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 2022

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2022 amounted to 4,532.92 million, representing a decrease of 16.0% as compared to 2021.

2. Gross profit for the year 2022 amounted to RMB1,060.42 million, representing a decrease of 35.1% as compared to 2021, and the gross profit margin decreased from 30.3% in 2021 to 23.4% during the year.

3. (Loss)/profit for the year decreased from net profit of RMB22.19 million in 2021 to net loss of RMB736.49 million for the year, representing a net profit margin of -16.2%.

4. Total basic losses per share attributable to ordinary equity holders was RMB28.51 cents.

5. The Board does not recommend any payment of final dividend for the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
Continuing operations			
Revenue	4	**4,532,923**	5,395,065
Cost of sales	6	**(3,472,507)**	(3,761,063)
Gross profit		**1,060,416**	1,634,002
Other income		**9,251**	18,307
Fair value losses on investment properties		**(37,624)**	(117,238)
Impairment losses on financial and contract assets		**(44,767)**	(15,947)
Other losses – net	5	**(272,071)**	(473,900)
Selling and marketing expenses	6	**(118,694)**	(220,957)
Administrative expenses	6	**(238,248)**	(341,198)
Finance costs – net	7	**(581,088)**	(821,294)
Share of net (loss)/profit of joint ventures and associates		**(87,755)**	90,953
Loss before income tax		**(310,580)**	(247,272)
Income tax expenses	8	**(425,913)**	(620,694)
Loss from continuing operations		**(736,493)**	(867,966)
Profit from discontinued operation (attributable to equity holders of the Company)		**–**	890,156
(Loss)/profit for the year		**(736,493)**	22,190
Attributable to:			
Owners of the Company		**(736,773)**	2,934
Non-controlling interests		**280**	19,256
		(736,493)	22,190
Losses per share for loss from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB per share)		**(28.51) cents**	(34.34) cents
(Losses)/earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	10	**(28.51) cents**	0.11 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(736,493)**	22,190
Other comprehensive income	**–**	–
Total comprehensive (loss)/income for the year	**(736,493)**	22,190
Attributable to:		
Owners of the Company	**(736,773)**	2,934
Non-controlling interests	**280**	19,256
	(736,493)	22,190
Total comprehensive (loss)/income for the year attributable to owners of the Company arises from:		
Continuing operations	**(736,493)**	(867,966)
Discontinued operations	**–**	890,156

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 RMB'000	2021 RMB'000
Non-current assets			
Property, plant and equipment		**76,573**	86,421
Investment properties	*11*	**18,002,005**	18,662,149
Investments in joint ventures		**697,591**	798,438
Investments in associates		**4,785**	4,785
Prepayments for acquisition of land		**3,254,839**	3,153,481
Prepayments and other receivables		**629,749**	518,886
Intangible assets		**19,486**	21,770
Deferred tax assets		**460,001**	380,535
Total non-current assets		**23,145,029**	23,626,465
Current assets			
Inventories		**194,354**	85,380
Land held for development for sale		**761,226**	938,059
Properties under development		**7,924,222**	8,901,556
Completed properties held for sale		**4,939,106**	6,154,363
Prepayments for acquisition of land		**–**	24,867
Contract assets		**149,554**	121,020
Trade receivables	*12*	**384,820**	545,628
Prepayments, deposits and other receivables		**1,484,998**	1,677,286
Prepaid corporate income tax		**103,385**	127,177
Prepaid land appreciation tax		**238,570**	247,429
Restricted cash	*13*	**231,281**	330,685
Cash and cash equivalents	*13*	**127,519**	443,200
Total current assets		**16,539,035**	19,596,650
Total assets		**39,684,064**	43,223,115

	Notes	**2022**	2021
		RMB'000	*RMB'000*
Non-current liabilities			
Interest-bearing bank and other borrowings	*15*	**–**	2,040,200
Deferred tax liabilities		**2,766,331**	2,851,617
Lease liabilities		**34,572**	37,975
Other non-current liabilities		**–**	26,945
Total non-current liabilities		**2,800,903**	4,956,737
Current liabilities			
Contract liabilities		**3,531,627**	5,802,521
Trade payables	*14*	**3,619,919**	4,067,022
Other payables and accruals		**3,638,425**	3,113,910
Interest-bearing bank and other borrowings	*15*	**12,050,826**	10,870,260
Corporate income tax payable		**1,027,661**	945,035
Provision for land appreciation tax		**1,598,861**	1,252,425
Lease liabilities		**10,165**	14,464
Total current liabilities		**25,477,484**	26,065,637
Total liabilities		**28,278,387**	31,022,374
Equity			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**11,136,317**	11,873,090
		11,295,735	12,032,508
Non-controlling interests		**109,942**	168,233
Total equity		**11,405,677**	12,200,741
Net current liabilities		**(8,938,449)**	(6,468,987)
Total assets less current liabilities		**14,206,580**	17,157,478

1 Corporate and group information

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

The Company 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 2022, 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, 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 2022 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of consolidated 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 2022, the Group's current liabilities exceeded its current assets by RMB8,938,449,000. At the same date, its current borrowings amounted to RMB12,050,826,000 while its cash and cash equivalents amounted to RMB127,519,000 only.

Since 2020, the Group has failed to pay principals, interests and consent fees of certain borrowings according to their scheduled payment dates (the "Borrowings Overdue"). Although the Group managed to settle some of these overdue borrowings after the original due dates, borrowings with the carrying amount of RMB3,772,064,000 remained unsettled as at 31 December 2022, out of which RMB500,000,000 have been subsequently extended up to the date of the approval of these consolidated financial statements although the extended borrowing agreements contain terms that cause such borrowings to be subject to immediate repayment if requested by the lenders. Subsequent to 31 December 2022, other than the Borrowings Overdue, the Group failed to pay interests of certain borrowings with the carrying amount of RMB28,240,000 in total according to their scheduled payment dates.

On 4 March 2021, the Group and certain parties ("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. However, the Group failed to fulfill the settlement agreement, and therefore Aetos Parties formally demanded the Group several times 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"). As at 31 December 2022, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,066,980,000. The Group 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 RMB7,630,600,000 in total as at 31 December 2022 becoming immediately repayable if requested by the lenders, of which RMB4,679,350,000 represented borrowings with scheduled repayment dates within one year, while RMB2,951,250,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2023 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 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 of the overdue borrowings preliminarily intended to renew or extend the respective 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) The Group has also been conducting negotiations with relevant banks and financial institutions on renewal and extension for existing borrowings with scheduled repayment dates within one year. 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 with scheduled repayment dates within one year as and when needed.

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 also explore the opportunities to dispose of certain assets to third parties or local government 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 2022. 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 2022. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, material multiple 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 renewal or extension for existing borrowings with scheduled repayment dates within one year 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 implementation of the Group's preliminary intention to dispose certain assets 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 non-current 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 or annual improvements for the first time for their annual reporting period commencing 1 January 2022:

i) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to HKAS 16

ii) Onerous Contracts – Cost of Fulfilling a Contract – Amendments to HKAS 37

iii) Annual Improvements to HKFRS Standards 2018-2020

iv) Reference to the Conceptual Framework – Amendments to HKFRS 3

v) Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendment to HKFRS 16 (March 2021) (the "HKFRS 16 Amendment (March 2021)"), and

vi) Amendments to AG 5 Merger Accounting for Common Control Combinations.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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 2022 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.

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

ii) Disclosure of Accounting Policies – Amendments to HKAS 1 and HKFRS Practice Statement 2.

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, restricted 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 2022, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

Year ended 31 December 2022

	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:	3,231,556	507,178	294,923	1,180,933	–	5,214,590
Intersegment revenue	(49,879)	(1)	(41,350)	(590,437)	–	(681,667)
Sales to external customers	3,181,677	507,177	253,573	590,496	–	4,532,923
Segment results	49,188	245,295	3,810	640	(25,482)	273,451
Reconciliation:						
Interest income						3,287
Unallocated losses						(6,230)
Finance costs – net						(581,088)
Loss before income tax						(310,580)
Income tax expenses						(425,913)
Loss from continuing operations						(736,493)
Segment assets	62,977,928	24,240,243	357,863	8,644,751	11,019,613	107,240,398
Reconciliation:						
Elimination of intersegment receivables						(68,789,556)
Corporate and other unallocated assets						1,233,222
Total assets						39,684,064
Segment liabilities	44,766,201	9,375,602	455,993	7,782,200	16,310,140	78,690,136
Reconciliation:						
Elimination of intersegment payables						(68,789,556)
Corporate and other unallocated liabilities						18,377,807
Total liabilities						28,278,387
Other segment information:						
Depreciation and amortisation	11,266	6,223	7,703	6,682	1,662	33,536
Capital expenditure*	14	(882)	6,943	7,429	1,452	14,956
Fair value losses on investment properties	–	(37,624)	–	–	–	(37,624)
Share of net (loss)/profit of joint ventures and associates	(88,594)	–	905	–	(66)	(87,755)
Investments in joint ventures	663,395	–	14,763	–	19,433	697,591
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.

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 – net						(821,294)
Loss before income tax						(247,272)
Income tax expenses						(620,694)
Loss 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 net (loss)/profit 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.

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 consolidated 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:

	2022	2021
	RMB'000	*RMB'000*
Revenue from contracts with customers recognised at a point in time		
Sale of properties	**3,181,677**	4,009,309
Revenue from contracts with customers recognised over time		
Business park operation and management service income	**253,573**	276,107
Construction, decoration and landscaping income	**590,496**	599,625
	844,069	875,732
Revenue from contracts with customers	**4,025,746**	4,885,041
Revenue from other sources		
Rental income	**507,177**	510,024
	4,532,923	5,395,065

5 Other losses – net

	2022	2021
	RMB'000	*RMB'000*
Net foreign exchange losses/(gains)	**217,574**	(41,469)
Losses/(gains) arising from disposal of subsidiaries (a)	**52,095**	(26,412)
Losses arising from disposal of a joint venture (b)	**–**	470,397
Net losses/(gains) on disposal of property, plant and equipment	**715**	(3,395)
Other items	**1,687**	74,779
	272,071	473,900

(a) As at 31 December 2021, the Group held 70% equity interests in Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd.,("Changsha Town"), which was accounted for as a subsidiary of the Group. On 6 September 2022, the Group entered into an equity transfer agreement with Changsha Zhenwang Investment Development Co., Ltd., the remaining 30% equity interests holder of Changsha Town, pursuant to which the Group sold its 70% equity interests in Changsha Town at a consideration of RMB84,570,000 approximately, and the Group recognised a loss of RMB52,095,000 arising from the disposal during 2022.

(b) 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:

	2022	2021
	RMB'000	*RMB'000*
Cost of properties sold	**2,469,943**	2,799,045
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**183,905**	189,537
Cost of other services provided	**793,149**	770,923
Write-down of properties under development and completed properties held for sale	**25,510**	1,558
Employee benefit expenses	**161,511**	213,031
Depreciation	**26,634**	35,555
Amortisation of intangible assets	**6,902**	16,569
Auditor's remuneration		
– Audit services	**4,100**	4,350
– Non-audit services	**258**	800
Other costs and expenses	**157,537**	291,850
Total cost of sales, selling and marketing expenses and administrative expenses	**3,829,449**	4,323,218

7 Finance Costs – net

An analysis of finance income and costs is as follows:

	2022	2021
	RMB'000	*RMB'000*
Finance costs		
Interest on bank loans and other loans	**1,136,202**	1,586,267
Interest on lease liabilities	**3,597**	3,845
Less: Interest capitalised	**(510,771)**	(709,931)
	629,028	880,181
Interest income	**(47,940)**	(58,887)
Finance costs – net	**581,088**	821,294

8 Income Tax Expenses

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

	2022	2021
	RMB'000	*RMB'000*
Current tax– PRC		
Corporate income tax charge for the year	**223,413**	355,985
Land appreciation tax charge for the year ("**LAT**")	**373,890**	459,467
	597,303	815,452
Deferred income tax:		
Current year	**(171,390)**	(194,758)
Total tax charge arising from continuing operations for the year	**425,913**	620,694

9 Dividend

	2022	2021
	RMB'000	*RMB'000*
Proposed no final dividend per ordinary share	**–**	–

In addition, no interim dividend has been declared during the year (2021: nil).

10 (Losses)/earnings Per Share Attributable to Ordinary Equity Holders of the Company

(a) Basic (losses)/earnings per share

The calculation of the basic (losses)/earnings per share is based on the consolidated loss for the year ended 31 December 2022 attributable to the ordinary equity holders of the Company of RMB736,773,000 (2021: profit of RMB2,934,000), and the weighted average number of ordinary shares of 2,583,970,000(2021: 2,583,970,000) in issue during the year ended 31 December 2022.

(b) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share is same as basic loss/earnings per share for the years ended 31 December 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those years.

The basic (losses)/earnings per share and diluted (losses)/earnings per share for the years ended 31 December 2022 and 2021 are as follows:

	2022	2021
	RMB Cents	*RMB Cents*
From continuing operations attributable to the ordinary equity holders of the Company	**(28.51)**	(34.34)
From discontinued operation	**–**	34.45
Total basic and diluted (losses)/earnings per share attributable to the ordinary equity holders of the Company	**(28.51)**	0.11

11 Investment Properties

	Right-of-use Assets	**Completed**	**Under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 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 and 1 January 2022	**44,000**	**12,922,800**	**5,695,349**	**18,662,149**
Additions	**–**	**(4,560)**	**(2,815)**	**(7,375)**
Transfer to properties under development	**–**	**–**	**(615,145)**	**(615,145)**
Net losses from fair value adjustments	**(2,000)**	**(53,840)**	**18,216**	**(37,624)**
Carrying amount at 31 December 2022	**42,000**	**12,864,400**	**5,095,605**	**18,002,005**

As at 31 December 2022, certain of the Group's investment properties of RMB16,011,638,000 (2021: RMB18,138,744,000) were pledged to banks to secure the loans granted to the Group (note 15).

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, an independent professionally qualified valuer.

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 2022 and 2021, valuations were based on the residual 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 2022 (2021: RMB1,515,000,000), 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.

12 Trade Receivables

	2022	2021
	RMB'000	*RMB'000*
Trade receivables – gross amount	**484,304**	599,021
Less: Allowances for impairment of trade receivables	**(99,484)**	(53,393)
	384,820	545,628

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:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**167,017**	258,913
1 to 2 years	**90,461**	121,096
Over 2 years	**226,826**	219,012
	484,304	599,021

As at 31 December 2022, a provision of RMB99,484,000 (31 December 2021: RMB53,393,000) was made against the gross amount of trade receivables.

As at 31 December 2022, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB79,000 (2021: RMB455,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

13 Cash and Cash Equivalents and Restricted Cash

	2022	2021
	RMB'000	*RMB'000*
Cash and bank balances	**358,800**	773,885
Less: Restricted cash	**(231,281)**	(330,685)
Cash and cash equivalents	**127,519**	443,200

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 RMB358,583,000 (2021: RMB755,250,000).

14 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:

	2022	2021
	RMB'000	*RMB'000*
Within 1 year	**2,428,771**	2,647,053
Above 1 year	**1,191,148**	1,419,969
	3,619,919	4,067,022

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

15 Interest-Bearing Bank and Other Borrowings

	2022 Effective interest rate (%)	**2022** *RMB'000*	2021 Effective interest rate (%)	2021 *RMB'000*
Current				
Bank loans – secured	**4.00-6.50**	**5,808,668**	3.85-7.45	4,563,730
Bank loans – unsecured	**–**	**–**	4.25	1,600
Other loans – secured	**2.00-13.00**	**4,306,601**	6.00-14.30	4,450,298
Other loans – unsecured	**1.20-6.00**	**1,935,557**	1.20-12.00	1,854,632
		12,050,826		10,870,260
Non-current				
Bank loans – secured		**–**	4.55	354,000
Other loans – secured		**–**	6.00-13.00	1,686,200
		–		2,040,200
		12,050,826		12,910,460

	2022 *RMB'000*	2021 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,808,668**	4,565,330
In the second year	**–**	354,000
	5,808,668	4,919,330
Other loans repayable:		
Within one year or on demand	**6,242,158**	6,304,930
In the second year	**–**	1,686,200
	6,242,158	7,991,130
	12,050,826	12,910,460

As at 31 December 2022, included in bank loans of the Group is an amount of RMB1,595,168,000 (2021: RMB2,320,290,000) 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 RMB2,951,250,000 (2021: RMB2,659,277,000) with original maturity beyond 31 December 2023 which have been reclassified as current liabilities as at 31 December 2022 as a result of the matters described in note 2.1(c).

(a) As at 31 December 2022, 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 RMB479,223,000 respectively (31 December 2021: RMB800,000,000 and RMB524,223,000 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 2022, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2023, borne interest at a rate of 4% per annum (31 December 2021: 6%). As at 31 December 2022, certain second tranche of corporate bond with the principal amount of RMB249,523,000 were extended to 31 December 2023 by respective bond holders, borne interest at a rate ranging from 2% to 4% per annum (31 December 2021: 2% to 6%), while the remaining second tranche of corporate bond with the principal amount of RMB229,700,000 were extended to 31 March 2023, borne interest at a rate of 6% per annum (31 December 2021: 6%), and were further extended to 30 June 2023 subsequently.

(b) As at 31 December 2021, included in other loans of the Group were senior notes due on 27 March 2022 (the "Senior Notes") with carrying amount of RMB1,332,049,000, which constituted an event of default and were unsecured and guaranteed by certain subsidiaries of the Group.

On 17 February 2022, a solicitation of consents for the Senior Notes was completed. Previous events of default 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 and the Company should pay consent fee and the lieu of accrued interest of USD11,500,000 in total.

Since then and up to 31 December 2022, the Company failed to pay the consent fee, the lieu of accrued interest and accrued interest of USD16,084,000 in total according to the scheduled payment date in the solicitation of consents. As at 31 December 2022, the carrying amount was RMB1,457,265,000.

(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 2022 of approximately RMB5,777,695,000 (2021: RMB6,324,475,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2022 of approximately RMB16,011,638,000 (2021: RMB18,138,744,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2022 of approximately RMB761,226,000 (2021: RMB935,669,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2022 of approximately RMB3,088,247,000 (2021: RMB4,930,857,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2022 of approximately RMB24,978,000 (2021: RMB30,466,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB7,749,563,000 (2021: RMB8,687,847,000) as at 31 December 2022;

(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; and

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

(d) Other than certain other loans with a carrying amount of RMB1,510,892,000 (2021: RMB1,381,141,000) denominated in USD as at 31 December 2022 and RMB369,797,000 (2021: RMB508,138,000) denominated in HKD as at 31 December 2022, all bank and other loans of the Group are denominated in RMB as at 31 December 2022 and 2021.

(e) As at 31 December 2022, 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 RMB 661,824,000 (31 December 2021: RMB657,289,000), among which RMB410,265,000 were unsecured, borne interest at 2% per annum, while the remaining RMB251,559,000 were secured, borne interest at 2% 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 RMB8,938,449,000 as at 31 December 2022. At the same date, its current borrowings amounted to RMB12,050,826,000 while its cash and cash equivalents amounted to RMB127,519,000 only. The Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the "Borrowings Overdue"), and borrowings with the carrying amount of RMB3,772,064,000 remained unsettled as at 31 December 2022, out of which RMB500,000,000 have been subsequently extended up to the date of this report although the extended borrowing agreements contain terms that cause such borrowings to be subject to immediate repayment if requested by the lenders. Subsequent to 31 December 2022, other than the Borrowings Overdue, the Group failed to pay interests of certain borrowings with the carrying amount of RMB28,240,000 in total according to their scheduled payment dates. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties (the "Aetos Parties") amounted to RMB1,066,980,000 as at 31 December 2022, while the Aetos Parties formally demanded the Group several times 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 RMB7,630,600,000 in total as at 31 December 2022 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 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 renewal or extension for existing borrowings with scheduled repayment dates within one year 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 implementation of the Group's preliminary intention to dispose certain assets 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 Yida China Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") for the year ended 31 December 2022 (the "**Year**").

Results

During the Year, the Group recorded revenue of RMB4,533 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB3,182 million; rental income from business parks was RMB507 million; business park operation and management service income was RMB254 million; construction, decoration and landscaping income was RMB590 million. Gross profit decreased by 35.1% to RMB1,060 million compared to the corresponding period of the previous year, with a gross profit margin of 23.4%. Net loss attributable to equity owners of the Company was RMB737 million.

Review of 2022

In 2022, real estate project development and investment was weakened and funds were thereby under pressure under the triple pressure of "shrinking demand, disrupted supply and weakening expectations" and the repeated superposition effect of COVID-19 epidemic. Moreover, the kinetic energy release of medium and long-term housing demand was weakened, and the real estate industry faced unprecedented challenges.

Since the beginning of the year, a number of policies to fix the economy and boost regional development and employment have been implemented in a timely manner, and policies have been optimized from both supply and demand to stabilize the expectations of the real estate markets. Nevertheless, it will take considerable time for the favorable policies to be transmitted to all micro levels of this industry.

The Group takes full advantage of its professional industrial operation capability and strategic layout, empowers industrial development with the help of policy guidance and internal and external industrial resources, assists tenant enterprises in realising visions. With the help of 5G, cloud computing, big data, Internet of Things, Internet and other technical means, the Group improves the management efficiency and service quality of the business parks, and creates a smart industry ecology, so as to provide a better growth environment for innovation and development of the tenant enterprises.

I. Building smart business park system to help upgrading of operation of business parks

During the Year, intelligent management approaches were established for smart business parks around three business sectors, including: park management, tenant recruitment and enterprise service, aimed at gradually reducing costs and increasing efficiency. By building smart business parks, the Group continuously enhanced the efficiency of operation and management of business parks, improved the service quality of business parks, created a smart industry ecology, provided a better growth environment for enterprise innovation and development, and helped Dalian Software Park, Wuhan First City, Zhengzhou Yida Creation City and other business parks to offer intelligent and integrated comprehensive park services, and realized the digital operation upgrade of smart business parks.

II. Deepening management reform to improve enterprise efficiency

In order to improve the performance efficiency of all departments and subsidiaries of the Group and strengthen the execution process in core businesses, the Group made efforts to ensure the efficient and steady daily operation of the Company by flattening the organizational structure, integrating departmental resources, sorting out post responsibilities and setting up a number of special working groups directly responsible to the top management according to the overall strategy of the Company.

III. Actively and effectively solving the financial distress to resolve risks

During the Year, the Company took a positive and responsible attitude to seek to alleviate the financial pressure by revitalizing the assets and releasing saleable resources under the continuous severe sales and financing environment. At the same time, the Group actively sought close communication with financial institutions and creditors, sought the support of the government and shareholders to realize the extension and reduction of coupon rate of outstanding debts, which won the necessary time and space for the stable and sustainable development of the Company.

OUTLOOK FOR 2023

Under the background that the slowdown of global economic growth is gradually becoming the norm, China's economy still shows strong resilience. It is predicted that the short-term adjustment pressure of the real estate market will still remain in 2023, but the macro-economy will be improved as a whole and the real estate market is expected to gradually stabilize and recover after the impact of the epidemic is weakened.

The Group will focus on the major operating businesses and resolve debt risks based on the new three-year plan and business policy of "deleveraging, stabilizing debt, improving operation and seeking development". The Group will graft the resources of major shareholders and explore new businesses, so as to achieve new development under the new situation.

I. Actively exploring new business growth based on the current competitive advantages

In 2023, the Group will actively implement the overall three-year action plan of the controlling shareholder and promote the implementation of pilot businesses by relying on mature industrial operation experience. The Company will explore the new transformation direction of enterprises and realize the two-wheel drive of new business and traditional business by relying on the Group's abundant experience in development and operation and the advantages of partners' resources.

II. Continuing to revitalize assets and recovering cashes and actively solving debt problem

The Group will promote the orderly revitalization of assets according to situation, work out special revitalization plans for different classes of assets, dispose of assets to decrease operating liabilities and accelerate the cash inflow. Meanwhile, the Group will pursuit the opportunity to dispose part of equity interests in certain project companies or obtain additional capital injection from external parties in such project companies which may be operated in an asset-light model. Moreover, the Company will set up special working teams to actively recover operational accounts receivable. The Company will continue to actively communicate with investors on debt solutions to ensure the medium and long-term sustainable development.

III. Introducing strategic partnerships to realize the grafting of advantageous resources

The Group will continue to promote the introduction of strategic partnerships, strengthen cooperation with the controlling shareholder, and expand and break through the existing development prospects by sharing the resources and financial strength of existing and potential shareholders.

Dear shareholders, on behalf of the board (the "**Board**") of directors of the Company (the "**Director(s)**"), 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 top management and employees for their tireless efforts and contributions.

Yida China Holdings Limited
Jiang Xiuwen
Chairman and Chief Executive Officer

Hong Kong, 31 March 2023

BUSINESS REVIEW

I. Operation of Properties Owned by Business Parks

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 of the above business parks was approximately 1.933 million square meters ("**sq.m.**"), with a leasable area of approximately 1.312 million sq.m.. The Group recorded a rental income of approximately RMB507 million, which was more or less at the same level in the last year.

An overview of properties 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	85%
Dalian BEST City	100%	223	99	–	7	41	62%
Yida Information Software Park	100%	156	131	–	4	20	94%
Dalian Tiandi	100%	237	130	–	30	44	73%
Wuhan First City	50%	680	83	18	29	30	87%
Total		**1,933**	**1,312**				

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.

With more than 20 years of experience in business park operation and industry tenant recruitment, the Group has built a complete tenant recruitment system and customized enterprise solutions to provide tenants with the most satisfactory plan for moving into the park and enhanced their work and life experience in multiple dimensions. Meanwhile, according to the characteristics and needs of tenants in the park, the Group will carry out practical and effective interaction activities to expand client circles.

In 2022, the negative impact of COVID-19 and cost reduction by some enterprises in the park resulted in the loss of some tenants and a reduction in the leased area. Some enterprises in the park reduced their recruitment and canceled their demand for expanding the lease area. Each park team of the Group made efforts to help the enterprises in the park tide over the difficulties, and connected internal and external resources through the overall synergy effect of the park, so as to minimize the above negative impact and realize the overall smooth operation. The Group accelerated the intelligent park upgrading in order to respond to the expected resurgence of the business activities in the post-pandemic period and meet the demand of enterprises in the park on service quality requirements which increased year by year. The Group reduced manual operation through intelligent management means, and realized accurate maintenance through online accurate asset analysis, visualized data display and automatic cycle management, thus avoiding the waste of resources and appropriately reducing labor costs. Through the full integration of technology and business, the Group optimized the user experience, increased client engagement and enhanced customer satisfaction.

During the Year, the Group's business parks won many national and municipal-level awards. Specifically, Dalian Software Park won the "Digital Service Cluster Park" award at the 12th China International Fair for Trade in Services, thus continuously improving its brand value. As an important platform to support the development of software enterprises, Dalian Software Park continuously implemented the construction philosophy of a "digital intelligent park", integrating resources from various channels, continuously improving the management and service level of the park, and realizing information-based management, intelligent building, platform-based services and intelligent decision-making, thus creating a better and more intelligent room for the development of enterprises.

II. Sales of Properties

In 2022, the impact of COVID-19 on real estate sales and construction hit a three-year record high. Under strict control, the financing, sales and construction of the real estate industry were more difficult, and enterprises were under three-year accumulated pressure in terms of cash flow. After the easing of control, the housing market expectation, residents' income and willingness to obtain loans in key sales cities fell to rare lows in recent years. The downturn in the second-hand housing market limited the ability of consumers with housing improvement demand to purchase houses. In addition, large-scale infections with COVID-19 in China occurred at the end of the Year. As a result, there was no "retaliatory consumption" expected in the market, for the sales, without significant shift to positive policies. Nevertheless, the real estate policies in various places rationally focused on financing, sales and customer loans. The Group expected that the sales would be significantly increased in 2023, and the stabilization of the real estate market and its return to health would be very beneficial to the strategic development of the Group.

During the Year, with the development strategic advantage of "city-industry integration", the Group built benchmarking projects in key areas such as Dalian, Changsha and Zhengzhou. Based on the advantages of industrial development, the Group promoted the rapid development of urban supporting facilities to attract talents and support regional economic development. Steady progress was made in projects including Changsha Yida & CSCEC Intelligent Technology Centre, Zhengzhou Yida Creation City and Chongqing Yida Innovation Plaza. The Group reported a contracted sales amount of RMB1,952 million, a contracted sales area of 175.9 thousand sq.m., and an average contracted sales price of RMB11,095 per sq.m., which was basically in line with the previous year. Most of the main sales projects were located in Dalian, accounting for 57.2% of the contracted sales amount; the sales projects in Changsha and Wuhan accounted for 19.7% and 12.8% receptively. Most of the projects were residential property sales projects, accounting for 65.9% of the contracted sales amount.

During the Year, the sales revenue from the business was RMB3,182 million. The average sales price was RMB15,092 per sq.m., representing a year-on-year increase of 6.8%, which was mainly attributable to the different products recognised during the Year and increase in corresponding average price 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 (82.4% of revenue), Zhengzhou (13.6% of revenue), and Changsha (4.0% of revenue).

Dalian

In 2022, the land market in Dalian dropped significantly, with both supply and sales reaching a ten-year low, less willingness of developers to purchase land, and a temporary slowdown in construction. During the Year, the transaction amount, area and average price of land decreased significantly. In the main city, there were only three plots of residential land sold, with a total sales floor area of approximately 104 thousand sq.m. The government prevented the over-supply of high-quality core land, thus playing a medium-and long-term role in protecting the housing market, which was sluggish in the short run. Driven by rigid demands and the demands for home upgrades, the potential of the Dalian real estate market will be finally released with the stabilization of policies, the improvement in the corporate financing environment, and the restoration of market confidence. Brand real estate enterprises will release their value, with their high-quality resources in core areas and accelerate their progress on the path of steady development.

Despite unfavourable external conditions, "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 RMB547 million and sales area of approximately 18.5 thousand sq.m. during the Year with an average sales price of approximately RMB29,600 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's performance 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 RMB313 million and sales area of approximately 22.4 thousand sq.m. with an average sales price of approximately RMB14,000 per sq.m..

Changsha

In 2022, there was a larger decline in the sales of new commercial housing, new construction area and land supply, due to the sustained depression of the real estate market arising out of weak rigid housing demand in Changsha. Due to various factors, customer activity in office buildings and high-tech industries in Changsha was low, and tenants were generally more cautious. In order to promote the healthy and stable development of the real estate market, Changsha issued a number of favorable policies, such as an increase in the cap on loans, relaxing of restrictions on housing purchases and provision of subsidies for talents. However, the recovery of market demand depended on economic support, and it took time for policies to pay off. During the Year, Changsha actively made arrangements for five strategic emerging industries. With the high-quality innovative resources of universities, Changsha promoted the high-quality development of the Changsha-Zhuzhou-Xiangtan metropolitan area, planned and constructed the advanced manufacturing corridor on the east bank of Xiang River and the science and technology corridor on the west bank of Xiang River at a high standard.

Changsha Yida & CSCEC Intelligent Technology Centre was constructed to be an agglomeration of tertiary industries including science and technology, finance and business. Through the introduction of intelligent systems and intelligent technologies, a future community with high quality, new hardware and complete facilities was constructed, to realize the urban upgrading of the district; With priority given to medical care and health, high-quality industries were introduced to form a sound industrial system and realize the industrial upgrading of the district, thus forming a dynamic model of the harmonious development of industry, city and people under the principle of "centering on people, attracting people by focusing on industry development, and promoting industries by city planning and construction."

Contracted Sales Details

	Sales Floor Area *(sq.m.)*	Sales Amount *(RMB'0000)*	Average Sales Price *(RMB/sq.m.)*	Percentage of Total Sales
Dalian	70,652	111,605	15,797	57.2%
Changsha	38,639	38,486	9,961	19.7%
Wuhan	32,059	25,081	7,823	12.8%
Chengdu	197	89	4,489	0.1%
Shenyang	9,540	3,634	3,809	1.9%
Zhengzhou	24,269	15,853	6,532	8.1%
Chongqing	564	436	7,729	0.2%
Total	**175,920**	**195,184**	**11,095**	**100.0%**
Dalian Software Park	1,472	1,028	6,983	0.5%
Dalian BEST City	14,269	5,350	3,750	2.8%
Yida Information Software Park	10,249	11,596	11,315	5.9%
Dalian Tiandi	22,407	31,288	13,963	16.1%
Wuhan First City	32,059	25,081	7,823	12.8%
Changsha Yida & CSCEC Intelligent Technology Centre	16,880	20,359	12,061	10.4%
Changsha Yida Intelligent Manufacturing Industrial Village	21,759	18,127	8,331	9.3%
Zhengzhou Yida Creation City	24,269	15,853	6,532	8.1%
Chongqing Yida Innovation Plaza	564	436	7,729	0.2%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	9,540	3,634	3,809	1.9%
Residential Properties outside Business Parks	22,452	62,432	27,807	32.0%
Total	**175,920**	**195,184**	**11,095**	**100.0%**
Residential Properties	89,879	128,618	14,310	65.9%
Office Properties	86,041	66,566	7,737	34.1%
Total	**175,920**	**195,184**	**11,095**	**100.0%**
Business Parks	153,468	132,752	8,650	68.0%
Residential Properties outside Business Parks	22,452	62,432	27,807	32.0%
Total	**175,920**	**195,184**	**11,095**	**100.0%**

III. Business Park Operation and Management

In 2022, the overall rental of business parks under management was not optimistic due to less willingness of small and medium-sized enterprises to lease or extend the lease area as a result of their operation generally falling short of expectations, on account of the impact of the macro-environment. In addition, due to the above reasons, the property owners of the park were generally under greater operational and financial pressure, which gave rise to a considerable challenge to the development of the business. With the gradual improvement in social and economic fundamentals, this business sector is expected to bottom out as there will be cooperation with the Company in more projects with lower-than-expected occupancy rates, weak management ability and delayed delivery due to the pandemic.

As at the end of the Year, the Group had 15 business park operation management projects, with a total area of approximately 145 thousand sq.m. under operation and management by the Group. During the Year, the revenue from the operation and management of the business park was approximately RMB254 million, representing a year-on-year decrease of 8.2%, mainly due to the gradual withdrawal from some existing projects which met completion conditions, and non-carry-forward of the revenue from new projects, during the Year.

In line with the 14th Five-Year Plan, the Group made efforts to secure new projects, effectively integrated high-quality customer resources by using industrial operation experience, and was strategically and deeply engaged in economically advantageous areas such as the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei region, urban agglomerations in the middle reaches of the Yangtze River, urban agglomerations in Western China and Bohai Rim. Meanwhile, the Group will also concentrate its core resources, continuously improve the operation quality of existing projects, consolidate the standardized management foundation, continuously improve the new model of industrial services, and develop its market-oriented and unique core competitiveness, thus laying a solid foundation for realizing the long-term development strategy of the Company in the future.

In July 2022, the "Yida's Journey, Together with You – Yida China 2022 Industrial Exchange Conference" was successfully held in Wuhan. The conference with the purpose of "making joint efforts and planning for the future", attracted more than 100 elite entrepreneurs from all over China and from all businesses, to strengthen cooperation under the new industrial paradigm, and jointly analyze the development trend of the industry and explore the future development path. The Group will continue to build a platform for extensive exchanges and in-depth cooperation, promote knowledge sharing and supplier-buyer connection to form complementary advantages, effectively promote the integration and innovation of smart industries, provide customers, potential customers and upstream and downstream enterprises with opportunities for in-depth exchanges and mutual benefit, thus forming a closed loop of industrial chain and becoming an ecosystem partner.

IV. Construction, Decoration and Landscaping

During the Year, the total revenue from the construction, decoration and landscaping business was RMB590 million, representing a decrease of 1.5% as compared with the same period of the previous year, mainly due to the decrease in the construction output value completed during the Year. Due to the downturn of the real estate market, the construction industry declined continuously. All employees of the business will focus on their main business and "carry out innovation based on integrity." The Group will shift its business focus to hot spot cities in Southern China, retain existing large customers, and actively explore hot regional markets including the Greater Bay Area and the Yangtze River Delta. The Group developed markets in equipment leasing, cost consultation, entrusted labor services, house maintenance, etc., sought new sources of income, focused on cost-effectiveness, and promoted the development of the project team from "technical professionalism" to "operational professionalism."

The Group continuously deepened the high-quality product strategy, made great efforts to ensure the quality and safety of buildings and construction, created standardized product lines, and standardized the processes including model rooms, landscapes and decoration. The Group vigorously pursued the improvement in standards, launched the "solidification action" of safety quality management, improved various control standards and processes, and continuously enhanced the Company's construction management capability. As at the end of the year, the Group had a total of 12 projects under construction, with a total gross floor area of approximately 1.5 million sq.m. Specifically, Guangzhou Tengfei Residence, Dalian Poly Hefu and other projects were successfully completed during the Year, with a gross floor area of approximately 240 thousand sq.m. delivered. During the Year, the Group contracted several new projects in Dalian and Guangzhou, with an estimated increase on GFA of approximately 260 thousand sq.m. for construction.

V. Land Reserves

As at 31 December 2022, the total GFA of the Group's land reserve was approximately 6.928 million sq.m. and the GFA of land reserves attributable to the Group was approximately 6.394 million sq.m., the land reserve in Dalian accounted for 75.6%.

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2022:

By City	Total GFA of Land Reserves *(sq.m.)*	Proportion	Attributable GFA of Land Reserves *(sq.m.)*	Proportion
Dalian	5,235,948	75.6%	5,236,013	81.9%
Shenyang	43,364	0.6%	24,399	0.4%
Wuhan	579,681	8.4%	289,841	4.5%
Zhengzhou	419,858	6.1%	419,901	6.6%
Changsha	233,001	3.4%	118,830	1.9%
Chengdu	127,617	1.8%	89,912	1.4%
Chongqing	79,236	1.1%	79,236	1.2%
Hefei	208,966	3.0%	135,828	2.1%
Total	6,927,671	100.0%	6,393,960	100.0%

By Location	Total GFA of Land Reserves *(sq.m.)*	Proportion	Attributable GFA of Land Reserves *(sq.m.)*	Proportion
Business Parks	5,795,675	83.7%	5,335,102	83.4%
Residential Properties outside Business Parks	1,131,996	16.3%	1,058,858	16.6%
Total	6,927,671	100.0%	6,393,960	100.0%

Projects Within/Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office	100%	615,183	–	–
Residential	100%	101,589	–	–
Subtotal		716,772	–	–
Dalian BEST City				
Office	100%	222,117	73,820	515,172
Residential	100%	207,592	11,588	22,152
Subtotal		429,709	85,408	537,324
Wuhan First City				
Office	50%	232,347	174,500	155,058
Residential	50%	17,776	–	–
Subtotal		250,123	174,500	155,058
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	96,866	87,258	–
Subtotal		249,005	87,258	118,798
Dalian Tiandi				
Office	100%	310,788	242,430	1,397,474
Residential	100%	91,230	66,827	17,908
Subtotal		402,018	309,257	1,415,382
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	42,064	52,200	–
Subtotal		42,064	52,200	–

Projects Within/Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	70%	–	145,101	87,900
Subtotal		–	145,101	87,900
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	70%	–	38,704	–
Subtotal		–	38,704	–
Zhengzhou Yida Creation City				
Office	100%	1,189	344,569	74,100
Subtotal		1,189	344,569	74,100
Chongqing Yida Innovation Plaza				
Office	100%	–	79,236	–
Subtotal		–	79,236	–
Projects Within Business Parks Subtotal		2,090,880	1,316,233	2,388,562
Projects Outside Business Parks				
Dalian	100%	513,490	307,503	68,684
Chengdu	100%	33,353	–	–
Hefei	65%	–	–	208,966
Projects Outside Business Parks Subtotal		546,843	307,503	277,650
Total		2,637,723	1,623,736	2,666,212

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 RMB4,532.92 million, representing a decrease of 16.0% from the corresponding period of last year. The following table sets forth a breakdown of the revenue during the Year:

	For the year ended 31 December			
	2022		2021	
	Amount ***RMB'000***	**% of total amount**	Amount *RMB'000*	% of total amount
Sales income of properties	**3,181,677**	**70.2%**	4,009,309	74.3%
Rental income	**507,177**	**11.2%**	510,024	9.5%
Business park operation and management service income	**253,573**	**5.6%**	276,107	5.1%
Construction, decoration and landscaping income	**590,496**	**13.0%**	599,625	11.1%
Total	**4,532,923**	**100.0%**	**5,395,065**	**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 RMB3,181.68 million, representing a decrease of 20.6% from the corresponding period of last year, which was mainly due to the decrease 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 RMB507.18 million, which was more or less at the same level in the last year.

(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 RMB253.57 million, representing a decrease of 8.2% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal from some existing projects which met competition conditions, and non-carry-forward of the revenue from new project during the Year.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB590.50 million, representing a decrease of 1.5% from the corresponding period of last year, which was mainly attributable to the decrease in the construction output value completed during the Year.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,472.51 million, representing a decrease of 7.7% from the corresponding period of last year, which was mainly attributable to the decrease in projects delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Year amounted to RMB1,060.42 million, representing a decrease of 35.1% from the corresponding period of last year, the gross profit margin decreased to 23.4% during the Year from 30.3% in the corresponding period of 2021, which was mainly attributable to different products carried forward during the Year and the decrease in corresponding gross profit 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 decreased by 46.3% to RMB118.69 million for the Year from RMB220.96 million in the corresponding period of 2021, which was mainly due to the decrease in sales agency fees and advertising costs during the Year.

Administrative Expenses

The administrative expenses of the Group decreased by 30.2% to RMB238.25 million for the Year from RMB341.20 million in the corresponding period of 2021, which was mainly due to the adoption of active measures to control administrative costs by the Company during the Year.

Other Losses – net

The net other losses of the Group recorded for the Year amounted to RMB272.07 million, which was mainly due to the increase of the net foreign exchange losses during the Year.

Fair Value Losses on Investment Properties

The fair value losses on investment properties of the Group amounted to RMB37.62 million during the Year, which was mainly due to the decrease in net rental income during the Year.

Finance Costs – net

The net finance costs of the Group decreased to RMB581.09 million during the Year from RMB821.29 million in the corresponding period of 2021, which was primarily attributable to the decrease in interest expenses.

Share of Net (Loss)/Profit of Joint Ventures and Associates

The Group's share of profit of joint ventures and associates decreased to the loss of RMB87.76 million during the Year from RMB90.95 million in the corresponding period of 2021, which was primarily attributable to the decrease in share profit in Wuhan New Software Park Development Company Limited and Hefei Yida Smart Science and Technology City 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 RMB425.91 million, representing a decrease of 31.4% as compared to the corresponding period of last year, mainly due to the decrease in land VAT expenses and corporate income tax for projects carried over during the Year.

Loss for the Year

As a result of the foregoing, the Group recorded a loss before tax of RMB310.58 million during the Year as compared to the loss before tax of RMB247.27 million in the corresponding period of 2021.

The net loss of the Group was RMB736.49 million during the Year as compared to the net profit of RMB22.19 million in the corresponding period of 2021.

The net loss attributable to equity owners was RMB736.77 million during the Year as compared to the net profit attributable to equity owners of RMB2.93 million in the corresponding period of 2021.

The core loss attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) was RMB708.56 million during the Year as compared to the core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) of RMB90.86 million in the corresponding period of 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2022, the Group had cash and bank balances of approximately RMB358.80 million (including restricted cash of approximately RMB231.28 million) (2021: cash and bank balances of approximately RMB773.89 million, including restricted cash of approximately RMB330.69 million).

Debts

As at 31 December 2022, the Group had bank and other borrowings of approximately RMB12,050.83 million (31 December 2021: approximately RMB12,910.46 million), of which:

(1) By Loan Type

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Secured bank loans	**5,808,668**	4,917,730
Unsecured bank loans	**–**	1,600
Secured other borrowings	**4,306,601**	6,136,498
Unsecured other borrowings	**1,935,557**	1,854,632
	12,050,826	12,910,460

(2) By Maturity Date

	31 December 2022 *RMB'000*	31 December 2021 *RMB'000*
Within one year or on demand	**12,050,826**	10,870,260
In the second year	**–**	2,040,200
	12,050,826	12,910,460

As 31 December 2022, the Group's bank and other borrowing amounted to RMB11,696,826,000 were charged with fixed interest rate of 1.2%-13.00% per annum while the remaining balances of RMB354,000,000 were charged with variable rates.

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 102.5% as at 31 December 2022, which increased by 3 percentage points as compared to 99.5% as at 31 December 2021.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2022, the Group had cash and bank balances (including restricted cash) of approximately RMB140,000 and approximately RMB70,000 denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,510.89 million and RMB369.80 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 2022, the Group provided guarantees of approximately RMB420.57 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2021: approximately RMB1,028.78 million). Besides, the Group provided guarantees to the extent of RMB125.65 million (2021: RMB319.80 million) as at 31 December 2022 in respect of bank loans granted to a joint venture.

Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 15 to the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had 614 full-time employees (2021: 955). 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 (2021: 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 (the "**Stock Exchange**") in force. During the Year, except for the deviation for reason set out below, the Company has applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the CG Code.

Pursuant to the code provision C.2.1 of Part 2 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

Major and Exempted Connected Transaction in Relation to the Disposal of the 70% Equity Interest in a Subsidiary

On 6 September 2022, Dalian Yida Management Consultancy Company Limited (a wholly-owned subsidiary of the Company, the "**Vendor**"), Changsha Zhenwang Investment Development Co., Ltd. (the "**Purchaser**") and Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd. (the "**Target Company**") entered into an equity transfer agreement (the "**Equity Transfer Agreement**"), pursuant to which the Vendor disposed of the 70% equity interest in the Target Company to the Purchaser at a consideration of RMB84,569,500 (the "**Disposal**"). Upon the completion of the Disposal on 29 September 2022, the Company no longer held any equity interest in the Target Company and the Target Company was no longer a subsidiary of the Company.

As one or more of the applicable percentage ratios in respect of the Disposal are more than 25% but all of which are less than 75%, the Disposal constituted a major transaction for the Company under Chapter 14 of the Listing Rules and was subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is a substantial shareholder of a subsidiary of the Company. Accordingly, it is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As (i) the Board has approved the Disposal; and (ii) the independent non-executive Directors have confirmed that the terms of the Disposal are on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Disposal was subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

For details, please refer to the announcements of the Company dated 6 September 2022, 14 September 2022 and 28 September 2022 and the circular dated 26 October 2022.

Save as disclosed above, the Company has no other significant investments or significant acquisitions and disposal 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 2022.

LITIGATION AND ARBITRATION

On 23 October 2017, certain subsidiaries of the Company 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 relating to the put price of the put options pursuant to certain agreements entered into between such parties.

On 20 October 2020, the Hong Kong International Arbitration Centre issued a final award (the "**Final Award**") comprising the full put option price of USD108 million, accrued interest of USD84 million, legal costs and expenses, and arbitration cost.

On 4 March 2021, a settlement agreement was entered into among Aetos Parties, the Obligors and the Yida Parties (all as defined in the announcement of the Company dated 5 March 2021) in relation to the settlement arrangement for the outstanding payments under the Final Award (the "**Settlement Agreement**"). Pursuant to the Settlement Agreement, the Obligors acknowledged that they are indebted to Aetos Parties for approximately USD209 million (the "**Total Payment Obligation**"), and it was agreed that such amount would be reduced to USD175 million.

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

CONSENT SOLICITATION

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.

Due to unfavorable factors in the macro economy, real estate market and financial environment, and multiple rounds of pandemic, the Company was not in a position to pay to all holders of the Senior Notes outstanding on a pro rata basis in the amount of USD3.45 million on 30 June 2022, 30 September 2022 and 31 December 2022, respectively (the "**Non-payment**"); and related interest in the amount of USD5,734,470 by 14 November 2022 (the "**Non-Payment of Related Interest**"). Such Non-payment and Non-Payment of Related Interest may lead to holders demanding for acceleration of repayment under the 2022 Notes. As at the date of this announcement, the Company has not received any notice regarding acceleration action by holders of the 2022 Notes.

For details, please refer to the announcements of the Company dated 7 February 2022, 17 February 2022, 30 June 2022, 3 October 2022, 14 November 2022 and 3 January 2023, respectively.

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, 5 March 2021, 4 May 2021 and 30 June 2022, the interim reports of the Company for the six months ended 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022, and the annual reports of the Company for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

1. In April 2019, 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 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. The Non-payment and Non-Payment of Related Interest constituted events of default.

4. According to the Final Award issued by the Hong Kong International Arbitration Centre dated 20 October 2020, the Obligors were required to pay the put option price and interest to Aetos Parties. The failure to comply with the Final Award within 90 days resulted in a technical default on the 2022 Notes. In March 2021, the Settlement Agreement was entered into 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, which was repaid in full on 24 May 2021. On 26 May 2021, Aetos Parties 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 days 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 31 December 2022, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,066,980,000. The Group has been actively negotiating with the Aetos Parties.

5. Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their schedules payment dates (the "**Borrowings Overdue**"). As at 31 December 2022, borrowings with the carrying amount of RMB3,772,064,000 remained unsettled, out of which RMB500,000,000 have been subsequently extended up to the date of this announcement. Subsequent to 31 December 2022, other than the Borrowings Overdue, the Group failed to pay interests of certain borrowings with the carrying amount of RMB28,240,000 in total according to their scheduled payment dates.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,630,600,000 in total as at 31 December 2022 becoming immediately repayable if requested by the lenders.

Specific performance of the controlling shareholder

References are made to the announcement of the Company dated 5 March 2021, the interim reports of the Company for the six months ended 30 June 2021 and 30 June 2022 and the annual report of the Company for the year ended 31 December 2021. Pursuant to the Settlement Agreement as disclosed under the section headed "Litigation and Arbitration" in this announcement, China Minsheng Investment Corp., Ltd. 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 the Company Share Charge approximately 19.99% in favour of the Aetos Parties, as security for the payment obligation of the Yida Parties under the Settlement Agreement. For details, please refer to the announcements of the Company dated 5 March 2021 and 11 March 2021.

On 12 May 2022, the Company received a letter regarding the appointment of the joint and several receivers over 516,764,000 Shares (representing approximately 19.99% of the total issued shares of the Company) under the terms of the Company Share Charge on 11 March 2021, which stated that Jiayou shall no longer have any power or authority to deal with the Charged Shares nor exercise any rights attached to or in relation to the Charged Shares unless prior consent or authorization is given by the receivers. For details, please refer to the announcement of the Company dated 13 May 2022. The Group has proposed settlement plans to and has been actively negotiating with the Aetos Parties.

Details of the 2022 Audit Modification and Management's view

In relation to the disclaimer of opinion (the "**2022 Audit Modification**") issued by the auditor of the Company, PricewaterhouseCoopers (the "**Auditor**") as detailed in Note 2.1(c) of the notes to the consolidated financial statements ("**Note 2.1(c)**"), the Directors are aware of that the Group might have financial uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Board and the management of the Group (the "**Management**") 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. In order to mitigate the liquidity pressure and improve the financial position of the Group and to remediate the overdue repayments to the lenders, the Management has also formulated plans and measures to address the 2022 Audit Modification (the "**Plans and Measures**"). The Management has considered the Group's cash flow projection (the "**Cash Flow Forecast**") which covered a period of not less than twelve months from 31 December 2022 and which has taken into account the Plans and Measures in assessing the sufficiency of the Group's working capital requirements. After making due and careful enquiries and having performed sufficient work to assess the Group's future liquidity and having considered the Plans and Measures, the Management considered that the Group will have sufficient financial sources to continue as a going concern (the "**Going Concern Assumption**"). However, as the Plans and Measures are still ongoing, the successful implementation of these are subject to multiple significant uncertainties, as described in Note 2.1(c), which are crucial to the Going Concern Assumption. In this respect, the Directors agreed with the Auditor to issue the 2022 Audit Modification as disclosed in this announcement.

Plans and Measures to address the 2022 Audit Modification

Set out below is the latest progress of the Plans and Measures:

1. The Aetos Parties Matter

The Group has been actively negotiating with Aetos Parties. Up to the date of this announcement, the 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 the Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court.

2. The Borrowings Overdue

The Group has been actively negotiating with all the lenders for renewal and extension for repayments of the Borrowings Overdue. While certain lenders of the overdue borrowings preliminarily intended to renew or extend the respective Borrowings Overdue, 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.

3. Net current liabilities

With regard to the net current liabilities of the Group:

(i) extension of short-term loans: the Group has also been conducting negotiations with relevant banks and financial institutions on renewal and extension for existing borrowings with scheduled repayment dates within one year. 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 with scheduled repayment dates within one year as and when needed;

(ii) accelerating sales collection: 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;

(iii) cost control and continued cooperation with business partners: 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; and

(iv) disposal of assets: the Group will also explore opportunities to dispose of certain assets at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

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. As the Group's operation remains normal and the Group has been generating net cash inflow from its operation, it is 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.

The Directors are taking appropriate measures to address the concern on the Group's liquidity and strive to successfully implement the Plans and Measures as soon as practicable. The Directors will continuously work with the Auditor to address the 2022 Audit Modification as soon as practicable.

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.

SUBSEQUENT EVENT

The Group has no material subsequent events since the end of the Year up to the date of this announcement.

ANNUAL RESULTS

The annual results of the Group for the Year have been reviewed and approved by the audit committee of the Company. In particular, the Audit Committee has critically reviewed the 2022 Audit Modification, the Cash Flow Forecast and the Plans and Measures. The Audit Committee also had discussions with the Auditor regarding the 2022 Audit Modification, by which it considered and agreed the basis for arriving at the 2022 Audit Modification. The Audit Committee concurs with the Management's view regarding the 2022 Audit Modification, the Going Concern Assumption, and the Plans and Measures. The Audit Committee also considers that the Management should implement the Plans and Measures with the intention of mitigating the Group's liquidity pressure and removing the 2022 Audit Modification, and report to the Audit Committee any material issues affecting the Group's going concern on a timely basis.

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 2022 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 2022. 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 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Jiang Xiuwen and Mr. Yuan Wensheng, the non-executive Directors of the Company are Mr. Lu Jianhua, Mr. Wang Gang, Ms. Jiang Qian and Mr. Weng Xiaoquan and the independent non-executive Directors of the Company are Mr. Yip Wai Ming, Mr. Guo Shaomu and Mr. Han Gensheng.