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

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2022:

1. Recognised revenue amounted to RMB3,260.05 million, representing an increase of 79.2% over the corresponding period of previous year;
2. The gross profit amounted to RMB746.85 million, representing an increase of 58.8% over the corresponding period of previous year, and the gross profit margin was 22.9%;
3. The net profit amounted to RMB11.19 million, representing a decrease of 96.1% over the corresponding period of previous year;
4. Basic earnings per share was RMB0.7 cents; and
5. The Board does not recommend any payment of interim dividend.

FINANCIAL INFORMATION

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Yida China Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”) together with the comparative figures for the corresponding period in 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	<i>Note</i>	Six months ended 30 June	
		2022	2021
		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	5	3,260,050	1,819,311
Cost of sales	7	(2,513,202)	(1,349,028)
Gross profit		746,848	470,283
Other income	6	6,244	16,632
Fair value gains/(losses) on investment properties	13	22,249	(12,930)
Provision for impairment losses on financial and contract assets		(19,200)	(2,472)
Other (losses)/gains – net	8	(95,939)	748,062
Selling and marketing expenses	7	(48,606)	(68,953)
Administrative expenses	7	(92,415)	(145,978)
Finance costs – net	9	(202,354)	(427,833)
Share of profits and losses of joint ventures and associates		(1,270)	33,087
Profit before income tax		315,557	609,898
Income tax expenses	10	(304,365)	(324,752)
Profit for the period		11,192	285,146
Attributable to:			
Owners of the Company		18,365	271,442
Non-controlling interests		(7,173)	13,704
		11,192	285,146
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	12	0.7 cents	10.50 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
Note	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	11,192	285,146
Other comprehensive income which may be reclassified to profit or loss in subsequent periods	—	—
Total comprehensive income for the period	11,192	285,146
Attributable to:		
Owners of the Company	18,365	271,442
Non-controlling interests	(7,173)	13,704
	11,192	285,146

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Note</i>	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		86,789	86,421
Investment properties	13	18,058,575	18,662,149
Investments in joint ventures		782,647	798,438
Investments in associates		4,785	4,785
Prepayments for acquisition of land		3,227,327	3,153,481
Prepayments and other receivables		558,358	518,886
Intangible assets		18,320	21,770
Deferred tax assets		<u>422,029</u>	<u>380,535</u>
Total non-current assets		<u>23,158,830</u>	<u>23,626,465</u>
Current assets			
Inventories		195,849	85,380
Land held for development for sale		934,921	938,059
Properties under development		8,528,329	8,901,556
Completed properties held for sale		5,498,855	6,154,363
Prepayments for acquisition of land		24,867	24,867
Contract assets		155,010	121,020
Trade receivables	14	448,167	545,628
Prepayments, deposits and other receivables		1,625,805	1,677,286
Prepaid corporate income tax		101,148	127,177
Prepaid land appreciation tax		247,605	247,429
Restricted cash	15	237,877	330,685
Cash and cash equivalents	15	<u>221,482</u>	<u>443,200</u>
Total current assets		<u>18,219,915</u>	<u>19,596,650</u>
Total assets		<u><u>41,378,745</u></u>	<u><u>43,223,115</u></u>

	<i>Note</i>	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Interest-bearing bank and other borrowings	17	–	2,040,200
Deferred tax liabilities		2,790,317	2,851,617
Other non-current liabilities		26,548	26,945
Lease liabilities		<u>29,176</u>	<u>37,975</u>
Total non-current liabilities		<u>2,846,041</u>	<u>4,956,737</u>
Current liabilities			
Contract liabilities		4,017,962	5,802,521
Trade payables	16	3,746,873	4,067,022
Other payables and accruals		3,367,779	3,113,910
Interest-bearing bank and other borrowings	17	12,707,257	10,870,260
Corporate income tax payable		1,044,707	945,035
Provision for land appreciation tax		1,409,870	1,252,425
Lease liabilities		<u>26,323</u>	<u>14,464</u>
Total current liabilities		<u>26,320,771</u>	<u>26,065,637</u>
Total liabilities		<u>29,166,812</u>	<u>31,022,374</u>
Equity			
Equity attributable to owners of the Company			
Issued capital		159,418	159,418
Reserves		<u>11,891,455</u>	<u>11,873,090</u>
		<u>12,050,873</u>	<u>12,032,508</u>
Non-controlling interests		<u>161,060</u>	<u>168,233</u>
Total equity		<u>12,211,933</u>	<u>12,200,741</u>
NET CURRENT LIABILITIES		<u>(8,100,856)</u>	<u>(6,468,987)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>15,057,974</u></u>	<u><u>17,157,478</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2022

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 address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 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, Ningbo, Qingdao, Nanchang, Xuchang, Shenzhen, Changsha and Chengdu, the People’s Republic of China (the “**PRC**” or “**Mainland China**”).

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

The unaudited condensed consolidated financial statements are presented in thousands of Renminbi (“**RMB’000**”), unless otherwise stated and were approved and authorized for issue by the board of Directors on 25 August 2022.

2. Basis of Preparation

These unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2022 have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and investment properties which are measured at fair value, and in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

Going concern Basis

As at 30 June 2022, the Group’s current liabilities exceeded its current assets by RMB8,100,856,000. At the same date, its current borrowings amounted to RMB12,707,257,000 while its cash and cash equivalents amounted to RMB221,482,000 only.

Up to 30 June 2022, the Group 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 borrowings till 30 June 2022 after the due dates, borrowings with a total principal amount of RMB4,425,767,000 remained unsettled as at 30 June 2022, out of which RMB590,000,000 have been subsequently extended up to the date of the approval of these unaudited condensed consolidated financial statements.

On 18 January 2021, the Group failed to settle a payable with interest accrued thereon to certain parties (“**Aetos Parties**”) according to a final award issued by Hong Kong International Arbitration Centre. On 4 March 2021, the Group and Aetos Parties entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed repayment schedule. However,

the Group failed to fulfill the settlement agreement, and therefore Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties' satisfaction, or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). On 12 May 2022, the Company received a letter regarding the appointment of the joint and several receivers (the "**Receivers**") by Aetos Parties over 516,764,000 shares (the "**Charged Shares**") of the Company on 11 May 2022, 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, pursuant to the terms of the share charge executed by Jiayou on 11 March 2021. As at 30 June 2022, the unpaid balance due to Aetos Parties amounted to RMB947,169,000. The Group has proposed settlement plans to and has been actively negotiating with Aetos Parties.

Since 2018, the financial conditions of the Group's controlling shareholder, China Minsheng, 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 RMB5,562,550,000 in total as at 30 June 2022 becoming immediately repayable if requested by the lenders, of which RMB4,785,850,000 represented borrowings with scheduled repayment dates within one year, while RMB776,700,000 represented non-current borrowings with original contractual repayment dates beyond 30 June 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 proposed settlement plans and has been actively negotiating with Aetos Parties. Up to the date of the approval of these unaudited condensed consolidated financial statements, Aetos Parties have not presented a winding-up petition to the court. The Directors are confident that the Group will reach a final settlement agreement with Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court.
- ii) In respect of Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders preliminarily intended to renew or extend the certain overdue borrowings, no formal agreement has been reached yet. The Directors are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements with such lenders in due course.
- iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their scheduled contractual repayment dates.
- iv) Subsequent to 30 June 2022, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. The Directors believe that, given the Group's long-term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when needed. In this connection, the Group was able to extend new borrowings of RMB590,000,000, although the agreements of all of such new borrowings contain terms that would cause such borrowings to be immediately repayable if so requested by the lenders.

- v) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of sales proceeds.
- vi) The Group will strive to maintain a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled. The Group will also continue to take active measures to control administrative costs and capital expenditures.
- vii) The Group will seek opportunities to dispose of certain assets and investments at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 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 30 June 2022. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

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

- i) the successful and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group;
- ii) the successful negotiations with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings;
- iii) the successful obtaining of additional new sources of financing as and when needed;
- iv) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows;
- v) the successful disposal of relevant assets and investments at reasonable prices, and timely collection of the proceeds.

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

3. Accounting Policies

The accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2021, as described in those annual financial statements, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings, and the adoption of the new and amended standards of HKFRSs effective for the financial year ending 31 December 2022, which did not have any significant impact on the Group's financial statements and did not require retrospective adjustments.

There are no standards, amendments and interpretations to existing standards that are not effective and would be expected to result in any significant impact on the Group's financial positions and results of operations.

4. Operating Segment Information

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

- (a) the property development segment engages in the development and sale of properties;
- (b) the property investment segment invests in properties for their rental income potential and/or capital appreciation;
- (c) the business park operation and management segment engages in the provision of operation and management services to the business park projects owned by the local governments or other independent third parties;
- (d) the construction, decoration and landscaping segment engages in property construction, the provision of interior decoration to property buyers and landscaping services to property projects;
- (e) the property management segment engages in the provision of management services to properties; and
- (f) the others segment comprises corporate income and expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measurement 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 and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude derivative financial assets, interest-bearing bank and other borrowings and related interests payable, amounts due to related parties, 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 six months ended 30 June 2022, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

For the six months ended 30 June 2022 (unaudited)

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Business park operation and management <i>RMB'000</i>	Construction, decoration and landscaping <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:							
Sales to external customers	<u>2,663,280</u>	<u>252,570</u>	<u>126,750</u>	<u>217,450</u>	<u>-</u>	<u>-</u>	<u>3,260,050</u>
Segment results	<u>345,263</u>	<u>183,177</u>	<u>10,049</u>	<u>4,844</u>	<u>-</u>	<u>(27,613)</u>	<u>515,720</u>
<i>Reconciliation:</i>							
Interest income							2,192
Dividend income and unallocated gains							-
Corporate and other unallocated expenses							-
Finance costs							<u>(202,354)</u>
Profit before income tax							315,557
Income tax expenses							<u>(304,365)</u>
Profit for the period							<u><u>11,192</u></u>

For the six months ended 30 June 2021 (unaudited)

	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Business park operation and management <i>RMB'000</i>	Construction, decoration and landscaping <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:							
Sales to external customers	1,179,418	240,291	150,509	180,161	68,932	–	1,819,311
Segment results	111,251	167,800	10,372	(1,881)	(5,327)	6,813	289,028
<i>Reconciliation:</i>							
Interest income							9,611
Dividend income and unallocated gains							739,092
Corporate and other unallocated expenses							–
Finance costs							(427,833)
Profit before income tax							609,898
Income tax expenses							(324,752)
Profit for the period							285,146

Geographical information

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

5. 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 period.

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

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers recognised at a point in time		
Sale of properties	<u>2,663,280</u>	<u>1,179,418</u>
Revenue from contracts with customers recognised over time		
Business park operation and management service income	126,750	150,509
Construction, decoration and landscaping income	217,450	180,161
Property management income	<u>–</u>	<u>68,932</u>
	<u>344,200</u>	<u>399,602</u>
Revenue from contracts with customers	<u>3,007,480</u>	<u>1,579,020</u>
Revenue from other sources		
Rental income	<u>252,570</u>	<u>240,291</u>
	<u>3,260,050</u>	<u>1,819,311</u>

6. Other Income

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	2,192	9,611
Government subsidies	<u>4,052</u>	<u>7,021</u>
	<u>6,244</u>	<u>16,632</u>

7. Expenses by Nature

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

	For the six months ended 30 June	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Cost of properties sold	2,123,263	902,215
Cost of services provided	305,696	363,230
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	84,243	83,584
Employee benefit expenses	59,671	85,229
Short-term office lease expenses	643	5,048
Depreciation	16,579	18,789
Amortisation of intangible assets	2,689	6,229
Advertising	12,377	20,150
Other costs and expenses	49,062	79,485
	<u>2,654,223</u>	<u>1,563,959</u>

8. Other (losses)/gains – net

	For the six months ended 30 June	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Gains arising from disposal of subsidiaries(a)	–	771,779
Losses arising from disposal of a joint venture	–	(32,703)
Net foreign exchange (losses)/gains	(101,584)	9,193
Other items	5,645	(207)
	<u>(95,939)</u>	<u>748,062</u>

For the six months ended 30 June 2021, other gains/(losses) – net mainly included losses on disposal of 50% equity interests in Dalian Software Park Ascendas Development Company Limited (“**DLSP-Ascendas**”) of approximately RMB32,703,000 and gains on disposal of 100% equity interests in Yida Property Service Company Limited of approximately RMB771,779,000.

- (a) On 4 March 2021, four wholly-owned subsidiaries of the Company entered into an equity transfer agreement with Longfor Jiayue Property Service Company Limited (“**Longfor**”), pursuant to which the Group disposed 100% equity interests in Yida Property Service Company Limited (“**Yida Property Service**”) for a consideration of RMB1,273,000,000. The Group also undertook to compensate Longfor in accordance with the compensation formula stipulated in the agreement, if Yida Property Service would not meet the guaranteed profit for each of the four years ending 31 December 2024.

On 10 March 2021, the disposal of Yida Property Service was completed and the Group recognised a gain of RMB771,779,000 arising from the disposal, taking into consideration of the estimated compensation to Longfor which was recognised as at 30 June 2021. As at 30 June 2022, the fair value of the compensation was determined to be nil.

9. Finance Costs

	For the six months ended 30 June	
	2022 <i>RMB'000</i> (Unaudited)	2021 <i>RMB'000</i> (Unaudited)
Interest on bank loans and other loans	514,807	859,957
Interest on lease liabilities	1,967	1,949
Less: Interest capitalised	<u>(276,749)</u>	<u>(396,639)</u>
	240,025	465,267
Interest income	<u>(37,671)</u>	<u>(37,434)</u>
	<u>202,354</u>	<u>427,833</u>

10. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2022 and 2021. The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the period.

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

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current:		
PRC corporate income tax	216,346	257,805
PRC land appreciation tax (“LAT”)	190,818	53,297
	<u>407,164</u>	<u>311,102</u>
Deferred:		
Current period	<u>(102,799)</u>	<u>13,650</u>
Total tax charge for the period	<u>304,365</u>	<u>324,752</u>

11. Interim Dividend

The Company resolved not to declare any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

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

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of RMB18,365,000 (six months ended 30 June 2021: RMB271,442,000), and the weighted average number of ordinary shares of 2,583,970,000 (six months ended 30 June 2021: 2,583,970,000) in issue during these periods.

Diluted earnings per share is same as basic earnings per share for the six months ended 30 June 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those periods.

13. Investment Properties

	Right-of-use Assets	Completed	Under construction	Total
	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)				
At 1 January 2022	44,000	12,922,800	5,695,349	18,662,149
Additions	–	1,513	(12,191)	(10,678)
Transfer to properties under development	–	–	(615,145)	(615,145)
Net gains/(losses) from fair value adjustments	–	(1,513)	23,762	22,249
At 30 June 2022	<u>44,000</u>	<u>12,922,800</u>	<u>5,091,775</u>	<u>18,058,575</u>

	Right-of-use Assets <i>RMB'000</i>	Completed <i>RMB'000</i>	Under construction <i>RMB'000</i>	Total <i>RMB'000</i>
(Unaudited)				
At 1 January 2021	45,000	13,246,500	5,691,217	18,982,717
Additions	–	1,302	551	1,853
Net gains/(losses) from fair value adjustments	(1,000)	(12,402)	472	(12,930)
At 30 June 2021	<u>44,000</u>	<u>13,235,400</u>	<u>5,692,240</u>	<u>18,971,640</u>

As at 30 June 2022, certain of the Group's investment properties of RMB15,884,438,000 (31 December 2021: RMB18,138,744,000) were pledged to banks to secure the loans granted to the Group (note 17).

14. Trade Receivables

	30 June 2022 <i>RMB'000</i> (Unaudited)	31 December 2021 <i>RMB'000</i> (Audited)
Trade receivables – gross amount	520,961	599,021
Less: Allowances for impairment of trade receivables	(72,794)	(53,393)
	<u>448,167</u>	<u>545,628</u>

Trade receivables are mainly arisen from sales of properties, leases of investment properties and other services business. The payment terms of contract works 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, is as follows:

	30 June 2022 <i>RMB'000</i> (Unaudited)	31 December 2021 <i>RMB'000</i> (Audited)
Within 1 year	199,615	258,913
1 to 2 years	62,794	121,096
Over 2 years	258,552	219,012
	<u>520,961</u>	<u>599,021</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2022, a provision of RMB72,794,000 (31 December 2021: RMB53,393,000) was made against the gross amount of trade receivables.

15. Cash and Cash Equivalents and Restricted Cash

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (Audited)
Cash and bank balances (<i>notes</i>)	459,359	773,885
Less: Restricted cash	<u>(237,877)</u>	<u>(330,685)</u>
Cash and cash equivalents	<u>221,482</u>	<u>443,200</u>

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 RMB456,749,000 (31 December 2021: RMB755,250,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

notes:

- (a) According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. As at 30 June 2022, such guarantee deposits amounted to RMB25,119,000 (31 December 2021: RMB42,037,000).
- (b) As at 30 June 2022, the deposits of the Group amounted to RMB211,359,000 (31 December 2021: RMB250,248,000), were placed at designated bank accounts by certain subsidiaries of the Group for the payment of promissory notes, compensation of potential industrial accidents that would occur during construction work and the training of talents, in accordance with the relevant regulation implemented by contracts and local governments.
- (c) As at 30 June 2022, certain of the Group's time deposits of RMB1,400,000 (31 December 2021: RMB38,400,000) were pledged to banks loans to secure the bank and other loans granted to the Group (note 17).

16. 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:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Due within 1 year or on demand	1,904,438	2,647,053
Due within 1 to 2 years	1,842,435	1,419,969
	<u>3,746,873</u>	<u>4,067,022</u>

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

17. Interest-Bearing Bank and Other Borrowings

	<u>30 June 2022 (Unaudited)</u>		<u>31 December 2021 (Audited)</u>	
	Effective interest rate (%)	RMB'000	Effective interest rate (%)	RMB'000
Current				
Bank loans – secured	4.55-6.65	4,680,107	3.85-7.45	4,563,730
Bank loans – unsecured	–	–	4.25	1,600
Other loans – secured	6.00-14.30	6,186,326	6.00-14.30	4,450,298
Other loans – unsecured	1.20-6.00	1,840,824	1.20-12.00	1,854,632
		<u>12,707,257</u>		<u>10,870,260</u>
Non-current				
Bank loans – secured	–	–	4.55	354,000
Other loans – secured	–	–	6.00-13.00	1,686,200
		<u>–</u>		<u>2,040,200</u>
		<u>12,707,257</u>		<u>12,910,460</u>

30 June 2022	31 December 2021
RMB'000	<i>RMB'000</i>
(unaudited)	(Audited)

Analysed into:

Bank loans repayable:

Within one year or on demand	4,680,107	4,565,330
In the second year	–	354,000
	4,680,107	4,919,330

Other loans repayable:

Within one year or on demand	8,027,150	6,304,930
In the second year	–	1,686,200
In the third to fifth years, inclusive	–	–
	8,027,150	7,991,130
	12,707,257	12,910,460

As at 30 June 2022, included in bank loans of the Group is an amount of RMB2,219,267,000 (31 December 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 and other borrowings included borrowings with principal amounts of RMB3,056,277,000 (31 December 2021: RMB2,659,277,000) with original maturity dates beyond 30 June 2023, which have been reclassified as current liabilities as at 30 June 2022 as a result of the matters described in note 2.

- (a) As at 30 June 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 corporate bonds were issued by Yida Development Company Limited (“**Yida Development**”), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

As at 30 June 2022, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were due on 31 December 2022, bearing interest at a rate of 6% per annum (31 December 2021: 6%). The remaining second tranche of corporate bond with the principal amount of RMB479,223,000 were due on 31 December 2022, bearing interest at a rate ranging from 2% to 6% per annum (31 December 2021: 6%).

- (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, the principal amount and interest of which were not paid according to the scheduled payment date and constituted on event of default. The Senior Notes were unsecured, bearing interest at a rate of 6.95% per annum, and were guaranteed by certain subsidiaries of the Group.

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

On 30 June 2022, the Company failed to pay the consent fee of USD3,450,000 according to the scheduled payment date in the solicitation of consents.

- (c) Certain of the Group’s bank and other loans are secured or guaranteed by:
- (i) pledges of the Group’s properties under development with an aggregate carrying amount as at 30 June 2022 of approximately RMB5,592,438,000 (31 December 2021: RMB6,324,475,000);
 - (ii) pledges of the Group’s investment properties with an aggregate carrying amount as at 30 June 2022 of approximately RMB15,884,438,000 (31 December 2021: RMB18,138,744,000);
 - (iii) pledges of the Group’s land held for development for sale with an aggregate carrying amount as at 30 June 2022 of approximately RMB934,921,000 (31 December 2021: RMB935,669,000);
 - (iv) pledges of the Group’s completed properties held for sale with an aggregate carrying amount as at 30 June 2022 of approximately RMB3,731,731,000 (31 December 2021: RMB4,930,857,000);
 - (v) pledge of a building of the Group with a carrying amount as at 30 June 2022 of approximately RMB27,722,000 (31 December 2021: RMB30,466,000);
 - (vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB8,534,623,000 as at 30 June 2022 (31 December 2021: RMB8,687,847,000);
 - (vii) pledges of certain equity interests of the subsidiaries of the Company as at the end of the reporting period;
 - (viii) pledges of certain of the Group’s time deposits with an aggregate carrying value at 30 June 2022 of approximately RMB1,400,000 (31 December 2021: RMB38,400,000); and
 - (ix) pledges of certain of other receivables of the Group with a carrying value at 30 June 2022 of approximately RMB nil (31 December 2021: RMB74,707,000).
- (d) Other than certain other borrowings with a carrying amount of RMB1,416,680,000 (31 December 2021: RMB1,381,141,000) denominated in USD as at 30 June 2022 and RMB531,507,000 denominated in HKD as at 30 June 2022 (31 December 2021: RMB508,138,000), the remaining bank borrowings and other borrowings of the Group are denominated in RMB as at 30 June 2022 and 31 December 2021.

- (e) As at 30 June 2022, included in other loans of the Group were loans from a related party (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company of the Company with principal amounts of RMB659,874,000 (31 December 2021: RMB657,289,000), among which RMB408,315,000 (31 December 2021: RMB405,730,000), were unsecured, borne interest at 6% per annum (31 December 2021: 6%) and were repayable within one year, while the remaining RMB251,559,000 (31 December 2021: RMB251,559,000), were secured, borne interest at 6% per annum (31 December 2021: 6%) and were repayable within one year.

18. Financial Guarantees

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

- (a) As at 30 June 2022, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB953,922,000 (31 December 2021: RMB1,028,783,000).

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

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

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

- (b) The Group provided guarantees to the extent of RMB183,213,000 (2021: RMB319,804,000) as at 30 June 2022 in respect of bank loans granted to its joint ventures.

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

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

CHAIRMAN’S STATEMENT

During the Period, the Group recorded revenue of RMB3,260 million, of which sales income from residential properties within and outside business parks, office properties and standalone residential properties was RMB2,663 million; rental income from business parks was RMB253 million; business park operation and management income was RMB127 million; and construction, decoration and landscaping income was RMB217 million, with a gross profit of RMB747 million and a gross profit margin of 22.9%. Net profit attributable to shareholders of the Company was RMB18 million.

REVIEW OF THE FIRST HALF OF 2022

In the first half of 2022, downward pressure on the macro economy has increased significantly and the income of residents was weakened. Factors such as resurgence of the pandemic and expectations of unstable market conditions posed a more pronounced impact on the home buying community, causing home buyers to further adopt a wait and see approach. Investment in property development projects recorded a negative year-on-year growth for the first time, with a significant decrease in the scale of commodity housing sales. At the same time, the policy on the financing end has not been significantly liberalized and the capital end of real estate enterprises is generally under pressure. In the face of unprecedented pressure on the real estate market, a number of cities and areas have introduced policies such as lowering down payment ratios, lowering loan interest rates, lowering provident funds and increasing the introduction of talents to encourage residents to purchase homes for self-occupation and housing improvement. On the basis of insisting on the positioning of “houses are for living in, not for speculation”, the policies in second-tier, third-tier and fourth-tier cities are expected to continue to relax, gradually releasing the reasonable demand of residents and paving the way for the gradual return to benign development of real estate enterprises with a deeper presence in these cities.

In addition, with the trend of declining land sale revenue, cities and areas need to find new sources of economic growth to maintain their financial sustainability. Cultivating local pillar industries, empowering the upgrading of advantaged industries and improving industrial facilities will become important engines to drive the quality development of the regional economy. The Group will leverage on its unique advantages and resources in operating city-industry integration projects accumulated in more than 20 years to create “new City-Industry Integration” projects by matching the supply and demand of talents in parks, forming industrial clusters and integrating facilities, in line with the policy direction and focus on the national strategies and market demand.

I. Vigorously promoting the operation and development of business parks and strengthening the core competencies of the industry

The Group will continue to strengthen its investment promotion system and enhance its service capability. During the Period, in order to assure that the business parks continue to maintain good operational development, the Group focused on building up its property management and operation and service teams to provide various safeguards for property owners and tenants. At the same time, by formulation of a medium and long-term asset management plan for the key parks and exploring the construction of a pilot intelligent park, the Group continuously improved the overall occupancy rate and net rental returns of the projects with the aim of ensuring a stable annual income. The business park projects in Wuhan, Zhengzhou and Changsha have been delivered one after another, with areas of completed industrial buildings of approximately 310,000 square meters (“sq.m.”), and the operation and development of the parks for each project was being vigorously promoted and the core capacity of industrial operation was strengthened.

II. Integrating business lines in a scientific manner and significantly improving the integrated management capability

The Group has been actively combining its advantageous business resources by consolidating its construction, renovation and landscaping business lines. During the Period, the integration of business teams was completed, and the platform operation and project integration capabilities were upgraded and supplemented in a scientific manner while efficiency was enhanced. After the integration, the construction design and decoration business will be able to achieve seamless convergence in terms of work processes and better protection of finished products during construction and maintenance after delivery, which will effectively enhance the efficiency and service quality of after-sales handling of finishing projects and significantly reduce the overall after-sales costs and investment. The Group will further strengthen its internal training mechanism to further realise the standardisation of construction, operation and delivery of projects.

III. Addressing the debt issue proactively and effectively as well as significantly enhancing the sustainability of capital structure

During the Period, the Company maintained a proactive and responsible attitude, rejuvenated and launched saleable resources to repay existing debts in the face of the ongoing challenges at the sales and financing end. At the same time, the Company has been working closely with financial institutions to roll over its outstanding debts at lower interest rates.

OUTLOOK FOR THE SECOND HALF OF 2022

With the gradual recovery from the pandemic and the steady resumption of operation and production, economic activities will see a full recovery in the second half of 2022. With the gradual relaxation of real estate policies, the financing environment will improve and the demand for reasonable financing will be supported, allowing the market to return to a stable and orderly state.

The Group will adhere to the development model of “City-Industry Integration” and build up its core competitiveness through diligent operation and scientific management. The Group will explore market needs, create quality living and working spaces for property owners and tenants, and provide quality products and services; follow the strategic planning of urban development, focus on urban industrial restructuring and economic transformation, and promote the upgrading of regional functions and industrial structure.

I. Deepening the commitment to intelligent parks and improving the quality of on-site services and park management

As a leading expert in the operation of business parks in China, the Group has been forward-looking in the planning and execution of intelligent parks to enhance efficiency, reduce operating costs, improve user experience and innovate the operation mode through transformation and upgrades. In recent years, the Group has been actively integrating the management and operation capabilities of the entire platform, constructing intelligent industrial spaces through new technologies, applications and platforms, and realizing the establishment of a standardized operation system and the efficient synergy of nationwide resources.

Since the establishment of the intelligent park system, the Group has been deeply involved in the process of intelligent upgrades of the business parks and fully empowering the development of the parks. By building intelligent parks, the Group have continuously improved the operational efficiency and service quality of the business parks, optimized the management mode, created an intelligent industry ecology, provided a quality growth environment for innovation and development of enterprises, and comprehensively helped enterprises and the regional economy to develop in high speed and quality.

II. Developing differentiated operation strategies and assuring smooth operation

The Group will actively adjust its management mindset to accelerate the destocking of existing residential properties and emphasize on the speed of sales and repayment. For the business park projects held by the Group, at the project equity level, the Group will introduce partners and optimize the equity structure to achieve credit enhancement to obtain incremental loans. At the same time, the Group will seek partial or full exit of equity interests in specific projects to gain greater cash flow flexibility. In addition, the Group will strive to ensure the proper delivery of each project to protect the interests of home buyers.

III. Bringing in strategic partners and achieving advantageous resource grafting

The Group will continue to promote the introduction of strategic investors and strengthen cooperation with substantial shareholders to achieve expansion and breakthroughs in its existing development prospects by sharing the resources and capital advantages of existing and potential shareholders.

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

Jiang Xiuwen
Yida China Holdings Limited
Chairman and Chief Executive Officer

25 August 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

I. Operation of Business Parks Owned by the Group

During the Period, the Group's four wholly-owned business parks included Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park and it owned a 50% stake in Wuhan First City. The total completed gross floor area in the aforementioned parks was approximately 1.844 million sq.m., and the area available for leasing was approximately 1.442 million sq.m.. During the Period, the Group recorded a rental income of approximately RMB253 million, representing a 5.1% increase over the same period of 2021, mainly due to an increase in leased area during the Period.

Business parks owned by the Group (unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area			Parking Spaces	Occupancy Rate at the End of the Period
			Office Buildings	Apartments	Shops		
Dalian Software Park	100%	635	381	180	33	42	93%
Dalian BEST City	100%	147	99	–	7	41	62%
Yida Information Software Park	100%	156	131	–	4	20	64%
Dalian Tiandi	100%	355	263	–	47	44	53%
Wuhan First City	50%	551	65	39	22	24	89%
Total		<u>1,844</u>		<u>1,442</u>			

Note:

1. As the financial information of Wuhan First City is not consolidated, the rental income of the Group excludes the rental income from such park.

In recent years, the Group has capitalised on the wave of the global industry shift to take advantage of the opportunities and has taken the lead in forming a high concentration of software and technology industries in the Dalian area, accumulating a wealth of professional talents and possessing a high level of business delivery quality, and promoting the investment and operation concept in key cities across China. With the rapid rise of the digital economy, the Group has been proactive in seeking changes to take advantage of the fast-changing market environment and to develop high-tech industries to become a global centre for software services and innovation. The Group has attracted a large number of innovative enterprises engaged in the research, development and application of the new generation of emerging technologies to the Group's business parks, and new technological forms such as big data, cloud computing, Internet of Things, artificial intelligence, industrial design, intelligent manufacturing, smart medical care and cultural creativity are flourishing.

In January 2022, the Group's Dalian Software Park was awarded the "Leading Industrial Park in China's Software and Information Service Industry of 2021" for its philosophy of rooting innovation in park development, its complete industry chain, service chain and innovation chain comprised of software and information services, its outstanding achievements and contributions in shaping the transformation and development of the regional digital economy, and its award of "Integrated Solutions for the Whole Industry Chain and Intelligent Park Operation Service Platform". In March 2022, the Dalian branch of Panasonic Information Systems (Shanghai) Co., Ltd. (PISSH) was relocated to the Dalian Information Software Park of the Group, which will focus on intelligent manufacturing and artificial intelligence to help companies achieve digital transformation and sustainable development in the manufacturing industry, and serve as a regional IT research and development headquarters with an estimated workforce of over 3,000 by 2024.

The Group will be proactive in exploring new horizons, seizing new opportunities in the post-pandemic era and leveraging on digital transformation to help tenants identify key breakthroughs and innovations in the industry, opening up bigger and newer development opportunities and promoting steady development of the regional economy.

II. Sale of Properties

During the Period, the Group achieved contracted sales of RMB1,018 million, contracted sales area of 85,301 sq.m. and average contracted sales price of RMB11,940 per sq.m., representing a year-on-year decrease of 13.9%, mainly due to the weaker-than-expected sales out of factors including the macro market, the pandemic and regional real estate policy restrictions. The majority of projects sold were located in Dalian (56.9% of total contracted sales), Changsha (16.9% of total contracted sales), Wuhan (16.8% of total contracted sales) and Zhengzhou (6.8% of total contracted sales), of which residential property sales accounted for approximately 69.2% of total contracted sales.

During the Period, the segment recorded revenue of RMB2,663 million, representing a year-on-year increase of 125.8%. The average sales price was RMB14,682 per sq.m., representing a year-on-year increase of 27.3% mainly due to the increase of unit rate as compared with the corresponding period of last year. The projects carried forward during the Period were mainly ordinary residential properties. Revenue-recognized projects were mainly located in Dalian (81.7% of revenue), Zhengzhou (14.6% of revenue), Changsha (3.7% of revenue) and other cities.

While consolidating its business in Dalian and focusing on the strategic target of "developing asset-light and asset-heavy businesses simultaneously", the Group implemented city-industry integration projects in Changsha and Zhengzhou and developed projects including Changsha Yida Intelligent Manufacturing Industrial Village, Changsha Yida & CSCEC Intelligent Technology Centre and Zhengzhou Yida Creation City.

Dalian

In the first half of 2022, the property market in Dalian was generally cold due to the impact of the resurgence of the pandemic. During the Period, the sales area of commercial properties was approximately 1.87 million sq.m., representing a year-on-year decrease of 42.1%. The average sales price was approximately RMB14,800 per sq.m., representing a year-on-year decrease of 9.1%. There were only 9 sale transactions of residential and commercial sites with gross floor area (“GFA”) of approximately 450,000 sq.m., representing a year-on-year decrease of 74%. In May 2022, with the promulgation of the “Notice on Promoting Healthy Development and Virtuous Cycle of Real Estate Industry in the City” and various preferential policies on household settlement by Dalian, the rigid demand for housing as well as the demand for improved housing will be further released.

The Group has been cultivating in Dalian for more than 20 years and has made efforts to develop a number of residential projects to satisfy rigid demand buyers or improvement buyers with its in-depth understanding of the needs of property owners. Leveraging its convenient transportation, pleasant living environment and comprehensive community facilities, the Dalian Glory of the City project of the Group in Zhongshan District, Dalian, has become a regional landmark project catering to the needs of owners who seek for upgrades and first-time home buyers. The Dalian Glory of the City project includes a children’s playground, an outdoor parlour, a circular jogging track of approximately one kilometre and other activities suitable for all age groups. Introducing the concept of resort-style “Forest Living”, the project places greater emphasis on the living experience of owners and meets the quality of life requirements of owners of the generation.

Changsha

In the first half of 2022, against the backdrop of the national real estate market under pressure, Changsha recorded a year-on-year decline of 43.0% in residential sales of approximately 3.15 million sq.m.. Changsha has successively introduced prudent regulatory policies to support reasonable demand for housing purchases and maintain the confidence of the market and property owners. At the same time, the city has increased subsidies for home purchases and efforts in the introduction of talents, and strived to attract competent talents by publishing the “Policies on Striving to Create a National Platform for Attracting and Gathering Talents (for Trial Implementation) of Changsha”. It proactively guided the development of emerging industries and establish national or regional headquarters for key enterprises. In accordance with the “Digital Transformation Plan for the Manufacturing Industry of the Hunan Province (2022-2024)”, Changsha will be transformed by digitalization to build a platform for advanced intelligent manufacturing.

Located in the Meixihu area of Changsha, the Group’s Yida & CSCEC Intelligent Technology Centre is oriented towards the development of medical and health care, technology and information, artificial intelligence and culture and creativity industries. As the home to dozens of leading high-tech enterprises, it has been awarded the “Model of Industrial Park in China” and the “Changsha Commercial Property with Investment Value Award”. The park is equipped with a new “50” ecological business office system, and it is planned to build products such as courtyard-style single-tower corporate headquarters, low-density multi-storey offices, mid- and high-rise intelligent business office buildings, commercial blocks as well as elite business apartments, while establishing a leading domestic smart industrial cluster covering three major functional areas: intelligent health zone, research and development headquarters zone, and financial business zone.

Located in Xiangjiang New District, the Group's Changsha Yida Intelligent Manufacturing Industrial Village is the core area in Wangcheng National Economic and Technological Development District. With intelligent manufacturing as the development direction of the industry, it will be the first "livable, business-friendly and tourist-welcoming" intelligent village in the central region with the concept of "manufacturing, life and ecology in one". Six functional areas will be built, namely, Creativity and Intelligence Island (創智島), Smart World (智慧天地), Village Guest Hall (小鎮客廳), Industrial and Technology Tourism (工業與科技旅遊), Talent Community (人才社區) and All Age Education (全齡教育), to create the first 4A industrial and technology tourism scenic spot in China.

Zhengzhou

In the first half of 2022, the macro-control policies of Zhengzhou were further lifted, covering land acquisition, redevelopment and resettlement, new home sales, tax subsidies and second-hand home transactions, etc. Mortgage rates continued to fall, and housing policies have generally entered a new easing cycle. The existing industrial base of Zhengzhou is relatively weak and its investment is expected to continue to increase to promote the introduction and development of high technology industries, so as to fully utilize the demographic dividend and build a core industrial zone in the central region.

Zhengzhou Yida Creation City of the Group is one of the 10 reconstruction projects of the science and technology service industry in the Henan Province, and has been listed as a key construction project in Henan Province for six years in a row. The core industries are intelligent manufacturing and the new generation of information technology industries, which will be extended upstream and downstream in the industry chain, focusing on new industrial clusters such as intelligent manufacturing, smart sensors, electronic components and artificial intelligence.

Based on its distinctive advantages, Zhengzhou Yida Creation City will further enhance the level of premiumization, digitalization, greening and intensification level of the industry. It will continue to promote the service system for small and micro enterprises in the park, and create an integrated operating service platform for fostering and promoting the growth of small and micro enterprises in terms of project attraction, industrial clustering, project incubation, innovation and entrepreneurship. In April 2022, Zhengzhou Yida Innovation Incubator of the Group was successfully accredited as a national science and technology small and micro enterprise in accordance with the relevant regulations of the Science and Technology Department of the Henan Province. The incubator will build a comprehensive life-cycle innovation and entrepreneurship incubation service system for the cultivation of innovative and entrepreneurial talents, research and development of scientific and technological products, transformation of achievements, project incubation, entrepreneurial guidance, investment and financing matching, strategic consultation and listing guidance, so as to continuously improve its service capacity and incubation effectiveness.

The following table outlines the Group's contracted sales breakdown as at 30 June 2022:

	Sales Floor Area <i>(sq.m.)</i>	Sales Amount <i>(RMB ten thousand)</i>	Average Sales Price <i>(RMB/sq.m.)</i>	Percentage of Total Sales
Dalian	30,015	57,971	19,314	56.9%
Wuhan	21,768	17,057	7,836	16.8%
Changsha	17,894	17,228	9,628	16.9%
Zhengzhou	8,696	6,907	7,943	6.8%
Shenyang	6,535	2,462	3,767	2.4%
Chongqing	196	135	6,908	0.1%
Chengdu	197	89	4,489	0.1%
Total	85,301	101,849	11,940	100.0%
Dalian Software Park	677	630	9,301	0.6%
Dalian BEST City	1,279	1,705	13,330	1.7%
Yida Information Software Park	6,656	7,100	10,668	7.0%
Dalian Tiandi	7,641	14,429	18,883	14.2%
Wuhan First City	21,768	17,057	7,836	16.7%
Changsha Yida & CSCEC Intelligent Technology Centre	2,674	3,621	13,538	3.5%
Changsha Yida Intelligent Manufacturing Industrial Village	15,219	13,607	8,941	13.4%
Zhengzhou Yida Creation City	8,696	6,907	7,943	6.8%
Chongqing Yida Innovation Plaza	196	135	6,908	0.1%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	6,535	2,462	3,767	2.4%
Residential Properties Outside Business Parks	13,960	34,196	24,496	33.6%
Total	85,301	101,849	11,940	100.0%

III. Business Park Operation and Management

As of the end of the Period, the Group's business parks had a total of 23 operation and management projects, and accumulated contracted operational management area of approximately 2.48 million sq.m.. During the Period, revenue amounted to RMB127 million, representing a year-on-year decrease of 15.8%, which was mainly due to the gradual withdrawal of some existing projects that met the completion conditions during the Period and the revenue from newly added projects has not yet been recognized. Leveraging on the industrial operation capability accumulated in more than 20 years, the Group provides integrated solutions for clients across the entire industrial chain based on the application of modern technologies such as the Internet, big data and intelligence. The Group has successfully operated a number of business park projects, including Beijing Zhongguancun No.1, Shanghai North Hongqiao Venture City and Changsha Meixihu Innovation Centre.

During the first half of 2022, due to the impact of the pandemic in various places, the pressure faced by small and micro enterprises in the operation increased, and the willingness of enterprises to enter business parks and extend leases decreased. The Group has been cultivating its existing regional clients and tenants of business parks to maintain its existing tenants and control surrendered space. During the Period, the Group formally signed contracts for the construction of the Tianjin Dongli International Medical Equipment Industrial Park and the Emergency Supply Reserve Centre in Yuwangtai District, Kaifeng for the provision of operation and construction services. Among them, the Tianjin Dongli International Medical Equipment Industrial Park is led by the production of medical equipment, in vivo implant materials, wearable health devices and in vitro diagnostic reagents, supplemented by industrial design and marketing support services, which will form a leading innovative development area which integrates high-level research and development, production, technology exchange and talent gathering.

The Group will follow the development trend of the times and continuously improve its innovative services through the three major specialized service capabilities of "intelligent industrial clustering", "intelligent service business" and "intelligent park management". It will also actively respond to the 14th Five-Year Plan and help realize the goal of digitalization, networked synergy and intelligent transformation of the intelligent manufacturing industry.

IV. Construction, Decoration and Landscaping

During the Period, the revenue of construction, decoration and landscaping businesses amounted to RMB217 million, representing an increase of 20.7% as compared with the corresponding period of last year, which was mainly due to an increase in the number of external contracted projects during the Period.

The business team of the Group is committed to becoming a regional first-class and domestic leading provider of construction, decoration and landscaping services with a nationwide presence. It has built and operated more than 100 high-quality projects in over 20 cities across China, serving high-end residences and villas, high-tech industrial parks, high-end ecological resorts, business complexes, corporate headquarters, government public buildings and higher education institutions. This will provide the Group with sustainable and stable performance support and recurrent cash flow.

During the Period, the Group undertook a number of construction, renovation and landscaping projects in Shenyang, Qingdao, Dalian and Zhengzhou, and received numerous awards in project evaluation and acceptance. The third phase of the Dalian Glory of the City project undertaken by the Group was awarded the “Demonstration Site of Construction Safety and Quality Standardization in Dalian”.

V. Land Reserves

As at 30 June 2022, the total GFA of the Group’s land reserves was approximately 7.35 million sq.m., while the GFA of land reserves attributable to the Group was approximately 6.59 million sq.m.. The land reserves in Dalian accounted for 67.6%. By pursuing the Group’s development strategies, including consolidating its market position in Dalian, striving for development in Hubei and Hunan and strengthening its presence in Central China, the Group has gradually launched city-industry integration projects in key cities and regions across the country.

The following table sets forth a breakdown of the Group’s land reserves as at 30 June 2022:

By City	Total GFA of Land Reserves (sq.m.)	Proportion of Total Land Reserves	Attributable GFA of Land Reserves (sq.m.)	Proportion of Attributable Land Reserves
Dalian	4,965,871	67.6%	4,965,871	75.3%
Shenyang	89,507	1.2%	45,648	0.7%
Wuhan	592,030	8.1%	296,015	4.5%
Zhengzhou	424,880	5.8%	424,880	6.4%
Changsha	921,021	12.5%	599,922	9.1%
Chengdu	67,664	0.9%	46,827	0.7%
Chongqing	79,236	1.1%	79,236	1.2%
Hefei	208,966	2.8%	135,828	2.1%
Total	<u>7,349,175</u>	<u>100.0%</u>	<u>6,594,227</u>	<u>100.0%</u>

By Location	Total GFA of Land Reserves (sq.m.)	Proportion of Total Land Reserves	Attributable GFA of Land Reserves (sq.m.)	Proportion of Attributable Land Reserves
Business Parks	5,835,814	79.4%	5,154,004	78.2%
Residential Properties outside Business Parks	<u>1,513,361</u>	<u>20.6%</u>	<u>1,440,223</u>	<u>21.8%</u>
Total	<u>7,349,175</u>	<u>100.0%</u>	<u>6,594,227</u>	<u>100.0%</u>

Project	Equity Interests of the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Business Parks				
Dalian Software Park				
Office	100%	594,938	–	–
Residential	100%	74,345	–	–
Subtotal	100%	669,283	–	–
Dalian BEST City				
Office	100%	147,274	148,317	515,172
Residential	100%	138,932	5,573	–
Subtotal	100%	286,206	153,890	515,172
Wuhan First City				
Office	50%	185,026	59,498	329,558
Residential	50%	17,948	–	–
Subtotal	50%	202,974	59,498	329,558
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	74,782	84,215	–
Subtotal	100%	226,921	84,215	118,798
Dalian Tiandi				
Office	100%	335,677	209,189	942,164
Residential	100%	66,100	69,432	–
Subtotal	100%	401,777	278,621	942,164

Project	Equity Interests of the Group	Remaining Completed Saleable/Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	–	52,093	–
Subtotal	60%	–	52,093	–
Changsha Yida & CSCEC Intelligent Technology Centre City				
Office	51%	31,162	116,688	87,900
Subtotal	51%	31,162	116,688	87,900
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	90,791	–	304,924
Residential	70%	2,708	205,176	81,672
Subtotal	70%	93,499	205,176	386,596
Zhengzhou Yida Creation City				
Office	100%	1,189	349,591	74,100
Subtotal	100%	1,189	349,591	74,100
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	38,023	51,484
Subtotal	51%	–	38,023	51,484

Project	Equity Interests of the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Chongqing Yida Innovation Plaza				
Office	100%	–	79,236	–
Subtotal	100%	–	79,236	–
Projects Within Business Parks Subtotal		1,913,011	1,417,031	2,505,772
Projects Outside Business Parks				
Dalian	100%	444,489	317,099	527,236
Chengdu	100%	15,571	–	–
Hefei	65%	–	–	208,966
Projects Outside Business Parks Subtotal		460,060	317,099	736,202
Total		2,373,071	1,734,130	3,241,974

FINANCIAL REVIEW

Revenue

The sources of revenue of the Group primarily include (1) revenue 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 Period, the revenue of the Group was RMB3,260.05 million, representing an increase of 79.2% from the corresponding period of last year. The following table sets forth a breakdown of the revenue for the periods indicated:

	For the six months ended 30 June			
	2022		2021	
	Amount <i>RMB'000</i>	% of total amount	Amount <i>RMB'000</i>	% of total amount
Revenue from sales of properties	2,663,280	81.7%	1,179,418	64.8%
Rental income	252,570	7.7%	240,291	13.2%
Business park operation and management services income	126,750	3.9%	150,509	8.3%
Construction, decoration and landscaping income	217,450	6.7%	180,161	9.9%
Property management income	—	—	68,932	3.8%
Total	<u>3,260,050</u>	<u>100.0%</u>	<u>1,819,311</u>	<u>100.0%</u>

(1) Revenue from sales of properties

The Group's revenue arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Period was RMB2,663.28 million, representing an increase of 125.8% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Period.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Period amounted to RMB252.57 million, representing an increase of 5.1% from the corresponding period of last year, which was mainly attributable to the decrease in leased area as a result of the increase in leased area during the Period.

(3) Business park operation and management services income

During the Period, the income arising from business park operation and management services provided by the Group amounted to RMB126.75 million, representing a decrease of 15.8% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Period, and the income from newly added projects has not yet been recognised.

(4) Construction, decoration and landscaping income

During the Period, the income derived from construction, decoration and landscaping services provided by the Group amounted to RMB217.45 million, representing an increase of 20.7% from the corresponding period of last year, which was mainly attributable to the increase in number of external contracted projects during the Period.

Cost of Sales

The cost of sales of the Group during the Period amounted to RMB2,513.2 million, representing an increase of 86.3% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Period amounted to RMB746.85 million, representing an increase of 58.8% from the corresponding period of last year, which was attributable to the increase of income during the Period; the gross profit margin decreased from 25.8% for the corresponding period of 2021 to 22.9% during the Period, which was mainly attributable to the decrease in gross profit of different product structures over the corresponding period last year.

Selling and Marketing Expenses

The selling and marketing expenses of the Group decreased by 29.5% to RMB48.61 million from RMB68.95 million in the corresponding period of last year, which was mainly attributable to the decrease in advertising expenses from property sales and sales commissions during the Period.

Administrative Expenses

The administrative expenses of the Group for the Period amounted to RMB92.42 million, representing a decrease of 36.7% from the corresponding period of 2021, which was mainly due to reduction of office expenditures during the Period.

Other loss – net

The net other loss of the Group recorded for the Period amounted to RMB95.94 million, which was mainly due to the exchange losses resulting from exchange rate movements during the Period.

Fair Value (Losses)/Gains on Investment Properties

The fair value gains on investment properties of the Group amounted to RMB22.25 million during the Period. As at 30 June 2022, the fair value of investment properties remained substantially the same as at 31 December 2021.

Finance Costs

The finance costs of the Group decreased by 52.7% to RMB202.35 million during the Period from RMB427.83 million in the corresponding period of 2021, which was mainly due to the decrease in interest expenses during the Period.

Share of Profits and Losses of Joint Ventures and Associates

During the Period, the Group's share of profits and losses of joint ventures and associates was a net loss of RMB1.27 million, representing a decrease of approximately RMB34.36 million as compared with the corresponding period of last year, which was mainly attributable to the decrease in investment income due to disposal of the 50% equity of Dalian Software Park Ascendas Development Company Limited last year.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group decreased by 6.3% to RMB304.37 million during the Period from RMB324.75 million in the corresponding period of 2021, which was mainly attributable to the increase in income tax as a result of the disposals of 100% equity interest in Yida Property Service Company Limited and 50% equity interest in Dalian Software Park Ascendas Development Company Limited during the corresponding period of last year while there was no such transaction during the Period.

Profit for the Period

As a result of the foregoing, the profit before tax of the Group decreased to RMB315.56 million during the Period from RMB609.9 million for the corresponding period of 2021.

The net profit of the Group decreased to RMB11.19 million during the Period from RMB285.15 million for the corresponding period of 2021.

The net profit attributable to equity owners decreased to RMB18.37 million during the Period from RMB271.44 million for the corresponding period of 2021.

The core net profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) decreased to RMB1.68 million during the Period from RMB281.14 million for the corresponding period of 2021.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2022, the Group had cash and bank balances of approximately RMB459.36 million (including restricted cash of approximately RMB237.88 million) (31 December 2021: cash and bank balances of approximately RMB773.89 million, including restricted cash of approximately RMB330.69 million).

Debts

As at 30 June 2022, the Group had bank and other borrowings of approximately RMB12,707.26 million (31 December 2021: approximately RMB12,910.46 million), of which:

(1) By Loan Type

	30 June 2022	31 December 2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Secured bank loans	4,680,107	4,917,730
Unsecured bank loans	–	1,600
Secured other borrowings	6,186,326	6,136,498
Unsecured other borrowings	1,840,824	1,854,632
	<u>12,707,257</u>	<u>12,910,460</u>

(2) By Maturity Date

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within one year or on demand	12,707,257	10,870,260
In the second year	—	2,040,200
	<u>12,707,257</u>	<u>12,910,460</u>

As at 30 June 2022, the Group's bank and other borrowing amounted to RMB12,333,257,000 were charged with fixed interest rate of 1.2% – 14.30% per annum with the remaining balances of RMB374,000,000 were charged with variable rates.

Debt Ratio

The net gearing ratio (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 100.3% as at 30 June 2022, which remaining substantially at the same level as that of 99.5% as at 31 December 2021.

Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 17 to the financial statements.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 30 June 2022, the Group had cash and bank balances (including restricted cash) of approximately RMB1.27 million and approximately RMB1.34 million denominated in Hong Kong dollars and USD, respectively. The Group had borrowings of approximately RMB1,416.68 million and approximately RMB531.51 million denominated in United States dollars and Hong Kong dollars, respectively, with the remaining borrowings all denominated in RMB. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers.

Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 30 June 2022, the Group provided guarantees of approximately RMB953.92 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 RMB183.21 million (2021: RMB319.80 million) as at 30 June 2022 in respect of bank loans granted to a joint venture.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had 716 full-time employees (31 December 2021: 955). The Group remunerates its 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.

INTERIM DIVIDEND

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2022.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During the Period, except for the deviation for reason set out below, the Company has complied with all the code provisions set out in the CG Code.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Jiang Xiuwen serves as the chairman and chief executive officer of the Company and is responsible for overseeing the operations of the Group. The Board has considered the merits of separating the roles of the chairman and chief executive officer but is of the view that it is in the best interests of the Company to vest the two roles in Mr. Jiang Xiuwen as it 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. The Board will nevertheless review the relevant structure from time to time in light of the prevailing circumstances.

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 Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Period.

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

The Group had no significant investments, material acquisitions or disposals of subsidiaries, associates or joint ventures during the Period.

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 30 June 2022.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the Period, no share options were granted under the share option scheme.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 1 June 2014 with written terms of reference, which was amended on 10 December 2015 and 28 December 2018, in compliance with Rule 3.21 of the Listing Rules and code provision D.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of four independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, with Mr. Yip Wai Ming acting as the chairman of the Audit Committee. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee has appropriate professional qualifications.

REVIEW OF THE INTERIM RESULTS

The interim results of the Group for the six months ended 30 June 2022 have been reviewed and approved by the Audit Committee.

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

Reference is made to the announcements of the Company dated 7 February 2022, 17 February 2022 and 30 June 2022, respectively (the “**Consent Solicitation Announcements**”).

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 the second instalment of the consent fee which shall be paid to the Eligible Holders (as defined in the Consent Solicitation

Announcements) in the amount of US\$3.45 million on 30 June 2022 pursuant to the terms of the Consent Solicitation (the “**Non-Payment**”). The Non-Payment 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.

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 and 30 June 2021, and the annual reports of the Company for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 (collectively, the “**Documents**”). Unless otherwise indicated, capitalised terms used under this section shall have the meanings as those defined in the Documents.

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 USD300,000,000, 6.95%, senior notes due 2020 (the “**2020 Notes**”). The remaining outstanding principal amount of USD52,854,000 was due on 20 April 2020, and the Company had repaid in full on 24 April 2020 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest) of the 2022 Notes on 16 April 2021, and the Company had repaid in full on 4 May 2021 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest), semi-annual interest and the principal amount of USD45,000,000 (together with the accrued interest) of the 2022 Notes on 27 August 2021, 27 September 2021 and 27 December 2021, respectively, and the Company’s failure to make such payments constituted an event of default. Pursuant to the Consent Solicitation completed on 16 February 2022, among other things, the aforesaid events of defaults were waived. The Company was required to pay the second instalment of the consent fee of USD3,450,000 on 30 June 2022 and the Company’s failure to make such payments constituted an event 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 day in the Settlement Agreement, USD50,000,000 shall be paid before 10 June 2021 and USD40,000,000 (together with the accrued interests) shall be paid before 10 October 2021. As at the date of this announcement, such amounts have not been paid and constituted an event of default.
5. On 30 October 2020, certain bank loans of a subsidiary from one commercial bank matured and the relevant subsidiary repaid in several tranches until 4 March 2021. The delay in repayment of the remaining outstanding amount constituted an event of default.
6. The Group has failed to repay certain borrowings together with accrued interests and consent fees under the corresponding agreements with lenders according to the respective scheduled repayment dates set out therein (the “**Borrowings Overdue**”). As at 30 June 2022, borrowings with a total principal amount of RMB4,425,767,000 remained unsettled, out of which RMB590,000,000 have been subsequently extended up to the date of this announcement. The delay in payment of such aggregate sum has constituted an event of default.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB5,562,550,000 in total as at 30 June 2022 becoming immediately repayable if requested by the lenders. As at the date of this announcement, no relevant lender had demanded for immediate repayment of the loans. In addition, the operation of the Group, including its pre-sale and receivables collection, remains normal. The Company and relevant banks and financial institutions continue to negotiate on the future financing arrangements with the Company, and at the same time is also exploring alternative sources of financing.

Specific performance of the controlling shareholder

References are made to the announcement of the Company dated 5 March 2021, the interim report of the Company for the six months ended 30 June 2021 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 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 (“**Jiayou**”) executed a share charge (the “**Share Charge**”) to charge 516,764,000 shares of the Company, representing 20% of issued share capital of the Company, as security for the obligation of the Company and certain of its subsidiaries and joint ventures under the Settlement Agreement. For details, please refer to the Company’s announcements dated 5 March 2021 and 11 March 2021.

On 12 May 2022, the Company received a letter regarding the appointment of the joint and several receivers over 516,764,000 shares of the Company (representing approximately 19.99% of the total issued shares of the Company as at the date of this announcement) (the “**Charged Shares**”) pursuant to the terms of the Share Charge on 11 May 2022, 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.

The Group has proposed settlement plans to and has been actively negotiating with Aetos Parties.

Where the circumstances giving rise to the obligations under Rules 13.17, 13.18 and 13.19 of the Listing Rules continue to exist, the Company will include relevant disclosures in subsequent interim and annual reports in accordance with Rule 13.21 of the Listing Rules, and will disclose further developments on this matter by way of further announcement(s) in a timely manner in accordance with requirements under the Listing Rules.

EVENTS AFTER REPORTING PERIOD

The Group did not have any material subsequent events after the Period and up to the date of this announcement.

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

This interim 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 interim report of the Company for the six months ended 30 June 2022 will be despatched 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, 25 August 2022

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