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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2021 amounted to RMB5,395.07 million, representing an increase of 11.3% as compared to 2020.

2. Gross profit for the year 2021 amounted to RMB1,634.00 million, representing an increase of 39.7% as compared to 2020, and the gross profit margin increased from 24.1% in the same period in 2020 to 30.3% during the year.

3. Net profit for the year decreased from RMB196.84 million for the same period in 2020 to RMB22.19 million for the year, representing a net profit margin of 0.4%.

4. Total basic earnings per share attributable to ordinary equity holders was RMB0.11 cents.

5. The Board does not recommend any payment of final dividend for the year ended 31 December 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Continuing operations			
Revenue	4	**5,395,065**	4,848,906
Cost of sales	6	**(3,761,063)**	(3,678,887)
Gross profit		**1,634,002**	1,170,019
Other income		**18,307**	36,479
Gains arising from acquisition of subsidiaries		**–**	454,889
Fair value (losses)/gains on investment properties		**(117,238)**	81,073
(Provision for)/net reversal of impairment losses on financial and contract assets		**(15,947)**	2,663
Other (losses)/gains – net	5	**(473,900)**	78,920
Selling and marketing expenses	6	**(220,957)**	(165,041)
Administrative expenses	6	**(341,198)**	(409,613)
Finance costs-net	7	**(821,294)**	(832,091)
Share of profits and losses of joint ventures and associates		**90,953**	87,198
(Loss)/profit before income tax		**(247,272)**	504,496
Income tax expenses	8	**(620,694)**	(336,191)
(Loss)/profit from continuing operations		**(867,966)**	168,305
Profit from discontinued operation (attributable to equity holders of the Company)	10	**890,156**	28,534
Profit for the year		**22,190**	196,839
Attributable to:			
Owners of the Company		**2,934**	172,576
Non-controlling interests		**19,256**	24,263
		22,190	196,839
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB per share)		**(34.34) cents**	5.58 cents
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	11	**0.11 cents**	6.68 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	RMB'000	*RMB'000*
Profit for the year	**22,190**	196,839
Other comprehensive income which may be reclassified to profit or loss in subsequent periods	**–**	–
Total comprehensive income for the year	**22,190**	196,839
Attributable to:		
Owners of the Company	**2,934**	172,576
Non-controlling interests	**19,256**	24,263
	22,190	196,839
Total comprehensive income for the period attributable to owners of the Company arises from:		
Continuing operations	**(867,966)**	168,305
Discontinued operations	**890,156**	28,534

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	**2021** *RMB'000*	2020 *RMB'000*
Non-current assets			
Property, plant and equipment		**86,421**	114,831
Investment properties	*12*	**18,662,149**	18,982,717
Investments in joint ventures		**798,438**	1,644,408
Investments in associates		**4,785**	4,927
Prepayments for acquisition of land		**3,153,481**	3,036,113
Prepayments and other receivables		**518,886**	836,973
Intangible assets		**21,770**	36,727
Deferred tax assets		**380,535**	264,543
Total non-current assets		**23,626,465**	24,921,239
Current assets			
Inventories		**85,380**	20,262
Land held for development for sale		**938,059**	784,753
Properties under development		**8,901,556**	10,289,518
Completed properties held for sale		**6,154,363**	4,938,899
Prepayments for acquisition of land		**24,867**	751,252
Contract assets		**121,020**	93,872
Trade receivables	*13*	**545,628**	590,435
Prepayments, deposits and other receivables		**1,677,286**	1,118,185
Prepaid corporate income tax		**127,177**	117,537
Prepaid land appreciation tax		**247,429**	259,485
Financial assets at fair value through profit or loss		**–**	6,260
Restricted cash	*14*	**330,685**	1,002,551
Cash and cash equivalents	*14*	**443,200**	572,237
Total current assets		**19,596,650**	20,545,246
Total assets		**43,223,115**	45,466,485

	Notes	2021 RMB'000	2020 RMB'000
Non-current liabilities			
Interest-bearing bank and other borrowings	*16*	**2,040,200**	3,410,200
Deferred tax liabilities		**2,851,617**	2,935,334
Lease liabilities		**37,975**	11,673
Other non-current liabilities		**26,945**	24,598
Total non-current liabilities		**4,956,737**	6,381,805
Current liabilities			
Contract liabilities		**5,802,521**	5,841,962
Trade payables	*15*	**4,067,022**	3,724,570
Other payables and accruals		**3,113,910**	3,755,401
Interest-bearing bank and other borrowings	*16*	**10,870,260**	11,869,159
Corporate income tax payable		**945,035**	624,311
Provision for land appreciation tax		**1,252,425**	893,613
Lease liabilities		**14,464**	63,882
Total current liabilities		**26,065,637**	26,772,898
Total liabilities		**31,022,374**	33,154,703
Equity			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**11,873,090**	11,870,156
		12,032,508	12,029,574
Non-controlling interests		**168,233**	282,208
Total equity		**12,200,741**	12,311,782
Net current liabilities		**(6,468,987)**	(6,227,652)
Total assets less current liabilities		**17,157,478**	18,693,587

1 Corporate and group information

Yida China Holdings Limited (the "**Company**" or "**Yida**") 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 has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. During the year ended 31 December 2021, 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 in Dalian, Wuhan, Shenyang, Beijing, Shanghai, Chongqing, Zhengzhou, Hefei, Suzhou, Ningbo, Qingdao, Nanchang, Xuchang, Shenzhen, Changsha 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 was incorporated in the British Virgin Islands (the "**BVI**"), and the ultimate holding company of the Company is China Minsheng Investment Corp., Ltd.("**China Minsheng**").

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

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

(a) Compliance with HKFRs and HKCO

The consolidated financial statements of the Company for the year ended 31 December 2021 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 requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of financial statements in conformity with HKFRSs 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 2021, the Group's current liabilities exceeded its current assets by RMB6,468,987,000. At the same date, its current borrowings amounted to RMB10,870,260,000 while its cash and cash equivalents amounted to RMB443,200,000 only.

During the year ended 31 December 2021, the Group failed to repay certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"). Although the Group managed to settle some of these borrowings during the year after the due dates, RMB2,154,149,000 remained unsettled as at 31 December 2021, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of the approval of these consolidated financial statements.

On 18 January 2021, the Group failed to settle a payable with interest accrued thereon to certain parties ("**Aetos Parties**") according to a final award issued by Hong Kong International Arbitration Centre. On 4 March 2021, the Group and Aetos Parties entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed repayment schedule. However, the Group failed to fulfill the settlement agreement and the unpaid balance amounted to RMB824,904,000 as at 31 December 2021. Subsequent thereto, Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties' satisfaction, or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Group has since then proposed settlement plans to and has been actively negotiating with Aetos Parties.

Since 2018, the financial conditions of the Group's controlling shareholder, China Minsheng Investment Corp., Ltd. ("**China Minsheng**"), changed in such a way that triggered certain terms specified in the Group's borrowing agreements. In addition, the Company publicly announced on 20 February 2020 that Mr. Chen Donghui, a then executive Director who was subsequently removed since 15 June 2020, was detained by the relevant authorities in the PRC. These matters, together with the Borrowings Overdue and the Aetos Parties Matter, constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders, of which RMB5,098,762,000 represented borrowings with scheduled repayment dates within one year, while RMB2,659,277,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2022 that were reclassified as current liabilities.

The above conditions indicate that material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial sources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the overdue repayments to the lenders:

i) The Group has proposed settlement plans and has been actively negotiating with Aetos Parties. Up to the date of the approval of these consolidated financial statements, Aetos Parties have not presented a winding-up petition to the court. The Directors are confident that the Group will reach a final settlement agreement with Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court.

ii) In respect of Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders preliminarily intended to renew or extend the certain overdue borrowings, no formal agreement has been reached yet. The Directors are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements with such lenders in due course.

iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their scheduled contractual repayment dates.

iv) Subsequent to 31 December 2021, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. The Directors believe that, given the Group's long-term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when needed. In this connection, the Group was able to renew, extend or obtain new borrowings of RMB258,000,000, although the agreements of all of such new borrowings contain terms that would cause such borrowings to be immediately repayable if so requested by the lenders.

v) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of sales proceeds.

vi) The Group will strive to maintain a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled. The Group will also continue to take active measures to control administrative costs and capital expenditures.

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

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2021. 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 2021. 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 and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group.

ii) the successful negotiations with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings.

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

iv) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows;

v) the successful disposal of relevant assets and investments at reasonable prices, and timely collection of the proceeds.

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 noncurrent liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(d) New and amended standards adopted by the Group

The group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

i) Interest Rate Benchmark Reform –Phase 2 – amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

ii) Annual Improvements to HKFRS Standards 2018-2020 Cycle

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12, and

iv) Covid-19-Related Rent Concessions beyond 30 June 2021.

(e) New standards and interpretations not yet adopted

Certain accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has five 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; and

(e) 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 profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, dividend income and certain corporate gains and expenses and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid corporate income tax, prepaid land appreciation tax, prepaid other taxes, amounts due from related parties, financial assets at fair value through profit or loss, restricted cash and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings and related interests payable, amounts due to related parties, dividends payable, tax payable, provision for land appreciation tax, other taxes payable 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.

For the year ended 31 December 2021, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

Year ended 31 December 2021

	Property development *RMB'000*	Property investment *RMB'000*	Business park operation and management *RMB'000*	Construction, decoration and landscaping *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:	**4,041,138**	**510,303**	**404,124**	**1,553,097**	**–**	**6,508,662**
Intersegment revenue	**(31,829)**	**(279)**	**(128,017)**	**(953,472)**	**–**	**(1,113,597)**
Sales to external customers	**4,009,309**	**510,024**	**276,107**	**599,625**	**–**	**5,395,065**
Segment results	**783,030**	**222,985**	**7,275**	**19,920**	**(20,064)**	**1,013,146**
Reconciliation:						
Interest income						**5,276**
Unallocated losses						**(444,400)**
Finance costs						**(821,294)**
Profit before income tax						**(247,272)**
Income tax expenses						**(620,694)**
Profit from continuing operations						**(867,966)**
Segment assets	**62,998,354**	**24,738,005**	**433,061**	**8,795,313**	**12,115,179**	**109,079,912**
Reconciliation:						
Elimination of intersegment receivables						**(67,475,941)**
Corporate and other unallocated assets						**1,619,144**
Total assets						**43,223,115**
Segment liabilities	**45,844,682**	**9,391,873**	**489,254**	**8,255,361**	**15,893,325**	**79,874,495**
Reconciliation:						
Elimination of intersegment payables						**(67,475,941)**
Corporate and other unallocated liabilities						**18,623,821**
Total liabilities						**31,022,374**
Other segment information:						
Depreciation and amortisation	**12,608**	**7,307**	**17,668**	**11,707**	**2,834**	**52,124**
Capital expenditure*	**7,613**	**15,158**	**3,085**	**23,818**	**17,223**	**66,897**
Fair value losses on investment properties	**–**	**(117,238)**	**–**	**–**	**–**	**(117,238)**
Share of profits and losses of joint ventures and associates	**60,099**	**29,313**	**1,708**	**–**	**(167)**	**90,953**
Investments in joint ventures	**763,367**	**–**	**15,573**	**–**	**19,498**	**798,438**
Investments in associates	**–**	**1,000**	**–**	**–**	**3,785**	**4,785**

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

	Property development *RMB'000*	Property investment *RMB'000*	Business park operation and management *RMB'000*	Construction, decoration and landscaping *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:	3,664,719	545,015	460,663	1,137,314	–	5,807,711
Intersegment revenue	(96,189)	(7,509)	(136,440)	(718,667)	–	(958,805)
Sales to external customers	3,568,530	537,506	324,223	418,647	–	4,848,906
Segment results	543,672	496,254	(48,089)	505	49,548	1,041,890
Reconciliation:						
Interest income						11,413
Dividend income and unallocated gains						454,889
Corporate and other unallocated expenses						(171,605)
Finance costs						(832,091)
Profit before income tax						504,496
Income tax expenses						(336,191)
Profit from continuing operations						168,305
Segment assets	62,030,021	25,443,509	311,632	7,686,769	13,736,994	109,208,925
Reconciliation:						
Elimination of intersegment receivables						(66,085,641)
Corporate and other unallocated assets						2,343,201
Total assets						45,466,485
Segment liabilities	45,539,858	9,300,510	362,354	7,505,080	16,204,390	78,912,192
Reconciliation:						
Elimination of intersegment payables						(66,085,641)
Corporate and other unallocated liabilities						20,328,152
Total liabilities						33,154,703
Other segment information:						
Depreciation and amortisation	16,935	9,989	20,381	9,137	3,176	59,618
Capital expenditure*	16,160	100,908	7,501	23,730	18,474	166,773
Fair value gains on investment properties	–	81,073	–	–	–	81,073
Share of profits and losses of joint ventures and associates	786	82,131	4,442	9	(170)	87,198
Investments in joint ventures	667,077	943,537	13,395	–	20,399	1,644,408
Investments in associates	–	1,000	–	–	3,927	4,927

* 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 the majority 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

Revenue represents the gross proceeds from the sale of properties, gross rental income received and receivable from investment properties, 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 value-added tax and surcharges, during the year.

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

	2021	2020
	RMB'000	*RMB'000*
Revenue from contracts with customers recognised at a point in time		
Sale of properties	**4,009,309**	3,568,530
Revenue from contracts with customers recognised over time		
Business park operation and management service income	**276,107**	324,223
Construction, decoration and landscaping income	**599,625**	418,647
	875,732	742,870
Revenue from contracts with customers	**4,885,041**	4,311,400
Revenue from other sources		
Rental income	**510,024**	537,506
	5,395,065	4,848,906

5 Other (losses)/gains

	2021	2020
	RMB'000	*RMB'000*
Net foreign exchange gains	**41,469**	159,208
Gains arising from loss of control over subsidiaries	**–**	199,074
Losses arising from disposal of a joint venture (a)	**(470,397)**	–
Gain arisings from disposal of a subsidiary	**26,412**	–
Net fair value losses on derivatives	**–**	(171,605)
Net losses on disposal of property, plant and equipment	**3,395**	(9,994)
Other items	**(74,779)**	(97,763)
	(473,900)	78,920

As at 31 December 2020, the Group held 50% equity interests in Dalian Software Park Ascendas Development Company Limited ("**DLSP Ascendas**"), which was accounted for as a joint venture of the Group. On 21 May 2021, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with Ascendas (China) Pte Ltd. ("**Ascendas**"), which is the joint venture partner of DLSP Ascendas. Pursuant to the agreement, the Group disposed 50% equity interests in DLSP Ascendas at a consideration of RMB501,000,000. The Group was also granted an option to repurchase 50% equity interests in DLSP Ascendas at a consideration of RMB526,300,500, which expired in November 2021. The disposal of DLSP Ascendas was completed on 21 May 2021, and the Group recognised a loss of RMB470,397,000 arising from the disposal in 2021.

6 Expenses by Nature

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

	2021	2020
	RMB'000	*RMB'000*
Cost of properties sold	**2,799,045**	2,780,031
Cost of services provided	**770,923**	673,350
Impairment of properties under development and completed properties held for sale	**1,558**	22,623
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**189,537**	202,883
Employee benefit expenses	**213,031**	248,395
Office lease expenses	**6,612**	14,330
Depreciation	**35,555**	49,352
Amortisation of intangible assets	**16,569**	10,266
Auditor's remuneration		
– Audit services	**4,350**	5,080
– Non-audit services	**800**	2,315
Other costs and expenses	**285,238**	244,916
Total cost of sales, selling and marketing expenses and administrative expenses	**4,323,218**	4,253,541

7 Finance Costs – net

An analysis of finance income and costs is as follows:

	2021	2020
	RMB'000	*RMB'000*
Finance costs		
Interest on bank loans and other loans	**1,586,267**	1,662,700
Interest on lease liabilities	**3,845**	27,240
Less: Interest capitalised	**(709,931)**	(800,120)
	880,181	889,820
Interest income	**(58,887)**	(57,729)
Finance costs – net	**821,294**	832,091

8 Income Tax Expenses

An analysis of the income tax charges arising from continuing operations is as follows:

	2021	2020
	RMB'000	*RMB'000*
Current tax– PRC		
Corporate income tax charge for the year	**355,985**	96,033
Land appreciation tax charge for the year ("**LAT**")	**459,467**	198,566
	815,452	294,599
Deferred income tax:		
Current year	**(194,758)**	41,592
Total tax charge arising from continuing operations for the year	**620,694**	336,191

9 Dividend

	2021	2020
	RMB'000	*RMB'000*
Proposed no final dividend (2020: nil) per ordinary share	**–**	–

In addition, no interim dividend has been declared during the year (2020: nil).

10 Discontinued operation

On 4 March 2021, four wholly-owned subsidiaries of the Company entered into an equity transfer agreement with Longfor Jiayue Property Service Company Limited ("**Longfor**"), pursuant to which the Group disposed 100% equity interests in Yida Property Service Company Limited ("**Yida Property Service**") at a consideration of RMB1,273,000,000. On 10 March 2021, the disposal of Yida Property Service was completed. The Group recognised a gain on disposal after income tax of RMB897,000,000 in 2021, and Yida Property Service is reported as a discontinued operation.

In the event the operations of Yida Property Service would not achieve the guaranteed profits for each of the four years ending 31 December 2024 as specified in the agreement, additional cash compensation will be paid to Longfor. As at 31 December 2021, the fair value of the compensation was determined to be nil.

11 Earnings Per Share Attributable to Ordinary Equity Holders of the Company

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the consolidated profit for the year ended 31 December 2021 attributable to the ordinary equity holders of the Company of RMB2,934,000 (2020: RMB172,576,000), and the weighted average number of ordinary shares of 2,583,970,000 (2020: 2,583,970,000) in issue during the year ended 31 December 2021.

(b) Diluted earnings per share

Diluted earnings per share is same as basic earnings per share for the years ended 31 December 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during those years.

The basic earnings per share and diluted earnings per share for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
	Cents	*Cents*
From continuing operations attributable to the ordinary equity holders of the company	**(34.34)**	5.58
From discontinued operation	**34.45**	1.10
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	**0.11**	6.68

12 Investment Properties

	Right-of-use Assets *RMB'000*	Completed *RMB'000*	Under construction *RMB'000*	Total *RMB'000*
Carrying amount at 1 January 2020	497,000	12,977,350	6,271,482	19,745,832
Additions	–	(9,521)	105,033	95,512
Transfer to properties under development	–	(38,700)	–	(38,700)
Derecognition of right-of-use assets	(450,000)	–	–	(450,000)
Loss of control over subsidiaries	–	(451,000)	–	(451,000)
Completion of under construction	–	744,000	(744,000)	–
Net gains/(losses) from fair value adjustments	(2,000)	24,371	58,702	81,073
Carrying amount at 31 December 2020 and 1 January 2021	**45,000**	**13,246,500**	**5,691,217**	**18,982,717**
Additions	**–**	**9,721**	**4,797**	**14,518**
Disposal of subsidiaries	**–**	**(121,899)**	**–**	**(121,899)**
Disposal of assets	**–**	**(95,949)**	**–**	**(95,949)**
Net losses from fair value adjustments	**(1,000)**	**(115,573)**	**(665)**	**(117,238)**
Carrying amount at 31 December 2021	**44,000**	**12,922,800**	**5,695,349**	**18,662,149**

As at 31 December 2021, certain of the Group's investment properties of RMB18,138,744,000 (2020: RMB15,983,217,000) were pledged to banks to secure the loans granted to the Group (note 16).

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 2021 and 2020, 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 measured at fair value in the aggregate carrying amount of RMB1,515,000,000 as at 31 December 2021 (2020: RMB1,524,000,000), 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.

13 Trade Receivables

	2021	2020
	RMB'000	*RMB'000*
Trade receivables – gross amount	**599,021**	631,949
Less: Allowances for impairment of trade receivables	**(53,393)**	(41,514)
	545,628	590,435

Trade receivables are mainly arisen from sales of properties, leases of investment properties and other services businesses. The payment terms of receivables are stipulated in the relevant contracts. Trade receivables are non-interest-bearing.

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

	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**258,913**	408,604
1 to 2 years	**121,096**	109,620
Over 2 years	**219,012**	113,725
	599,021	631,949

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2021, a provision of RMB53,393,000 (31 December 2020: RMB41,514,000) was made against the gross amount of trade receivables.

As at 31 December 2021, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB455,000 (2020: RMB22,750,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

14 Cash and Cash Equivalents and Restricted Cash

	2021	2020
	RMB'000	*RMB'000*
Cash and bank balances	**773,885**	1,574,788
Less: Restricted cash	**(330,685)**	(1,002,551)
Cash and cash equivalents	**443,200**	572,237

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 RMB755,250,000 (2020: RMB1,564,030,000).

15 Trade Payables

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

	2021	2020
	RMB'000	*RMB'000*
Within 1 year	**2,647,053**	2,374,200
Within 1 to 2 years	**1,419,969**	1,350,370
	4,067,022	3,724,570

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

16 Interest-Bearing Bank and Other Borrowings

	2021		2020	
	Effective interest rate (%)	***RMB'000***	Effective interest rate (%)	*RMB'000*
Current				
Bank loans – secured	**3.85-7.45**	**4,563,730**	4.30-9.50	5,492,626
Bank loans – unsecured	**4.25**	**1,600**	4.25	3,000
Other loans – secured	**6.00-14.30**	**4,450,298**	5.70-15.00	3,784,197
Other loans – unsecured	**1.20-12.00**	**1,854,632**	1.20-15.00	2,589,336
		10,870,260		11,869,159
Non-current				
Bank loans – secured	**4.55**	**354,000**	4.55	374,000
Other loans – secured	**6.00-13.00**	**1,686,200**	11.00-13.00	3,036,200
		2,040,200		3,410,200
		12,910,460		15,279,359

	2021	2020
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**4,565,330**	5,495,626
In the second year	**354,000**	40,000
In the third to fifth years, inclusive	**–**	334,000
	4,919,330	5,869,626
Other loans repayable:		
Within one year or on demand	**6,304,930**	6,373,533
In the second year	**1,686,200**	735,200
In the third to fifth years, inclusive	**–**	2,301,000
	7,991,130	9,409,733
	12,910,460	15,279,359

As at 31 December 2021, included in bank loans of the Group is an amount of RMB2,320,290,000 (2020: RMB2,462,827,000) 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 loans and other loans included borrowings with principal amounts of RMB2,659,277,000 (2020: RMB1,992,400,000) with original maturity beyond 31 December 2022 which have been reclassified as current liabilities as at 31 December 2021 as a result of the matters described in note 2.1(c).

(a) As at 31 December 2021, included in other loans of the Group were the first tranche and the second tranche of corporate bonds with the principal amounts of RMB800,000,000 and RMB524,223,000 respectively (31 December 2020: RMB800,000,000 and RMB625,024,000 respectively). The first tranche and the second tranche of the corporate bonds were issued by Yida Development Company Limited, an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

    As at 31 December 2021, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2022, bearing interest at a rate of 6% per annum (31 December 2020: 15%). Certain second tranche of corporate bond with the principal amount of RMB479,223,000 were extended to 31 December 2022 by respective bond holders, bearing interest at a rate ranging from 2% to 6% per annum (31 December 2020: 15%), while the remaining second tranche of corporate bond with the principal amount of RMB45,000,000 were extended to 9 March 2022, bearing interest a rate of 10% per annum (31 December 2020: 15%), and were settled subsequently.

(b) As at 31 December 2020, included in other loans of the Group were senior notes due on 27 March 2022 (the 「**Senior Notes**」) with carrying amount of RMB1,519,260,000. The Company shall, at the option of any Senior Notes holders, repurchase the outstanding Senior Notes in March 2021 as specified in the indenture of the Senior Notes. The Senior Notes were unsecured, bearing interest at a rate of 6.95% per annum, and were guaranteed by certain subsidiaries of the Group.

In March 2021, the Company's obligation to repurchase the outstanding Senior Notes upon above-mentioned holders' option was waived by the respective holders with effect from 8 March 2021, and the Company shall repay the Senior Notes by instalments before 27 March 2022. However, the Company failed to pay the principal amount and interest of the Senior Notes according to the scheduled repayment dates and the carrying amount was RMB1,332,049,000 as at 31 December 2021.

Subsequently, on 17 February 2022, a solicitation of consents for the Senior Notes was completed. Events of default relating to the failure to pay the principal amount and interest of the Senior Notes and other cross-default terms were waived. The maturity date of the Senior Notes was extended to 30 April 2025 while the interest rate of the Senior Notes changed to 6% per annum.

(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 2021 of approximately RMB6,324,475,000 (2020: RMB7,036,764,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2021 of approximately RMB18,138,744,000 (2020: RMB15,983,217,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2021 of approximately RMB935,669,000 (2020: RMB640,541,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2021 of approximately RMB4,930,857,000 (2020: RMB3,335,863,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2021 of approximately RMB30,466,000 (2020: RMB35,955,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB8,687,847,000 (2020: RMB10,414,238,000) as at 31 December 2021;

(vii) pledges of certain equity interests of the subsidiaries of the Company;

(viii) pledges of certain of the Group's time deposits with an aggregate carrying value at 31 December 2021 of approximately RMB38,400,000 (2020: RMB316,400,000); and

(ix) pledges of certain of other receivables of the Group with a carrying value at 31 December 2021 of approximately RMB74,707,000 (2020: nil).

(d) Other than certain other loans with a carrying amount of RMB1,381,141,000 (2020: RMB1,519,260,000) denominated in USD as at 31 December 2021 and RMB508,138,000 (2020: RMB523,079,000) denominated in HKD as at 31 December 2021, all bank and other loans of the Group are denominated in RMB as at 31 December 2021 and 2020.

(e) As at 31 December 2021, included in other loans of the Group were loans from related parties (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company with principal amounts of RMB657,289,000 (31 December 2020: RMB609,719,000), among which RMB405,730,000 were unsecured, borne interest at 6% per annum, while the remaining RMB251,559,000 were secured, borne interest at 6% per annum.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

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

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

As described in note 2.1(c) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB6,468,987,000 as at 31 December 2021. At the same date, its current borrowings amounted to RMB10,870,260,000 while its cash and cash equivalents amounted to RMB443,200,000 only. During the year ended 31 December 2021, the Group failed to repay certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"), and total borrowings of RMB2,154,149,000 remained unsettled as at 31 December 2021, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of this report. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties (the "**Aetos Parties**") amounted to RMB824,904,000 as at 31 December 2021. Subsequent to 31 December 2021, the Aetos Parties formally demanded the Group to settle the unpaid balance or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Borrowings Overdue and the Aetos Parties Matter, together with other matters described in note 2.1(c), constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders. These events or conditions, along with other matters as set forth in note 2.1(c) to the consolidated financial statements, indicate that material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the delayed repayments to financial institutions, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group; (ii) the successful negotiation with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings; (iii) the successful obtaining of additional new sources of financing as and when needed; (iv) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows; and (v) the successful disposal of relevant assets and investments at reasonable prices and timely collection of the proceeds.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

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 these consolidated financial statements.

CHAIRMAN'S STATEMENT

Dear shareholders,

I present you the annual results of the Group for the year ended 31 December 2021 (the "**Year**").

Results

During the Year, the Group recorded revenue of RMB5,395 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB4,009 million; rental income from business parks was RMB510 million; business park operation and management income was RMB276 million; construction, decoration and landscaping income was RMB600 million. Gross profit increased by 39.7% to RMB1,634 million compared to the corresponding period of the previous year, with a gross profit margin of 30.3%. Net profit attributable to equity owners of the Company was RMB2.93 million.

Review of 2021

In 2021, China's economy continued to operate steadily, the foundation for industrial development was continuously strengthened, and so were the momentum and vitality of development. Against the backdrop of multiple challenges, the long-term positive prospectives of China's economy remained intact, the economy was stable as a whole and the quality development of various industries was steadily advanced with enhanced resilience, thereby laying a solid economic and social foundation for the real estate industry to return to sound development.

At this important stage of China's high-quality development and the transformation in development of the manufacturing industry, business parks, being the basic carrier of economic development, had a great cluster effect and adsorption effect on emerging industries and advanced manufacturing industries, serving as an important engine for the high-quality and sustainable development of the regional economy.

The Group focused on its core competencies in operation, tenant recruitment, service and branding, actively leveraged its professional industrial operation capability and advantage in strategic planning, and relied on its decades of mature industrial operation and service experience with the help of favourable policies and internal and external resources to explore diversified development models in the areas of city-industry integration, urban redevelopment and industrial upgrading, so as to create a new benchmark in the industry.

I. Focusing on the strategic blueprint of major cities to create high-tech clusters

The core element in determining the competitiveness of a city rests on the quality development of its industries. As a leading business park operator in China, the Group has proactively focused on Beijing, Tianjin and Hebei, the Yangtze River Delta, the Greater Bay Area, Central and Western China and other economically active and high-tech intensive regions, aiming to "consolidate Dalian, revitalise Hubei, concentrate on Hunan and steadily reinforce the central region". During the Year, the trend of industrial diversification and premiumization in the Group's Dalian Software Park has become more prevalent, with 2 Fortune Global 500 Companies and 9 Top 100 Industry Enterprises settling in the park. Zhengzhou Creation City continued to reinforce and strengthen in aspects of artificial intelligence, information technology and intelligent health for customers, with 11 enterprises rated as "potential giants" and "specialised, sophisticated, special and innovative" settling in the park. In addition, the two projects in Meixihu and Wangcheng in Changsha operated well, Chuangzhi Island in Meixihu and the commercial street along the lake were delivered and the Wang Yun Lake project in Wangcheng commenced construction, with 3 new top 100 enterprises in the software and information and healthcare industries settling in.

II. Improving the standardisation system so that product competitiveness can be fully materalized

The Group will continue to build a standardisation system for product design, construction, delivery and maintenance, combined with standardised process management, to strongly enhance the competitiveness of Yida's products. During the Year, the Group gradually improved the standardisation system for industrial buildings, including commercial and office buildings, research and development buildings and intelligent manufacturing buildings; the standardization system for the four series of residential buildings, which are classified according to functional type and comfortableness, were also enhanced. The Group's luxury residential product, Dalian Glory of the City, achieved contracted sales of approximately RMB2,182 million during the Year, with a sales area of approximately 34,500 square metres, representing an average sales price of approximately RMB26,700 per square metre, which provided a strong boost to the Group's results.

III. Actively solving the debt problem to maintain the sustainability of its capital structure

During the Year, under the strict macroeconomic tightening measures, the Company maintained a proactive and responsible attitude, disposed of and revitalized low turn-over assets, rejuvenated and launched saleable resources and obtained valuable cash resources to repay existing debts. At the same time, the Company has been in close communication with financial institutions to roll over its outstanding debts at lower interest rates. The Company's debt structure was optimised and the Company's normal operating activities were effectively safeguarded.

OUTLOOK FOR 2022

In recent years, national control policies on the real estate sector have continued to tighten, and the PRC government has maintained keynotes of "housing is for living in, not for speculation" and "stablize land prices, house prices and expectations". With the gradual subsiding of risks in the industry, four departments of the PRC government have issued documents to emphasise on stabilising the development of the real estate industry. In the future, there may be more intensive easing policies, including lowering the benchmark interest rate, increasing support for reasonable financing of real estate enterprises, opening up the room for downward adjustment of mortgage rates for rigid demand buyers and improvement buyers, so as to drive the overall recovery of the industry.

The Group will adhere to the development model of "City-Industry Integration" by building up core competitive advantages, serving the city and regional economy, humanities and technology, upholding our corporate operational principles of "market-oriented and customer-centric", strictly controlling various corporate risks and actively resolving debt problems to ensure stable operation.

I. Exploring new business drives with existing strengths

The Group will take tenant recruitment services of the parks as the starting point. By tapping into the advantages of existing resources in strategic blueprint cities and relying on its mature industrial operation experience, the Group will take business development opportunities such as park construction and management and seek to incubate new business segments to implement the strategy of "double engines" paired with the existing business model. Moreover, the Group will carry out in-depth digital transformation, increase the scale of digitalisation, networking, intelligence and greening of enterprises in the park, steadily promote technological innovation and market expansion, create intelligent parks and intelligent buildings and comprehensively improve the quality and efficiency of the parks' industrial development in order to lay the foundation for future transformation and development.

II. Continuing to revitalise low turnover assets and accelerate cash collection

The Group will actively formulate business plan based on its own circumstances and set up a special working group to check its inventory assets and accelerate the collection of cash. The Group will make substantial efforts to dispose of non-core low turnover assets and inefficient business lines, accelerate the sale of residential and office buildings, and ensure stable rental income from core assets. At the same time, the Group will actively manage its existing debts, seek additional financing from financial institutions, tightly control capital costs and ensure the sustainability and stability of its capital structure.

III. Introducing strategic partners to import their advantageous resources

The Group will continue to promote the introduction of strategic investors and strengthen cooperation with major shareholders to achieve development and breakthrough in its existing tracks by importing advantageous resources and capital from existing and potential shareholders.

On behalf of the board of Directors (the "**Board**"), I would like to express our heartfelt gratitude to all shareholders, investors, business partners and customers for their support for the Group, and to the management and employees for their tireless efforts and contributions.

Yida China Holdings Limited
Jiang Xiuwen
Chairman and Chief Executive Officer

Hong Kong, 31 March 2022

BUSINESS REVIEW

I. Operation of Business Parks Owned by the Group

During the Year, the Group wholly-owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed gross floor area ("**GFA**") of the above business parks was approximately 1.944 million sq.m., with a leasable area of approximately 1.699 million sq.m.. During the Year, the Group disposed of 50% stake in Dalian Ascendas IT Park. During the Year, the Group recorded a rental income of approximately RMB510 million, representing a decrease of 5.1% from the corresponding period of the previous year, mainly due to the decrease in leased area during the Year as a result of the withdrawal of subletting projects in late 2020.

An overview of business parks owned by the Group:

(unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area: Office Buildings	Leasable Area: Apartments	Leasable Area: Shops	Leasable Area: Parking Spaces	Occupancy Rate at the End of the Year
Dalian Software Park	100%	637	391	180	33	42	89%
Dalian BEST City	100%	223	99	–	7	41	72%
Yida Information Software Park	100%	156	131	–	4	20	67%
Dalian Tiandi	100%	451	329	37	41	44	51%
Wuhan First City	50%	477	124	42	27	107	33%
Total		**1,944**		**1,699**			

Note:

The financial statement of Wuhan First City is not consolidated, therefore the rental income of the Group excludes the rental income from such park.

Since its establishment in 1998, the Group's Dalian Software Park has been focusing on industrial development and technological innovation. Based on the first phase of Dalian Software Park and developed westward along Lvshunnan Road, the Group has successfully established an industrial belt of over 30 kilometers with a total GFA of approximately 1.47 million sq.m., offering a modern park environment and diversified office space to meet the development needs of different enterprises in the parks. Currently, more than 1,000 companies have settled in the parks with approximately 200,000 software engineers, creating over 500,000 job opportunities in the region. With the concept of striving for innovation in its development, Dalian Software Park has built a complete software and information service industry chain, service chain and innovation chain, and has made outstanding achievements and contributions in digitalization, economic transformation and development of Dalian. The Group has been awarded "2021 Annual Leading Industrial Park of China's Software and Information Service Industry (2021中國軟件和信息服務業年度領軍產業園區)" by China Information Industry Association (中國信息協會) and www.infoobs.com (信息化觀察網).

In recent years, with the rapid development of new generation of information technologies such as 5G, artificial intelligence, Internet of Things, virtual reality (VR) and blockchain, the medical and healthcare industry has been undergoing substantial changes. Digitalization has not only brought about qualitative changes in pharmaceuticals, medical devices and pharmaceutical distribution industries, but also expanded new fields such as online medical services, health management and medical finance. In particular, affected by the COVID-19 pandemic, digitalization and transformation of the medical and healthcare industry have accelerated again. Focusing on biomedicine and healthcare industries, Wuhan First City has created a platform for life science and technology innovation and achieved considerable development in various segments, especially in biomedicine and R&D outsourcing, medical devices, smart medical care, medical testing, genetic engineering and health management.

II. Sales of Properties

During the Year, the Group achieved contracted sales of RMB4,406 million, and the contracted sales area was 384.7 thousand sq.m.. The average contracted sales price was RMB11,452 per sq.m., representing a year-on-year increase of 8.0%, mainly due to the increase in the proportion of residential properties in contracted sales and a general increase in the average price in Dalian during the Year. The majority of projects sold were located in Dalian (68.1% of total contracted sales), Changsha (14.8% of total contracted sales) and Wuhan (9.8% of total contracted sales), of which residential property sales accounted for 77.3% of total contracted sales.

During the Year, the property sales segment recorded a revenue of RMB4,009 million, representing an increase of 12.4% from the corresponding period of last year, which was mainly due to the increase in projects delivered during the Year. The average sales price was RMB14,131 per sq.m., representing a year-on-year increase of 51.1%, which was mainly attributable to the different products recognised during the Year and the increase in corresponding average of each product recognised as compared to the same period last year. Projects carried forward during the Year were mainly ordinary residential properties. Revenue-contributing projects were mainly located in Dalian (87% of revenue) and Changsha (12% of revenue).

The Group firmly upheld the development strategy of "city-industry integration" and strove to build landmark projects in key regions such as Dalian, Changsha and Zhengzhou. Leveraging on its development advantages, the Group spurred the rapid improvement of amenity facilities in the city, attracted many talents and contributed to regional transformation and upgrading. During the Year, the development of Changsha Yida & CSCEC Intelligent Technology Centre, Changsha Yida Intelligent Manufacturing Industrial Village, Zhengzhou Yida Creation City and Chongqing Yida Innovation Plaza steadily advanced, and office buildings and residences achieved good sales performance.

Sales performance and analysis of each city are as follows:

Dalian

The real estate market of Dalian showed vast differences in the first and second half of the Year. In the first half of the Year, due to increasing supply and demand, land acquisition, launch and sales of properties were commonly seen in the market. In the second half of the Year, with the introduction of Dalian's "816" new policy and exercising control over land and sales restrictions, the market has cooled off significantly. At the end of 2021, given the interest rate cuts and reserve requirement ratio (RRR) cuts by the People's Bank of China, major commercial banks in Dalian have lowered the loan interest rates. As such policy may be lifted, the easing policy has been gradually improving the real estate market environment. At the same time, capitalizing on various favorable factors such as stable urban fundamentals and stable base population, the market has been gradually focusing on the high-value sectors. Major urban areas mainly offered upgraded products, while High-tech Zone and peripheral areas such as Jinpu New District and Lvshun mainly focused on products with rigid demand.

During the Year, "Dalian Glory of the City", the Group's high-quality upgraded residential project located in the prime area of Zhongshan District, achieved contracted sales of approximately RMB2,182 million and sales area of approximately 81.8 thousand sq.m. with an average sales price of approximately RMB26,700 per sq.m., becoming one of the best-selling projects in Dalian during the Year. It is expected that the project will continue to make stable contribution to the Group with the launch and sales of its third and fourth phases. During the Year, Dalian Tiandi Hekou Bay project located in High-tech Zone achieved contracted sales of approximately RMB345 million and sales area of approximately 21.1 thousand sq.m. with an average sales price of approximately RMB16,300 per sq.m..

Changsha

According to the Seventh National Population Census, Changsha had a permanent population of over 10 million. As a new megacity, the population of Changsha increased by approximately 43% in the past decade, ranking second among all cities in the PRC. It is expected that the permanent population will exceed 15 million by 2035. Adhering to the principle of "housing is for living in, not for speculation" and sustaining rigid demand in recent years, the housing prices in Changsha ranked last among all provincial capitals, making Changsha as one of the happiest and most dynamic cities in the PRC. By keeping the supply and sales of the overall real estate market in balance, the prices and quantity supplied remained stable. Meanwhile, Hunan Province put forward the development strategy of "Three Highs and Four News" to accelerate the development of high-tech industries and attract high-quality enterprises and competent talents, thereby building a modernized "new Changsha".

As a key intelligent manufacturing industrial park, the Group's Changsha Yida Intelligent Manufacturing Industrial Village is positioned as a major platform for the "One Main and Three Special" industry chain of intelligent terminals in Wangcheng District. Through accelerating project launch, providing solid support and excellent services, it effectively attracted various enterprises in the industry chain, and introduced upstream and downstream enterprises engaging in smart phone terminals, vehicle-mounted smart terminals, smart wearable devices and flexible displays, becoming an important platform for constructing an industry chain. Currently, Chuangzhi Island in the village has attracted more than 30 high-quality enterprises in the intelligent terminal industry chain, becoming an important part of the intelligent terminal industry cluster with a production value of RMB100 billion in Wangcheng Economic Development Zone. In addition, leveraging on "5G+Industrial Internet" in digitalization and transformation and organizing operational activities such as "cloud and platform" practical training sessions, the park was committed to help enterprises in the park to achieve transformation and development. Upon completion of the whole project, it is expected that over 400 enterprises will settle in the park with an annual output value exceeding RMB5 billion, creating over 15,000 job opportunities.

During the Year, the construction of Changsha Yida & CSCEC Intelligent Technology Centre has officially commenced, marking another milestone of the Group's contribution to life medicine and healthcare industry. As one of the four industrial development directions of the park, the Group strived for integrating "medical and healthcare" industry with other related industries focusing on "scientific research and development", thereby building a smart and healthy whole industry chain. Upon completion of the whole project, it is expected that over 100 enterprises will settle in the park with an annual output value exceeding RMB5 billion and annual tax payment of approximately RMB200 million, creating over 10,000 job opportunities.

Zhengzhou

According to the "Opinion on Promoting High-quality Development in the Central Region in the New Era" issued by the State Council of the PRC, a modern industrial system supported by advanced manufacturing will be built, providing support to the construction of electronic information industry clusters in Zhengzhou and equipment manufacturing industry clusters in Luoyang, and accelerating the rise of the central region. Meanwhile, Zhengzhou will fully develop various industrial agglomerations as well as industrial development areas such as 32 core sectors, small and micro industrial parks, maker spaces and business incubators. Zhengzhou will also increase its investment in public facilities and infrastructure construction to provide strong support for Zhengzhou's industrial development and regional economic boom.

Zhengzhou Yida Creation City, a key project of the Group, closely followed the current industrial development trend and focused on two major industries, namely new-generation information technology and intelligent manufacturing. By supporting and fostering industry clusters of small and micro enterprises in the park, the Group was committed to provide a comprehensive operational service platform for cultivating and assisting technology-based enterprises and "specialized, sophisticated, special and innovative" enterprises. By adopting 5G and BIM+GIS as its basic structure, nurturing and integrating upstream and downstream enterprises in the intelligent manufacturing industry chain, leveraging on various new electronic information industry clusters such as Internet of Things, smart sensors, smart manufacturing, network security and artificial intelligence, more than 130 leading technology-based companies have been introduced, including Rockwell, one of the Fortune Global 500 companies. As such, a smart industrial agglomeration has initially formed. The Group has obtained certain honorary qualifications such as the first batch of small and micro enterprise parks in Zhengzhou (鄭州市首批小微企業園), Science and Technology Business Incubator of Zhengzhou (鄭州市科技企業孵化器), Off-Campus Practice Education Base for University Students in Henan Province (河南省大學生校外實踐教育基地) and High-tech Zone Employment and Internship Base (高新區就業見習基地).

In July 2021, Zhengzhou was hit by a severe rainstorm. The Group promptly safeguarded the safety of its staff and properties, and accelerated the resumption of work and production within the park. Upon completion of the road restoration work, the Group immediately used generators and water pumps, and assigned its staff to inspect and repair lifts, racks and lines. In the face of the difficulties in personnel arrangement and material supply caused by the rainstorm and the pandemic, effective measures were taken in a timely manner to mitigate the adverse effects and complete the construction tasks on schedule. At the same time, the Group also arranged cleaning and sterilization within the park, restored water supply, power supply and food supply, repaired damaged facilities, and ensured that the settled enterprises can resume production in a timely manner. In accordance with the requirements of the government, the Group immediately applied for resumption of work and production, being the first batch of parks obtaining such approval.

Contracted Sales Details

	Contracted Sales Floor Area *(sq.m.)*	Contracted Sales Amount *(RMB ten thousand)*	Average Sales Price *(RMB/sq.m.)*	Percentage of Total Contracted Sales
Dalian	160,798	300,094	18,663	68.1%
Changsha	107,499	65,172	6,063	14.8%
Wuhan	62,132	43,190	6,951	9.8%
Zhengzhou	45,988	29,282	6,367	6.7%
Chongqing	1,068	1,062	9,944	0.2%
Chengdu	7,240	1,796	2,480	0.4%
Total	**384,725**	**440,596**	**11,452**	**100.0%**
Dalian Software Park	2,301	1,180	5,127	0.3%
Dalian BEST City	2,819	2,034	7,214	0.5%
Yida Information Software Park	27,395	25,953	9,473	5.9%
Dalian Tiandi	21,132	34,460	16,307	7.8%
Wuhan First City	62,132	43,190	6,951	9.8%
Changsha Yida & CSCEC Intelligent Technology Centre	91,940	46,252	5,031	10.5%
Changsha Yida Intelligent Manufacturing Industrial Village	15,559	18,920	12,160	4.3%
Zhengzhou Yida Creation City	45,988	29,282	6,367	6.6%
Chongqing Yida Innovation Plaza	1,068	1,062	9,944	0.2%
Residential Properties outside Business Parks	114,391	238,263	20,829	54.1%
Total	**384,725**	**440,596**	**11,452**	**100.0%**
Residential Properties	241,435	340,394	17,492	77.3%
Office Properties	143,290	100,202	6,580	22.7%
Total	**384,725**	**440,596**	**11,452**	**100.0%**
Business Parks	270,334	202,332	7,485	45.9%
Residential Properties outside Business Parks	114,391	238,264	20,829	54.1%
Total	**384,725**	**440,596**	**11,452**	**100.0%**

III. Business Park Operation and Management

As at the end of the Year, the Group had a total of 25 business parks under its entrusted operation and management, and the total area was approximately 3.93 million sq.m.. During the Year, operation and management contracts in respect of 10 new business parks were signed. Revenue generated amounted to approximately RMB276 million, representing a year-on-year decrease of 14.8%, mainly due to the gradual withdrawal of some existing projects that met the completion conditions during the Year and the revenue from newly added projects has not yet been recognized.

Leveraging on more than 20 years of experience in the tenant recruitment, management and operation of business parks, the Group insisted on focusing on service enterprises and industrial operations. In particular, the Group recruited its tenants from six major industries, namely headquarters economy, digital, education and training, intelligent manufacturing, general health and modern service industries. By constantly introducing high-quality enterprises in the industry chain as well as focusing on strengthening, supplementing and extending the industry chain, the Group managed to stimulate "chain" effect in industry clusters. During the Year, the Group secured certain key entrusted management projects such as Wuhan Artificial Intelligence Science and Technology Park (武漢人工智能科技園), Langfang Mingshun Software New Town (廊坊銘順軟件新城), Qingdao City Meeting Room (青島城市會客廳) in Shanghai, Weihai Huancui New Material Industrial Park (威海環翠新材料產業園) and Qingdao (National) Confidential Technology Industrial Park (青島(國家)保密技術產業園).

In September 2021, around 100 entrepreneurs from various industries in the PRC were invited to participate in "Yida's Journey, Together with You", being Yida China's 2021 client conference, held in Dalian to draw a blueprint for industrial development. Many current clients, property owners and potential clients of the Group gathered together to express their opinions and conduct in-depth discussions on industrial trends, national strategies, green development and capital operations, so as to jointly contribute wisdom and power for industrial development and economic revitalization. The Group will cooperate with various partners to forge ahead and establish more business parks with distinctive industrial features for high-end industries.

Since digital economy becomes a key driving force of economic growth, economic industrialization still has a promising future. As an expert in business park operation, the Group promoted industrial transformation based on digital economy, continuously expanded new spaces for industrial development and achieved new development of industrial economy. In order to explore new intelligent businesses, the Group established Yida Yuntu Technology (Shenzhen) Co., Ltd. ("**Yida Yuntu**"), a subsidiary which was devoted to stimulating business growth and industrial development by providing comprehensive solutions for smart parks. During the Year, Yida Yuntu has obtained the national high-tech enterprise certification and Huawei Kunpeng certification, entering a new development stage focusing on customer-oriented service intelligence, value-added-oriented digitalization and data fusion.

IV. Construction, Decoration and Landscaping

During the Year, the revenue of construction, decoration and landscaping businesses amounted to RMB600 million, representing an increase of 43.2% as compared with the corresponding period of last year, which was mainly due to an increase in the number of external contracted projects. The Group continued to deepen the strategy for upholding quality and focus on building and construction quality and safety. The Group created a standardized product line, and realized the standardization of the model room, landscaping, decoration and other processes.

During the Year, the office space decoration project of Concentrix undertaken by the Group's decoration team successfully passed the customer acceptance test, further showing the recognition for Yida's decoration team's office space decoration ability by leading enterprises settled in the high-end business parks. The Group was responsible for the decoration project of Concentrix's business operation centre including office space decoration, office appliance customization, integrated wiring, electricity system, and equipment installation and commissioning. In pursuit of creating high-quality office space for clients, the Group has assigned a professional project management team for such project. Based on its extensive experience in office space decoration for international enterprises accumulated over the years, the team abided by on-site management standards of multinational companies, completed construction works in a scientific and reasonable manner, exercised strict control over engineering technologies and quality standards, so as to ensure that the project was checked and accepted according to our client's requirements in the first-time delivery.

Office space decoration is one of the Group's core businesses. Over the years, adhering to the development strategy of "city-industry integration", the Group has consolidated its market position, confirmed its business direction, and focused on strengthening its core competitiveness in the field of office space decoration and residential decoration. In addition, the Group also actively explored prefabricated and integrated construction models and constructed a green decoration material database. By implementing the concept of green, environmental protection, health and low carbon in the whole process from design to construction, the Group responded to the national "dual carbon" call with practical actions, thereby playing a leading role in the healthy development of the industry. In recent years, over ten completed high-quality office space and public space decoration projects in business parks and industrial parks in Shanghai, Changsha, Zhengzhou, Chongqing and Dalian have been well-received by the owners and park operators.

V. Land Reserves

As at 31 December 2021, the total GFA of the Group's land reserves was approximately 8.11 million sq.m., while the GFA of land reserves attributable to the Group was approximately 7.19 million sq.m.. The concentration of land reserves has further reduced. The land reserves in Dalian accounted for 66.1%, representing a decrease of 1.6 percentage points as compared with the end of last year. By pursuing the Group's development strategies, including consolidating its market position in Dalian, striving for development in Hubei and Hunan and strengthening its presence in Central China, the Group has gradually launched city-industry integrated projects in key cities and regions across the country.

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2021:

By City	**Total GFA of Land Reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of Land Reserves** *(sq.m.)*	**Proportion**
Dalian	5,364,538	66.1%	5,364,316	74.5%
Wuhan	615,459	7.6%	307,730	4.3%
Chengdu	109,856	1.4%	72,150	1.0%
Shenyang	89,179	1.1%	45,481	0.6%
Changsha	1,099,161	13.5%	668,505	9.3%
Zhengzhou	478,613	5.9%	478,613	6.7%
Chongqing	79,200	1.0%	79,200	1.1%
Hefei	274,882	3.4%	178,673	2.5%
Total	8,110,888	100.0%	7,194,668	100.0%

By Location	**Total GFA of Land Reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of Land Reserves** *(sq.m.)*	**Proportion**
Business Parks	6,436,524	79.4%	5,616,512	78.1%
Residential Properties outside Business Parks	1,674,364	20.6%	1,578,156	21.9%
Total	8,110,888	100.0%	7,194,668	100.0%

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office	100%	594,939	–	–
Residential	100%	78,079	–	–
Subtotal	100%	673,018	–	–
Dalian BEST City				
Office	100%	222,117	73,820	515,172
Residential	100%	140,852	5,823	–
Subtotal	100%	362,969	79,643	515,172
Wuhan First City				
Office	50%	193,390	74,702	329,558
Residential	50%	17,809	–	–
Subtotal	50%	211,199	74,702	329,558
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	80,075	89,891	–
Subtotal	100%	232,214	89,891	118,798
Dalian Tiandi				
Office	100%	335,677	166,369	1,169,179
Residential	100%	67,804	169,914	–
Subtotal	100%	403,481	336,283	1,169,179

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	42,064	52,200	–
Subtotal	60%	42,064	52,200	–
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	19,598	109,494	89,031
Subtotal	51%	19,598	109,494	89,031
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	116,568	–	304,924
Residential	70%	90,309	270,895	98,342
Subtotal	70%	206,877	270,895	403,266
Zhengzhou Yida Creation City				
Office	100%	1,189	244,624	232,800
Subtotal	100%	1,189	244,624	232,800
Chongqing Yida Innovation Plaza				
Office	100%	–	79,200	–
Subtotal	100%	–	79,200	–

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	–	89,179
Subtotal	51%	–	–	89,179
Projects Within Business Parks Subtotal		2,152,609	1,336,932	2,946,983
Projects Outside Business Parks				
Dalian	100%	475,238	313,343	595,309
Chengdu	100%	15,592	–	–
Heifei	65%	–	–	274,882
Projects Outside Business Parks Subtotal		490,830	313,343	870,191
Total		2,643,439	1,650,275	3,817,174

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; and (4) income from providing construction, decoration and landscaping services.

During the Year, the revenue of the Group was RMB5,395.07 million, representing an increase of 11.3% 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			
	2021		2020	
	Amount RMB'000	***% of total amount***	*Amount RMB'000*	*% of total amount*
Sales of properties	4,009,309	74.3%	3,568,530	73.6%
Rental income	510,024	9.5%	537,506	11.1%
Business park operation and management service income	276,107	5.1%	324,223	6.7%
Construction, decoration and landscaping income	599,625	11.1%	418,647	8.6%
Total	**5,395,065**	**100.0%**	**4,848,906**	**100.0%**

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB4,009.31 million, representing an increase of 12.4% from the corresponding period of last year, which was mainly due to the increase in projects delivered during the Year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB510.02 million, representing a decrease of 5.1% from the corresponding period of last year, which was mainly attributable to the decrease in leased area during the Year as a result of the withdrawal of subletting projects in late 2020.

(3) Business park operation and management service income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB276.11 million, representing a decrease of 14.8% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Year and the new projects and revenue had not yet been carried forward.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB599.63 million, representing an increase of 43.2% from the corresponding period of last year, which was mainly attributable to the increase in external contracted projects during the Year.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,761.06 million, representing an increase of 2.2% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Year amounted to RMB1,634.00 million, representing an increase of 39.7% from the corresponding period of last year, the gross profit margin increased to 30.3% during the Year from 24.1% in the corresponding period of 2020, which was mainly attributable to different products carried forward during the Year and the increase in corresponding average price of each product carried forward as compared to the same period last year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group increased by 33.9% to RMB220.96 million for the Year from RMB165.04 million in the corresponding period of 2020, which was mainly due to the increase in marketing and promotion expenses and property management fee.

Administrative Expenses

The administrative expenses of the Group decreased by 16.7% to RMB341.20 million for the Year from RMB409.61 million in the corresponding period of 2020, which was mainly due to the adoption of active measures to control administrative costs by the Company during the Year.

Other loss– net

The net other loss of the Group recorded for the Year amounted to RMB473.90 million, which was mainly due to the disposal of 50% equity interest in DLSP Ascendas during the Year.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased from RMB81.07 million in the corresponding period of 2020 to the losses of RMB117.24 million during the Year, which was mainly due to the decrease in valuation as a result of the loss on disposal of investment properties and the decrease in net rental income during the Year.

Finance Costs – net

The net finance costs of the Group decreased to RMB821.29 million during the Year from RMB832.09 million in the corresponding period of 2020, which was primarily attributable to the decrease in interest expenses.

Share of Profits and Losses of Joint Ventures and Associates

The Group's share of profit of joint ventures and associates increased to RMB90.95 million during the Year from RMB87.20 million in the corresponding period of 2020, which was primarily attributable to the increase in share profit in Wuhan New Software Park Development Company Limited.

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 during the Year was RMB620.69 million, representing an increase of 84.6% as compared to the corresponding period of last year, mainly due to the increase in income tax expenses as a result of the disposal of 50% equity interest in DLSP Ascendas during the Year and the increase in land appreciation tax for projects carried forward during the Year.

Profit for the Year

As a result of the foregoing, the Group recorded a loss before tax of RMB247.27 million during the Year as compared to the profit before tax of RMB504.50 million in the corresponding period of 2020.

The net profit of the Group decreased to RMB22.19 million during the Year from RMB196.84 million in the corresponding period of 2020.

The net profit attributable to equity owners decreased to RMB2.93 million during the Year from RMB172.58 million in the corresponding period of 2020.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) decreased to RMB90.86 million during the Year from RMB111.77 million in the corresponding period of 2020.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2021, the Group had cash and bank balances of approximately RMB773.89 million (including restricted cash of approximately RMB330.69 million) (2020: cash and bank balances of approximately RMB1,574.79 million, including restricted cash of approximately RMB1,002.55 million).

Debts

As at 31 December 2021, the Group had bank and other borrowings of approximately RMB12,910.46 million (2020: approximately RMB15,279.36 million), of which:

(1) By Loan Type

	31 December 2021 *RMB'000*	31 December 2020 *RMB'000*
Secured bank loans	**4,917,730**	5,866,626
Unsecured bank loans	**1,600**	3,000
Secured other borrowings	**6,136,498**	6,820,397
Unsecured other borrowings	**1,854,632**	2,589,336
	12,910,460	15,279,359

(2) By Maturity Date

	31 December 2021 *RMB'000*	31 December 2020 *RMB'000*
Within one year or on demand	**10,870,260**	11,869,159
In the second year	**2,040,200**	775,200
In the third to fifth year	**–**	2,635,000
	12,910,460	15,279,359

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 99.5% as at 31 December 2021, which decreased by 11.8 percentage points as compared to 111.3% as at 31 December 2020.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2021, the Group had cash and bank balances (including restricted cash) of approximately RMB18.48 million and approximately RMB160,000 denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,381.14 million and RMB508.14 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management continues to monitor 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 2021, the Group provided guarantees of approximately RMB1,028.78 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2020: approximately RMB504.77 million). Besides, the Group provided guarantees to the extent of RMB319.80 million (2020: RMB524.48 million) as at 31 December 2021 in respect of bank loans granted to a joint venture.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 955 full-time employees (2020: 1,848). 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.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the Year (2020: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. Throughout the Year, 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 of Hong Kong Limited in force. During the Year, except for the deviation for reason set out below, the Company has complied with all the code provisions set out in the CG Code.

Pursuant to the code provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022) of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Jiang Xiuwen, the chief executive officer of the Company, was appointed as the chairman of the Company on 22 June 2018 and is responsible for overseeing the operations of the Group. The Board considers vesting the two roles in Mr. Jiang Xiuwen will ensure the Company is under a consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future.

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.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

1. The Disposal of Yida Property Service and its Subsidiaries

On 4 March 2021, four wholly-owned subsidiaries of the Company as vendors entered into an equity transfer agreement and a supplemental agreement with, inter alia, Longfor as purchaser to dispose of the entire equity interests in Yida Property Service and its subsidiaries at a consideration of RMB1,273 million. Such disposal was completed on 10 March 2021 and the financial results of Yida Property Service together with its subsidiaries have been deconsolidated from the financial statements of the Group.

For details, please refer to the announcement of the Company dated 4 March 2021 and the circular of the Company dated 31 May 2021.

2. The Disposal of 50% of the Equity Interest in the Joint Venture

On 21 May 2021, Dalian Software Park Company Limited, a wholly-owned subsidiary of the Company, as vendor entered into an equity transfer agreement with Ascendas as purchaser and DLSP Ascendas as the target company in relation to the disposal of 50% equity interest in DLSP Ascendas at a consideration of RMB501 million. Such disposal was completed on 21 May 2021 and the financial results of DLSP Ascendas have been deconsolidated from the financial statements of the Group.

For details, please refer to the announcements of the Company dated 26 May 2021 and 21 June 2021.

Save as disclosed above, the Company has no other significant investments or significant acquisitions of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group had not authorised any plans for other material investments or additions of capital assets as at 31 December 2021.

LITIGATION AND ARBITRATION

On 23 October 2017, certain subsidiaries of the Company (collectively, the "**Respondents**") received an arbitration notice from the Hong Kong International Arbitration Centre in respect of the submission of arbitration applications by the joint venture partners of the Group (the "**Claimants**") relating to the put price of the put options pursuant to certain agreements entered into between the Respondents, and the Claimants.

On 20 October 2020, the Hong Kong International Arbitration Centre issued a final award (the "**Final Award**"). The arbitral tribunal ordered that the Respondents shall pay the full put option price of USD108 million to the Claimants together with USD84 million being interest accrued up to the date of the Final Award, as well as the Claimants' legal costs and expenses. Upon receipt of such amounts, the Claimants shall transfer the equity interest of the Claimants in the relevant joint ventures to the relevant Respondents.

On 4 March 2021, the Respondents and the Claimants entered into the settlement agreement (the "**Settlement Agreement**"). The Respondents acknowledged that they are indebted to the Claimants for approximately USD209 million (the "**Total Payment Obligation**") according to the Final Award. It is further agreed that the amount payable by the Respondents would be reduced to USD175 million, and paid to the Claimants in accordance with the payment time and amount stipulated in the Settlement Agreement.

For details, please refer to the announcements of the Company dated 25 February 2021 and 5 March 2021.

SUBSEQUENT EVENTS

Reference is made to the announcements of the Company dated 7 February 2022 and 17 February 2022.

On 7 February 2022, there was a solicitation of consents (the "**Consent Solicitation**") entered into between the Company, certain of its subsidiaries (as subsidiary guarantors) and Citicorp International Limited (as trustee) in relation to the proposed waivers of certain defaults under the indenture dated as of 27 March 2020 (as supplemented or amended, the "**Indenture**") and the senior notes issued by the Company on 27 March 2020 due 27 March 2022 (ISIN: XS2130508000; Common Code: 213050800) (the "**2022 Notes**") and the proposed amendments to the Indenture. Completion of the Consent Solicitation took place on 16 February 2022, which mainly included, among other things, (i) the waiver of events of default relating to the failure to pay the outstanding principal amount and interest (including default interest) under the Indenture, and other payment defaults under other indebtedness and the waiver of other consequential breaches and defaults arising from such events of default; (ii) the extension of the maturity date of the 2022 Notes to 30 April 2025 and the amendment to the repayment schedule for the outstanding principal amount of the 2022 Notes; and (iii) the change in the interest rate of the 2022 Notes to 6.0% per annum and the default rate was changed to 2.0% per annum over the new interest rate and the interest payment dates were changed to 30 April and 30 October each year.

Save as disclosed above, the Group has no material subsequent events since the end of the Year up to the date of this announcement.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

Breach of significant loan agreements

Reference is made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 23 April 2020 and 4 May 2021, the interim reports of the Company for the six months ended 30 June 2019, 30 June 2020 and 30 June 2021, respectively and the annual reports of the Company for the years ended 31 December 2019 and 31 December 2020.

1. In April 2019, China Minsheng Investment Corp., Ltd. ("**China Minsheng**"), the controlling shareholder of the Company, had faced liquidity difficulties and which technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.

2. In February 2020, Mr. Chen Donghui, a previous executive Director, was detained by the authorities of the PRC. It has further resulted in the occurrence of certain triggering events under certain loan agreements.

3. On 17 April 2017, the Company issued the USD300,000,000, 6.95%, senior notes due 2020 (the "**2020 Notes**"). The remaining outstanding principal amount of USD52,854,000 was due on 20 April 2020, and the Company had repaid in full on 24 April 2020 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest) of the 2022 Notes on 16 April 2021, and the Company had repaid in full on 4 May 2021 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest), semi-annual interest and the principal amount of USD45,000,000 (together with the accrued interest) of the 2022 Notes on 27 August 2021, 27 September 2021 and 27 December 2021, respectively, and the Company's failure to make such payments constituted an event of default. Pursuant to the Consent Solicitation completed on 16 February 2022, among other things, the aforesaid events of defaults were waived.

4. According to the Final Award issued by the Hong Kong International Arbitration Centre dated 20 October 2020, the Respondents were required to pay the put option price and interest to the Claimants. The Respondents failed to comply with the award within 90 days resulting in a technical default on the 2022 Notes. In March 2021, the Respondents entered into the Settlement Agreement with the Claimants and the investors of the 2022 Notes have agreed to exempt the breach of contract. According to the payment schedule and the entitled grace period of ten days in the Settlement Agreement, USD50,000,000 (together with the accrued interests) shall be paid before 10 May 2021, and the Respondents has repaid in full on 24 May 2021. On 26 May 2021, the Claimants provided a written confirmation that the delay in payment will not give rise to an event of default. According to the payment schedule and the entitled grace period of ten day in the Settlement Agreement, USD50,000,000 shall be paid before 10 June 2021 and USD40,000,000 (together with the accrued interests) shall be paid before 10 October 2021. As at the date of this announcement, such amounts have not been paid and constituted an event of default.

5. On 30 October 2020, bank loans of a subsidiary from one commercial bank matured, which the relevant subsidiary repaid in full on 4 March 2021. The delay in repayment constituted an event of default.

6. The Company has failed to repay certain borrowings together with accrued interests under the corresponding agreements with lenders according to the respective scheduled repayment dates set out therein (the "**Borrowings Overdue**"). As at 31 December 2021, RMB2,154,149,000 remained unsettled, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of this announcement. The delay in payment of such aggregate sum has constituted an event of default.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders. As at the date of this announcement, no relevant lender had demanded for immediate repayment of the loans. In addition, the operation of the Group, including its pre-sale and receivables collection, remains normal. The Company and relevant banks and financial institutions continue to negotiate on the future financing arrangements with the Company, and at the same time is also exploring alternative sources of financing.

Specific performance of the controlling shareholder

Pursuant to the Settlement Agreement as disclosed under the section headed "Litigation and Arbitration" in this announcement, China Minsheng or its subsidiaries are required to be the beneficial owner of 35% or more of the total outstanding shares of the Company (the "**Change of Control**"), failing which the outstanding balance of the Total Payment Obligation, together with accrued interest and all other amounts accrued or outstanding will be due and payable on the thirtieth day following the Change of Control. For details, please refer to the announcement of the Company dated 5 March 2021.

Pledging of shares by the controlling shareholder

On 11 March 2021, Jiayou (International) Investment Limited executed a share charge to charge 516,764,000 shares of the Company, representing 20% of issued share capital of the Company, as security for the obligation of the Company and certain of its subsidiaries and joint ventures under the Settlement Agreement. For details, please refer to the Company's announcements dated 5 March 2021 and 11 March 2021.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the Year, no share options have been granted under the share option scheme.

ANNUAL RESULTS

The annual results of the Group for the Year have been reviewed and approved by the audit committee of the Company.

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 2021 as set out in this announcement have been confirmed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2021. The work performed by them 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 them on this announcement.

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, together with the circular, the notice convening the annual general meeting of the Company and the proxy form, will be dispatched to the 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, 31 March 2022

As at the date of this announcement, the executive Director of the Company is Mr. Jiang Xiuwen, the non-executive Directors are Mr. Lu Jianhua, Mr. Wang Gang, Mr. Ni Jie and Ms. Jiang Qian and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.