' demands and maximizing the asset revenue.

- For cultural accumulation and transmission, the Company summarized the experience on the management of assets throughout full life cycle, developed standards on management of projects construction throughout full cycle and repairing and maintenance of key assets and completed the standards on the design of industrial buildings.

Enhanced customer loyalty, strengthened market reputation and reshaped tenant positioning

- Focusing on the 20th anniversary of the opening of Dalian Software Park, the Group designed and organized multiple online and offline activities, including various theme exhibitions, industrial development seminars and the "Media Activity on the 20th Anniversary of City-Industry Integration of Yida", developed the concepts on the development of the software park industry, analysed the characteristics of customers with strong growth in the park and proposed the customer and industry positioning in various parks under the "One Belt and One Park" strategy based on market changes and the policy orientation, which improved the brand awareness of Dalian Software Park and attracted more investors.

- Dalian Software Park assisted Dalian municipal government in convening the Sino-Japanese IT Industry Talkfest with the theme of "Cooperating for 20 Years and Creating the Future Together" in Japan. Approximately 50 customers, including Panasonic, Sony, NEC, NRI and IBM, participated in the communications on relevant measures on promoting the strategic development of Japanese enterprises in emerging industries and facilitating the second takeoff of industries in Dalian with an aim to strengthening international cooperation and enhancing the influence of the business parks of Yida.

- Cisco Dalian Branch, a representative tenant in the park, has been upgraded to one of the three global business support centres of Cisco after its establishment ten years ago, and awarded the "Coordinated Innovation Prize for the Best Partner" to Dalian Software Park developing a win-win partnership for both parties.

- Dalian Software Park developed operation plans and service systems on mass entrepreneurship and incubators and obtained customer information and feedback through WeChat, SOE, SOM and other ways. Based on the original high-end management, E families and Japanese management circles, the Company introduced alliance of technical staff, makers salons, female managers and other exclusive circles and provided resources for detailed demands.

II. Sales of Properties

During the Year, the Group achieved contracted sales of RMB8,537 million, representing an increase of 17.5% over the corresponding period last year, mainly due to the increase in the sales volume of properties under Dalian Tiandi, a project acquired by the Group during the Period. The average contracted sales price was RMB11,693 per square metre, which remained almost at the same level in comparison to that of the corresponding period last year. The major sales projects were mostly located in Dalian (91.7% of total contracted sales) and Wuhan (5.0% of total contracted sales), with residential property sales as its main form, which accounted for 94.7% of the total contracted sales.

During the Year, this segment recorded revenue of RMB5,958 million, which remained almost at the same level in comparison to that of the corresponding period last year. The average sales price was RMB10,744 per square metre, representing a year-on-year increase of 2.3%, mainly due to the different region and structure of products recognised. The projects carried forward during the Period were mainly ordinary residential properties. Revenue-recognised projects were mainly located in Dalian (90% of revenue), Wuhan (6% of revenue) and some other cities.

While consolidating its business in Dalian and focusing on the strategic target of "developing asset-light and asset-heavy businesses simultaneously", the Group implemented asset-heavy projects in Changsha, Zhengzhou and Hefei and developed Changsha Yida Meixihu Health Technology Business Park, Changsha Yida Intelligent Manufacturing Village, Yida Zhengzhou Software Park and Yida Hefei Intelligent Technology City and other projects. The operation in each city and judgment are as follows:

Dalian

In 2018, the GDP growth in Dalian outpaced the national average. The municipal government deepened differentiated policies in different cities in the demand end and implemented relatively mild policies on purchase restriction. The government restricted the premiums and invited tenders on ancillary facilities on lands and most of the lands traded were in areas with no purchase restriction. The supply in the property market was stable and the stock level was increasingly reasonable. The overall urban habitat environment in Dalian has been improving. Under the new trend of the supply restructuring and as a result of the long-term effects of the "two-child" policy, the market demand structure was gradually transforming from rigid demand into rigid and improvement demands, which has become the major driver in the market. It is expected that the property market in Dalian will maintain the trend of increases in both prices and trading volume in 2019.

In May 2018, the Group completed the acquisition of the Dalian Tiandi project, recording strong sales of residential properties at the launch of Yida Hekou Bay and making significant contribution to the results of the Group for the year. The Group has been serving Dalian market for twenty years, creating synergy effect from the projects sales, park and ancillary services in High-tech District and Ganjingzi District and persistently promoting brand awareness and customers recognition.

Wuhan

In 2018, with the tightening in regulatory policies on the financial market in Wuhan, the market recorded declines in transaction volume while prices on the whole maintained at similar levels and supply and demand became increasingly balanced. The market become more rational with polarized performance in property location and purchase demand. The Group mainly sold office properties and timely launched sales of residential projects in Wuhan.

In 2019, Wuhan will be the host city of the 7th CISM World Games, a world-class event. Nearly 10,000 athletes from some 100 countries will participate in the event. Based on the successful examples of the Beijing Olympic Games and the Shanghai World Expo, the CISM World Games will facilitate Wuhan in promoting business and traffic upgrading and achieve overriding development and the position of Wuhan will be further enhanced. The Wuhan government has been introducing new drivers to the development of strategic and emerging industries and local economic growth. It actively plans the development of ancillary business parks to seek the synergy effect of policies, talents, technology and clusters, which brings ample opportunities for the development and sales of business parks. It is expected that the Wuhan market will continue to record differentiated performance in terms of location and business type in 2019.

Changsha

In 2018, the total transaction amount of residential properties in the six districts and one county in Changsha reached RMB181,370 million, representing a year-on-year increase of approximately 12.0%. The sold area reached 17,588 thousand square metres, representing a year-on-year increase of 3.3%. Property sales in Changsha maintained at high level with short supplies in the market for the whole year. With the surging sales price and the introduction of policies on purchase restriction in the first half, the supply increase stimulated transactions with the price returning reasonable.

Yida Health Science and Technology Business Park project developed by the Group officially settled in Phase 2 of Changsha Meixihu International New City, which is the central urban area of Xiangjiang New Area, a national level new area in Hunan. The project mainly features office properties for sale. Meanwhile, the Group acquired 850 thousand square metres of commercial and residential land in Wangcheng Economic Development District. The Company will join Wangcheng Economic Development District in introducing ancillary residential projects by leveraging on the geographic advantages of the national economic and technology development zone which is in proximity to a leading middle school in Hunan and having the synergy effect of industries in building a national intelligent manufacturing centre in Changsha.

Zhengzhou

In 2018, Zhengzhou's GDP exceeded RMB1 trillion for the first time and reached RMB1,014,330 million, ranking the 17th in China and representing a year-on-year increase of approximately 8.1%. With a population of over 10 million and investment in property development reaching RMB325,840 million, it has built up the position as a national geographical centre. Based on the goal of national expansion, Zhengzhou is a transportation and logistics hub in central area with increasing advantages in cost, population and the number of university undergraduates, which will attract more industries and lead the development of the urban agglomeration in central cities. The Group will facilitate Zhengzhou High-tech District in achieving the strategic target of "building a world-class high-tech park with an industrial value of RMB100 billion", focus on introducing software and information services, new-generation information technology, intelligent manufacturing and other industries, attract industry leaders and promote innovation incubation to further enhance the cluster advantage of intelligent industries and the innovation capacity of Zhengzhou High-tech District and transform it into a model city of intelligent industries in Henan Province.

Hefei

In 2018, the land market in Hefei remained stable in supply with a total construction area of approximately 8,720 thousand square metres in land supply, representing a year-on-year increase of 18.6%. The construction area of the land supply in Feidong area in Hefei was approximately 1,627 thousand square metres with total construction area traded of 1,589 thousand square metres. The areas most chased after have been expanded from urban districts to surrounding areas. In the second half of the Year, the Group acquired approximately 290 thousand square metres of residential land in Feidong area, which will make stable contributions to the future performance.

Contracted Sales Details

	Sales Floor Area *(sq.m.)*	Sales Amount *(RMB0'000)*	Average Sales Price *(RMB/sq.m.)*
Dalian	627,997	783,192	12,471
Wuhan	69,260	42,485	6,134
Chengdu	15,927	14,176	8,901
Shenyang	16,964	13,887	8,186
Total	730,148	853,740	11,693
Dalian Software Park	2,268	2,503	11,038
Dalian BEST City	47,716	52,823	11,070
Yida Information Software Park	40,212	31,232	7,767
Wuhan First City	69,260	42,485	6,134
Dalian Tiandi	438,508	581,436	13,259
Residential Properties Outside Business Parks	132,184	143,261	10,838
Total	730,148	853,740	11,693
Residential Properties	658,998	808,430	12,268
Office Properties	71,150	45,310	6,368
Total	730,148	853,740	11,693
Business Parks	597,964	710,479	11,882
Residential Properties Outside Business Parks	132,184	143,261	10,838
Total	730,148	853,740	11,693

III. Business Park Entrusted Operation and Management

During the Year, the Group's newly-added area for business park entrusted operation was 2,608 thousand square metres and the total area under operation reached 6,753 thousand square metres, representing an increase of 62.9% from the corresponding period of last year and covering 19 tier-1 and tier-2 cities and their surrounding areas with 26 projects in total. Revenue from the business was RMB62.84 million, representing an increase of 4.3% from the corresponding period of last year. The Group, based on its owned business parks, continued to provide entrusted operation and management services with brand spillover effect by leveraging on its leading operation experiences and advantageous resources. The Group provided a whole chain of asset-light operation and management services, including project identification, product positioning, planning and design, entrusted construction management services, tenant recruitment, property management, value-added services, and etc.

In 2018, the Group followed the development strategy featuring "leading the development of asset-light business to actuate asset-heavy business, developing asset-light and asset-heavy businesses simultaneously, and feeding asset-light business by developing more asset-heavy business", carried out the expansion of its business park entrusted operation and management business across the country, continued to deepen development and its asset-light business continued to make contribution. It initially achieved the targets of expanding the operation coverage and size, entering target cities with low costs, enhancing the industrial operation ability and improving the brand recognition of industrial operation. It has made improvements in the volume and quality of industrial operation, focused on building benchmark projects with industry cluster effects and made solid steps in the national expansion.

During the Year, the Group and Beijing Shichuang Technology Park Development Construction Co., Ltd. jointly operated Zhongguancun No. 1, a landmark industrial park in Beijing, and entered into contracts for 10 asset-light projects, including Zhejiang Huzhou Changxing National Economic Development Zone Project, Sichuan Luzhou Aeronautics and Astronautics Industrial Park, Changsha Future Port, Hebei Junding Industrial Park and Xiangtan Jiuhua Innovation and Entrepreneurship Park with its business scale increasingly expanded. The Company successfully introduced nearly 300 customers, including Fortune Global 500 companies, unicorn enterprises and top 100 companies in various industries. As at the end of the Year, over 800 companies settled in the park. The Company has preliminarily established the framework system for industrial operation services and laid a solid foundation for building the Yida intelligent industrial services platform in the future.

The following table illustrates the Group's entrusted operation and management projects:

Serial No.		District	Project Name	Contracted Area *(thousand sq.m.)*	Operation Mode
1		Shanghai	Yida North Hongqiao Entrepreneur Park	48.0	Tenant recruitment and operation
2		Suzhou	Suzhou Gaotie First City	203.0	Tenant recruitment and operation and incubator
3		Suzhou	Yida Shangjinwan Headquarters Economic Park	401.0	Tenant recruitment and operation
4		Shenzhen	Haikexing Sinovac Strategic Emerging Industrial Park	70.6	Tenant recruitment and operation
5		Changsha	Meixihu Innovation Centre	52.0	Tenant recruitment and operation
6		Chengdu	Guo Bin Headquarters in Chengdu	81.7	Tenant recruitment and operation
7		Chengdu	Chengdu Western Geography Information Technology Industrial Park	700.0	Tenant recruitment and operation
8		Hefei	Hefei Luyang Big Data Industrial Park	242.6	Tenant recruitment and operation
9	Stock in 2017	Mianyang	China (Mianyang) Technology City (Phase I) Software Industry Park	62.6	Tenant recruitment and operation
10		Tianjin	Xiangyi Square	10.0	Tenant recruitment and operation
11		Harbin	Harbin-Israel International High & New Technology Incubator Complex Industrial Park	89.0	Tenant recruitment and operation
12		Beijing	Yida Lize Centre	41.0	Charter
13		Shanghai	Yida Waigaoqiao Business Park	13.9	Charter
14		Changsha	Changsha Technology New Park	540.0	Sales agent, tenant recruitment and operation
15		Chongqing	Liangjiang Science and Technology City (Phase I)	195.3	Sales agent, tenant recruitment and operation
16		Chongqing	Liangjiang Science and Technology City (Phase II)	210.0	Sales agent, tenant recruitment and operation
17		Xiangtan	Jiuhua Innovation and Entrepreneurship Centre	319.8	Tenant recruitment and operation
18		Taizhou	Chuangmei Science and Technology Industrial Park	400.0	Tenant recruitment and operation
19		Huzhou	Zhejiang Huzhou Changxing National Economic Development Zone	270.4	Tenant recruitment and operation
20	Newly added in 2018	Luzhou	Luzhou Aeronautics and Astronautics Industrial Park	700.0	Tenant recruitment and operation
21		Xi'an	Collaborative Innovation Port of Fengdong New Town	200.0	Tenant recruitment and operation
22		Beijing	Zhongguancun No. 1	497.8	Tenant recruitment and operation
23		Changsha	Future Port	300.0	Tenant recruitment and operation
24		Nanjing	Mufu Green Intelligent Town	440.0	Tenant recruitment and operation
25		Taicang	Taicang Port Gangcheng Square	164.2	Tenant recruitment and operation
26		Shijiazhuang	Hebei Junding Industrial Park	500.0	Tenant recruitment and operation
		Total		6,752.9	

IV. Construction, Decoration and Landscaping

During the Year, the construction, decoration and landscaping businesses recorded revenue of RMB319 million, representing a decrease of 31.9% from the corresponding period of last year, mainly due to the internal elimination of relevant business revenue of Dalian Tiandi project, which was incorporated in the consolidated financial statements of the Company during the Year. The Group continued to deepen the strategy for upholding quality and focused on guaranteeing buildings and construction quality and safety. It was appraised by government at all levels for a number of times and was awarded as an outstanding construction enterprise in China and in Liaoning Province.

In 2018, the construction, decoration and landscaping businesses continued to support the development of internal projects of the Group. It carried out construction in Changsha, Chongqing and Hefei and established local project management teams to integrate local resources and explore business markets in different cities. Meanwhile, the Company strived to expand external industrial markets and actively sought cooperation opportunities with large property enterprises, government and municipal institutes, continued to follow and serve long-term partners in subsequent projects in different regions and strived to undertake them at negotiated prices and expand revenue channels. The Company expanded the industrial coverage with its outstanding project quality and achieved sustained and stable recurring cash flow. The business team has mainly undertaken various regional landmark and well-known projects, including the Dalian Government "Warm House" project, Dalian Global Mind Land, Longfor Mansion and Dandong Royal Bay.

The Group will continue to develop the construction, decoration and landscaping businesses. Through integrated management and interactive operation of these three types of businesses, the Group will build an outstanding team and control the cost of projects. In the future, it plans to further enhance the team through undertaking the construction and decoration of projects under construction and expand the business scale from the internal to the external and build a nationwide well-known brand.

V. PROPERTY MANAGEMENT

During the Year, the property management business recorded revenue of RMB539 million, representing an increase of 30.6% for the corresponding period of last year, mainly due to the increase in the revenue from increase in items under management and increase in the revenue from ancillary services. Yida Services Group Co., Ltd. ranked the 32nd in the "Selection of Top 100 Property Companies by China Property Management Institute". Leveraging on its years of experience accumulated and reserve of resources, the Group tapped more non-residential property management opportunities, diversified property management portfolio and increased its revenue and profit.

Residential Property Management

During the Year, the Group operated 15 new residential property projects with an operation area of 2,634 thousand square metres, making its total residential property projects under operation reach 70 with an operation area of 10,460 thousand square metres. Closely followed the development ideas of "improving service level, increasing performance, and expanding the business", the Group took advantage of its close partnership with property developers, expanded the business scale and attained remarkable increase in recurring revenue.

With the cloud platform of Yida property intelligent management, E-family owners APP2.0 and other systems, the Group continued to diversify services and expanded to OAO selected new retail businesses, community education services and community elderly care services to diversify its revenue sources. In the second half of 2018, Yida Elderly Care – Puyangfanghua Green Hill Branch was officially put into operation. Lanshan Branch completed the basic fitting-out works and is expected to commence operation in 2019. The Group introduced the entire Japanese elderly care concept and service standards and strived to build Qingyun Yingshan Community Branch into a top brand for elderly care in China. In the future, the Company will expand to elderly tourism, elderly insurance, elderly property and other projects, build complete elderly service systems and actively explore potentials in the development of Chinese elderly care industrial chains.

Office Property Management

By the end of the year, total number of office property projects under operation reached 29, with total office property gross floor area under operation reach 3,076 thousand square metres. The Group strengthened its presence in Dalian, Suzhou, Hangzhou, Jinan, Wuhan and Mianyang, making steady progress towards its objective of building a countrywide coverage.

With its over 20 years of experience in developing and operating business parks and serving the Fortune Global 500 companies, the Group achieved appreciation in asset value through asset reallocation. With its experience in serving industrial parks, office buildings, government authorities and universities, the Group established complete information platforms with integrated online and offline operation and developed a leading standard office property management system in China. Taking full advantage of abundant big data resources and through analysis on different categories of customers, the Group enjoys unique advantages in various value-added services and is devoted to providing customers with quality services and creating a more comfortable working environment. In October, the Group established a joint venture with Dalian New Airport Business Area. By the end of the Year, the Group officially signed a cooperation agreement with China Railway Shenyang Administration to officially introduce "Yida Services" on high-speed rail from 2019 to improve the service experience of travellers on high-speed trains and build a new safe and sustainable ecosystem in travelling by high-speed rail with all efforts.

VI. LAND RESERVES

As of 31 December 2018, the Group's total floor area of land reserves was approximately 9.86 million square metres and the floor area of land reserves attributable to the Group was approximately 8.28 million square metres. The concentration of land reserves further decreased, Dalian accounting for 69.8% and representing a decrease of 16.4 percentage points as compared with that of the end of the previous year. It increased presence in Changsha, Zhengzhou, Chongqing, Hefei and other key cities for implementation of its development strategy of "consolidating market position in Dalian, gearing-up development effort in Wuhan and expanding business coverage nation-wide".

The core business of the Group is comprehensive city-industry development. The Group has successfully acquired 320 thousand square metres of commercial land at Meixihu, the central urban area of Xiangjiang New District, a national new district in Changsha in January to construct Changsha Yida Meixihu Health Technology Business Park, planning to develop in focus three industry categories namely smart healthcare, software information technology and technology intelligence for facilitating the transformation of Changsha industries. After obtaining the Meixihu land parcel, the Group continued to make efforts and obtained three more pieces of lands successively in the central area of Wangcheng Economic Development District with a total area of 864 thousand square metres to develop Yida Intelligent Manufacturing Village for the establishment of the first featured village on intelligent manufacturing industries in central China. In February, the Group successfully obtained 330 thousand square metres of industrial land in the core zone of the Zheng-Luo-Xin National Innovation Demonstration Area to construct Yida Zhengzhou Software Park with a focus to introduce industries such as software information services, promote innovation and further enhance the advantages and innovation capabilities of the intelligent industry cluster in Zhengzhou High-tech Zone to build it into a showcase of intelligent industries in Henan Province. In May, the Group obtained 103 thousand square metres land at the core of New City at Beibei District, Chongqing for the construction of the first phase of Chongqing Yida Innovation Square, an ecological high-rise single tower office building with commercial ancillaries, aiming to become a landmark in Beibei District and even in Chongqing and an important cluster for high-tech enterprises. The land for project phase 2 is expected to be obtained when appropriate. In December, the Group obtained 288 thousand square metres of land at the core of New City in the eastern areas of Hefei for the construction of phase 1 of Yida Hefei Intelligent Technology City, to be built into a benchmark project with the integration of industry and city.

In the future, the Group will also seize merger and acquisition opportunities brought by the overall trend of real estate market, obtain suitable asset-heavy projects at proper time, including but not limited to business parks, standalone office properties, standalone residential properties and urban complex projects.

By city	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	Attributable GFA of land reserves *(sq.m.)*	Proportion
Dalian	6,882,245	69.8%	6,224,151	75.2%
Wuhan	931,574	9.5%	465,787	5.6%
Chengdu	130,840	1.3%	90,449	1.1%
Shenyang	7,979	0.1%	7,979	0.1%
Changsha	1,183,505	12.0%	767,831	9.3%
Zhengzhou	329,212	3.3%	329,212	4.0%
Chongqing	103,250	1.0%	103,250	1.2%
Hefei	288,191	2.9%	288,191	3.5%
Total	9,856,796	100%	8,276,849	100.0%

By location	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	Attributable GFA of land reserves *(sq.m.)*	Proportion
Within business parks	7,704,172	78.2%	6,635,843	80.2%
Outside business parks	2,152,624	21.8%	1,641,006	19.8%
Total	9,856,796	100.0%	8,276,849	100.0%

Projects Within/ Outside Business Parks	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office	100%	594,938	–	–
Residential	100%	93,310	–	–
Subtotal	100%	688,248	–	–
Dalian BEST City				
Office	100%	131,440	182,317	491,888
Residential	100%	279,183	7,483	14,000
Subtotal	100%	410,623	189,800	505,888
Wuhan First City				
Office	50%	285,738	–	508,501
Residential	50%	4,235	–	133,100
Subtotal	50%	289,973	–	641,601
Yida Information Software Park				
Office	100%	149,014	–	118,798
Residential	100%	362,102	–	113,913
Subtotal	100%	511,116	–	232,711
Dalian Ascendas IT Park				
Office	50%	202,530	–	91,918
Subtotal	50%	202,530	–	91,918
Dalian Tiandi				
Office	100%	323,000	299,655	1,020,175
Residential	100%	90,256	491,600	–
Subtotal	100%	413,256	791,255	1,020,175

Projects Within/ Outside Business Parks	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	–	99,111	–
Subtotal	60%	–	99,111	–
Changsha Meixihu Health Science and Technology City				
Office	51%	–	61,203	257,865
Subtotal	51%	–	61,203	257,865
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	–	–	412,202
Residential	70%	–	246,041	206,194
Subtotal	70%	–	246,041	618,396
Zhengzhou Yida New Technology City				
Office	100%	–	97,689	231,523
Subtotal	100%	–	97,689	231,523
Chongqing Yida Chuangzhi Plaza				
Office	100%	–	103,250	–
Subtotal	100%	–	103,250	–
Business Parks Subtotal		2,515,746	1,588,349	3,600,077

Projects Within/ Outside Business Parks	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Projects				
Outside Business Parks				
Dalian	25%-100%	420,420	805,599	598,706
Chengdu	80%-100%	27,993	–	3,737
Shenyang	100%	7,979	–	–
Hefei	100%			288,191
Projects				
Outside Business Parks Subtotal		456,392	805,599	890,634
Total		2,972,138	2,393,948	4,490,710

FINANCIAL REVIEW

Revenue

The sources of revenue of the Group include (1) income from sales of properties; (2) rental income; (3) income from providing business park operation and management services; (4) income from providing construction, decoration and landscaping services; and (5) income from property management services.

During the Year, the revenue of the Group was RMB7,356.96 million, representing an increase of 0.5% from the corresponding period of last year.

The following table sets forth a breakdown of the revenue for the periods indicated:

	For the year ended 31 December			
	2018		2017	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Sales of properties	**5,957,781**	**81.0%**	5,991,179	81.9%
Rental Income	**478,598**	**6.5%**	385,508	5.3%
Business park operation and management services income	**62,842**	**0.9%**	60,236	0.8%
Construction, decoration and landscaping income	**318,599**	**4.3%**	467,742	6.4%
Property management income	**539,138**	**7.3%**	412,954	5.6%
Total	**7,356,958**	**100%**	7,317,619	100.00%

(1) Income from Sales of properties

The Group's income arising from sales of residential properties within and outside business parks and office properties for the Year was RMB5,957.78 million, which was comparable to that of the corresponding period of last year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB478.60 million, representing an increase of 24.1% from the corresponding period of last year, which was mainly attributable to the increase in the leased area during the Year.

(3) Business park operation and management services income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB62.84 million, representing an increase of 4.3% from the corresponding period of last year, which was mainly attributable to the increase in entrusted operation projects during the Year.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB318.60 million, representing a decrease of 31.9% from the corresponding period of last year, which was mainly attributable to the internal elimination of business revenue due to the consolidation of Dalian Tiandi project during the Year.

(5) Property management income

During the Year, the income from property management service provided by the Group amounted to RMB539.14 million, representing an increase of 30.6% from the corresponding period of last year, which was mainly attributable to the increase in property management projects and supporting service income.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB5,305.75 million, representing a decrease of 4.4% from the corresponding period of last year, which was mainly attributable to different structure of products carried forward during the Year.

Gross Profit and Gross Profit Margin

The gross profit provided by the Group during the Year amounted to RMB2,051.21 million, representing an increase of 16.1% from the corresponding period of last year; The gross profit margin increased from 24.1% for the corresponding period of 2017 to 27.9% during the Year, which was mainly attributable to different structure of products recognised during the Year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group decreased by 18.3% to RMB192.89 million for the Year from RMB236.08 million in the corresponding period of 2017, which was mainly due to the decrease in advertising expenses during the Year.

Administrative Expenses

The administrative expenses of the Group increased by 5.0% to RMB502.70 million for the Year from RMB478.59 million in the corresponding period of 2017, which was mainly due to the expansion of business scale.

Increase in Fair Value on Investment Properties

The fair value gains on investment properties of the Group decreased to RMB6.59 million during the Year from RMB341.22 million in the corresponding period of 2017, which was mainly due to increase in fair value of the land of Yida Information Software Park and Dalian Software Park in the preceding year and no such condition during the Year.

Finance Costs – net

The net finance costs of the Group increased to RMB659.85 million during the Year from RMB334.46 million in the corresponding period of 2017, which was primarily attributable to the increase in interest-bearing financing and the reduction of project capitalization during the Year.

Share of Profits and losses of Joint Ventures

During the Year, the Group's share of profits of joint ventures was RMB8.81 million, decreased by approximately RMB77.93 million as compared to the corresponding period of 2017, which was mainly attributable to the decrease in gain in investment in Dalian Software Park Ascendas Development Company Limited during the Year.

Share of Profits and losses of Associates

The Group's share of profit of associates was nil, as compared to profits of RMB362.96 million for the corresponding period of 2017, which was mainly attributable to the gain on investment in Richcoast Group in 2017, which became a subsidiary of the Group during the Year.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group increased by 35.1% to RMB681.55 million during the Year from RMB504.48 million in the corresponding period of 2017, which was mainly attributable to the increase in LAT of the recognised project during the Year.

Profit for the Year

As a result of the foregoing, the pre-tax profit of the Group decreased by 7.1% to RMB1,485.14 million during the Year from RMB1,598.74 million in the corresponding period of 2017.

The profit of the Group decreased by 26.6% to RMB803.59 million during the Year from RMB1,094.26 million in the corresponding period of 2017.

The net profit attributable to equity owners decreased by 15.3% to RMB833.92 million during the Year from RMB984.30 million in the corresponding period of 2017.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) increased to RMB828.98 million during the Year from RMB728.39 million in the corresponding period of 2017.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2018, the Group had cash and bank balances (including restricted cash of approximately RMB728.49 million) of approximately RMB1,806.26 million (31 December 2017: cash and bank balances of approximately RMB3,363.68 million, including restricted cash of approximately RMB1,879.54 million).

Debts

As at 31 December 2018, the Group had bank and other borrowings of approximately RMB17,026.73 million (31 December 2017: approximately RMB16,985.73 million), of which:

(1) By Loan Type

	31 December 2018	31 December 2017
	RMB'000	*RMB'000*
Secured bank loans	**7,870,955**	6,912,527
Secured other borrowings	**4,850,185**	5,041,800
Unsecured other borrowings	**4,305,585**	5,031,405
	17,026,725	16,985,732

(2) By Maturity Date

	31 December 2018	31 December 2017
	RMB'000	*RMB'000*
Within one year or on demand	**12,651,205**	6,912,232
In the second year	**4,009,332**	2,579,040
In the third to fifth year	**366,188**	6,611,156
Beyond five years	–	883,304
	17,026,725	16,985,732

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings and promissory notes included in other payables, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 128.6% as at 31 December 2018, which increased by 1.6 percentage points as compared to 127.0% as at 31 December 2017.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2018, the Group had cash and bank balances (including restricted cash) of approximately RMB1.62 million and approximately RMB1.21 million denominated in Hong Kong dollars and USD, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (I) registration of mortgage interest to the bank, or (II) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2018, the Group provided a guarantee of approximately RMB324.05 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (as at 31 December 2017: approximately RMB454.93 million).

As at 31 December 2017, the Group provided a guarantee in the amount of not exceeding RMB41.60 million in respect of the payment obligations of a subsidiary of Richcoast Group to a joint venture (established between Richcoast Group and an independent third party) and the joint venture partner.

As at 31 December 2017, the Group also provided guarantees to the extent of RMB954.37 million in respect of bank and other borrowings granted to the joint ventures of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 1,932 full-time employees. The Group distributes remunerations to the staff based on the performances, work experiences of the employees and the current market salary level.

The Group regularly reviews the remuneration policy and plan and will make necessary adjustments to make it in line with the industry salary standards.

DIVIDENDS

The final cash dividend of RMB8 cents per share for the year ended 31 December 2017 will be payable on or around 18 July 2018 to the shareholders of the Company whose names appear on the register of members of the Company on 25 June 2018. The declaration of the Final Dividend was approved at the annual general meeting of the Company held on 14 June 2018. However, since further time is required for arranging remittance from the PRC to Hong Kong, the Company estimates that the Final Dividend will be paid on or around 28 June 2019.

The Board does not recommend any payment of final dividend for the year ended 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 18 June 2019 to Thursday, 20 June 2019 (both days inclusive), during such period no transfer of shares will be registered. To ascertain shareholders who are eligible to attend and vote at the AGM to be held on Thursday, 20 June 2019, all transfer documents accompanied by the relevant share certificates must be lodged 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 not later than 4:30 p.m. on Monday, 17 June 2019.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") of the Stock Exchange. During the Year, except for deviation from Code Provision A.2.1 of the CG Code which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the Company has complied with all the code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix 10 to the Listing Rules as the code for securities transactions by the Directors. The Company has made specific enquiry with each of the Directors and all Directors have confirmed that they complied with the Model Code throughout the Year.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 14 November 2017, the Company and Many Gain International Limited (the "Purchaser"), a wholly-owned subsidiary of the Company, entered into the first acquisition agreement with Innovate Zone Group Limited ("Vendor A") and Shui On Development (Holding) Limited ("Vendor A Guarantor"); and the Company and the Purchaser entered into the second acquisition agreement with Main Zone Group Limited ("Vendor B") and SOCAM Development Limited ("Vendor B Guarantor"). Pursuant to these two acquisition agreements (as amendedn and supplemented), the Purchaser has conditionally agreed to acquire (1) 61.5% interest in Richcoast Group Limited (the "Target Company", together with its subsidiaries, the "Target Group") and all of Vendor A's benefits of and interests in offshore loans from Vendor A for a consideration of RMB3,160 million (the "First Acquisition"); and (2) 28.2% interest in the Target Company and all of Vendor B's benefits of and interests in offshore loans from Vendor B for a consideration of RMB1,300 million (the "Second Acquisition").

The acquisitions contemplated under the two acquisition agreements constitute a very substantial acquisition of the Company, and a circular was dispatched by the Company on 8 December 2017 pursuant to the Listing Rules. The acquisitions were considered and approved at the extraordinary general meeting on 23 December 2017. On 28 December 2017, the Second Acquisition was completed. On 14 May 2018, the First Acquisition was completed, and the Target Company became an indirect wholly-owned subsidiary of the Company.

Please refer to the announcements of the Company dated 14 November 2017, 28 December 2017 29 March 2018, 24 April 2018, and 14 May 2018 respectively and the circular of the Company dated 8 December 2017.

Save as disclosed above, during the year, the Group had no material acquisitions or disposals of subsidiaries and affiliated companies.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the period from the date of adoption to the date of this announcement, no share options have been granted under the share option scheme.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this preliminary announcement have been agreed by the Company's auditor, PricewaterhouseCoopers (the "Auditor"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2018. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Auditor on this preliminary announcement.

ANNUAL RESULTS

The consolidated financial statements of the Group for the year ended 31 December 2018 have been reviewed by the audit committee of the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yidachina.com.

The annual report of the Company for the year of 2018, together with the circular and the notice of the annual general meeting and the form of proxy, will be dispatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 29 March 2019

As at the date of this announcement, the executive directors of the Company are Mr. Jiang Xiuwen, Mr. Chen Donghui, Mr. Yu Shiping, Ms. Zheng Xiaohua and Mr. Xu Beinan, the non-executive directors of the Company are Mr. Zhao Xiaodong, Mr. Chen Chao and Mr. Wang Gang and the independent non-executive directors of the Company are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.