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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 2023**

**FINANCIAL HIGHLIGHTS**

For the six months ended 30 June 2023:

1. Recognised revenue amounted to RMB1,572.47 million, representing a decrease of 51.8% from the corresponding period of 2022;
2. The gross profit amounted to RMB309.08 million, representing a decrease of 58.6% from the corresponding period of 2022; the gross profit margin decreased from 22.9% for the corresponding period of 2022 to 19.7% during the Period;
3. Recorded a net loss of RMB42.24 million as compared to the net profit of RMB11.19 million for the corresponding period of 2022;
4. Basic loss per share attributable to ordinary equity holders of the Company was RMB1.4 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**”, “**we**”, “**us**” or “**our**”) for the six months ended 30 June 2023 (the “**Period**”) together with the comparative figures for the corresponding period in 2022.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Revenue</b>	5	1,572,471	3,260,050
Cost of sales	7	<u>(1,263,392)</u>	<u>(2,513,202)</u>
Gross profit		309,079	746,848
Other income	6	175,531	6,244
Fair value gains on investment properties	13	3,424	22,249
Provision for impairment losses on financial and contract assets		(10,622)	(19,200)
Other (losses)/gains – net	8	(135,930)	(95,939)
Selling and marketing expenses	7	(31,246)	(48,606)
Administrative expenses	7	(76,041)	(92,415)
Finance costs – net	9	(247,820)	(202,354)
Share of profits and losses of joint ventures and associates		<u>7,461</u>	<u>(1,270)</u>
<b>Profit/(loss) before income tax</b>		(6,164)	315,557
Income tax expenses	10	<u>(36,074)</u>	<u>(304,365)</u>
<b>Profit/(loss) for the period</b>		<u>(42,238)</u>	<u>11,192</u>
Attributable to:			
Owners of the Company		(35,720)	18,365
Non-controlling interests		<u>(6,518)</u>	<u>(7,173)</u>
		<u>(42,238)</u>	<u>11,192</u>
<b>Earnings/(loss) per share attributable to ordinary equity holders of the Company</b>			
Basic and diluted (RMB per share)	12	<u>(1.4 cents)</u>	<u>0.7 cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
Note	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Profit/(loss) for the period</b>	<b>(42,238)</b>	11,192
Other comprehensive income/(loss) which may be reclassified to profit or loss in subsequent periods	—	—
<b>Total comprehensive income/(loss) for the period</b>	<b>(42,238)</b>	11,192
Attributable to:		
Owners of the Company	(35,720)	18,365
Non-controlling interests	(6,518)	(7,173)
	<b>(42,238)</b>	11,192

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		<b>30 June</b>	31 December
		<b>2023</b>	2022
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>68,389</b>	76,573
Investment properties	<i>13</i>	<b>17,937,325</b>	18,002,005
Investments in joint ventures		<b>705,052</b>	697,591
Investments in associates		<b>4,785</b>	4,785
Prepayments for acquisition of land		<b>3,292,024</b>	3,254,839
Prepayments and other receivables		<b>629,749</b>	629,749
Intangible assets		<b>8,987</b>	19,486
Deferred tax assets		<b>470,106</b>	460,001
		<hr/>	<hr/>
Total non-current assets		<b>23,116,417</b>	23,145,029
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		<b>100,208</b>	194,354
Land held for development for sale		<b>761,226</b>	761,226
Properties under development		<b>7,721,871</b>	7,924,222
Completed properties held for sale		<b>4,677,523</b>	4,939,106
Contract assets		<b>169,780</b>	149,554
Trade receivables	<i>14</i>	<b>412,206</b>	384,820
Prepayments, deposits and other receivables		<b>1,542,222</b>	1,484,998
Prepaid corporate income tax		<b>119,995</b>	103,385
Prepaid land appreciation tax		<b>244,244</b>	238,570
Restricted cash	<i>15</i>	<b>297,616</b>	231,281
Cash and cash equivalents	<i>15</i>	<b>112,683</b>	127,519
		<hr/>	<hr/>
Total current assets		<b>16,159,574</b>	16,539,035
		<hr/>	<hr/>
<b>Total assets</b>		<b>39,275,991</b>	39,684,064
		<hr/> <hr/>	<hr/> <hr/>

		<b>30 June</b>	31 December
		<b>2023</b>	2022
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings	17	259,000	–
Deferred tax liabilities		2,757,409	2,766,331
Lease liabilities		26,646	34,572
		<u>3,043,055</u>	<u>2,800,903</u>
Total non-current liabilities			
<b>Current liabilities</b>			
Contract liabilities		3,487,300	3,531,627
Trade payables	16	3,260,533	3,619,919
Other payables and accruals		3,606,959	3,638,425
Interest-bearing bank and other borrowings	17	11,855,140	12,050,826
Corporate income tax payable		1,046,058	1,027,661
Provision for land appreciation tax		1,603,202	1,598,861
Lease liabilities		10,305	10,165
		<u>24,869,497</u>	<u>25,477,484</u>
Total current liabilities			
<b>Total liabilities</b>		<u>27,912,552</u>	<u>28,278,387</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital		159,418	159,418
Reserves		11,100,597	11,136,317
		<u>11,260,015</u>	<u>11,295,735</u>
<b>Non-controlling interests</b>		<u>103,424</u>	<u>109,942</u>
<b>Total equity</b>		<u>11,363,439</u>	<u>11,405,677</u>
<b>NET CURRENT LIABILITIES</b>		<u>(8,709,923)</u>	<u>(8,938,449)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,406,494</u>	<u>14,206,580</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2023

## 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 2023, 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, Suzhou, Ningbo, Qingdao, Nanchang, Xuchang, Shenzhen, Changsha and Chengdu, the People’s Republic of China (the “**PRC**”, “**Mainland China**” or “**China**”).

In the opinion of the directors (the “**Directors**”) of the Company, 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 31 August 2023.

## 2. Basis of Preparation

These unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2023 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 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

### Going concern Basis

As at 30 June 2023, the Group’s current liabilities exceeded its current assets by RMB8,709,923,000. At the same date, its current borrowings amounted to RMB11,855,140,000 while its cash and cash equivalents amounted to RMB112,683,000 only.

Up to 30 June 2023, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the “**Borrowings Overdue**”). Although the Group managed to settle some of these borrowings during the Period after the due dates, an aggregate principal amount of RMB3,281,493,000 remained unsettled as of 30 June 2023, and have not been subsequently repaid, renewed or extended up to the date of the approval of these consolidated financial statements.

On 18 January 2021, the Group failed to settle a payable with interest accrued thereon to certain parties (“**Aetos Parties**”) according to a final award issued by Hong Kong International Arbitration Centre. On 4 March 2021, the Group and Aetos Parties entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed repayment schedule. However, the Group failed to fulfill the settlement agreement and the unpaid balance amounted to RMB1,192,341,000 as at 30 June 2023. Subsequent thereto, Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties’ satisfaction, or otherwise a winding-up petition may be presented to the court (the “**Aetos Parties Matter**”). The Group has been actively negotiating with Aetos Parties.

Since 2018, the financial conditions of the Group’s controlling shareholder, China Minsheng Investment Corp., Ltd. (“**China Minsheng**”), changed in such a way that triggered certain terms specified in the Group’s borrowing agreements. In addition, the Company publicly announced on 20 February 2020 that Mr. Chen Donghui, a then executive Director who was subsequently removed since 15 June 2020, was detained by the relevant authorities in the PRC. These matters, together with the Borrowings Overdue and the Aetos Parties Matter, constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB8,183,985,000 in total as at 30 June 2023 becoming immediately repayable if requested by the lenders, of which RMB3,013,810,000 represented borrowings with scheduled repayment dates within one year, while RMB5,170,175,000 represented non-current borrowings with original contractual repayment dates beyond 30 June 2024 that were reclassified as current liabilities.

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

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

- i) The Group has been actively negotiating with Aetos Parties. Up to the date of the approval of these consolidated financial statements, Aetos Parties have not presented a winding-up petition to the court. The Directors are confident that the Group will reach a final settlement agreement with Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court.
- ii) In respect of Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders 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 2023, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. The Directors believe that, given the Group’s long-term relationship with the banks and financial institutions and the availability of the Group’s properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when needed. In this connection, the Group was able to renew, extend or obtain new borrowings of RMB82,000,000, 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 after the reporting period.

- 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 2023. 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 2023. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

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

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

### **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 31 December 2022, 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 ended 31 December 2023, 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 five reportable operating segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property investment segment invests in properties for their rental income potential and/or 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 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 2023 (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>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue:						
Sales to external customers	<u>888,178</u>	<u>251,186</u>	<u>118,310</u>	<u>314,797</u>	<u>-</u>	<u>1,572,471</u>
Segment results	<u>94,394</u>	<u>152,515</u>	<u>9,282</u>	<u>3,172</u>	<u>(18,523)</u>	<u>240,840</u>
Reconciliation:						
Interest income						816
Dividend income and unallocated gains						-
Corporate and other unallocated expenses						-
Finance costs						<u>(247,820)</u>
Profit/(loss) before income tax						(6,164)
Income tax expenses						<u>(36,074)</u>
Profit/(loss) for the period						<u><u>(42,238)</u></u>

**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>	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>3,260,050</u>
Segment results	<u>345,263</u>	<u>183,177</u>	<u>10,049</u>	<u>4,844</u>	<u>(27,613)</u>	<u>515,720</u>
Reconciliation:						
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>

## 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.

Revenue from each major customer which accounted for 10% or more of the Group's revenue for each reporting period is set out below:

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Customer A	<b>694,302</b>	–

## 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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers recognised at a point in time</b>		
Sale of properties	<b>888,178</b>	2,663,280
<b>Revenue from contracts with customers recognised over time</b>		
Business park operation and management service income	<b>118,310</b>	126,750
Construction, decoration and landscaping income	<b>314,797</b>	217,450
	<b>433,107</b>	344,200
Revenue from contracts with customers	<b>1,321,285</b>	3,007,480
<b>Revenue from other sources</b>		
Rental income	<b>251,186</b>	252,570
	<b>1,572,471</b>	3,260,050

## 6. Other Income

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest income	816	2,192
Government subsidies	4,119	4,052
Gain on debt restructuring	170,596	–
	<u>175,531</u>	<u>6,244</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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold	778,454	2,123,263
Cost of services provided	406,123	305,696
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	78,815	84,243
Employee benefit expenses	48,067	59,671
Short-term office lease expenses	1,115	643
Depreciation	10,987	16,579
Amortisation of intangible assets	2,435	2,689
Advertising	5,592	12,377
Other costs and expenses	39,091	49,062
	<u>1,370,679</u>	<u>2,654,223</u>

## 8. Other (losses)/gains

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net foreign exchange losses	(112,500)	(101,584)
Others	(23,430)	5,645
	<u>(135,930)</u>	<u>(95,939)</u>

## 9. Finance Costs

	For the six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	470,105	514,807
Interest on lease liabilities	1,492	1,967
Less: Interest capitalised	(206,783)	(276,749)
	<u>264,814</u>	<u>240,025</u>
Interest income	(16,994)	(37,671)
	<u>247,820</u>	<u>202,354</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 2023 and 2022. 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	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current:		
PRC corporate income tax	35,329	216,346
PRC land appreciation tax (“LAT”)	19,772	190,818
	<u>55,101</u>	<u>407,164</u>
Deferred:		
Current period	(19,027)	(102,799)
Total tax charge for the period	<u>36,074</u>	<u>304,365</u>

## 11. Interim Dividend

The Company resolved not to declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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 loss/(profit) for the period attributable to ordinary equity holders of the Company of RMB35,720,000 (six months ended 30 June 2022: profit of RMB18,365,000), and the weighted average number of ordinary shares of 2,583,970,000 (six months ended 30 June 2022: 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 2023 and 2022 as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 13. Investment Properties

	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 2023	42,000	12,864,400	5,095,605	18,002,005
Additions	–	–	41	41
Disposals	–	(68,145)	–	(68,145)
Net gains/(losses) from fair value adjustments	–	3,465	(41)	3,424
At 30 June 2023	<u>42,000</u>	<u>12,799,720</u>	<u>5,095,605</u>	<u>17,937,325</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 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>

As at 30 June 2023, certain of the Group's investment properties of RMB15,946,958,000 (31 December 2022: RMB16,011,638,000) were pledged to banks to secure the loans granted to the Group (note 17).

#### 14. Trade Receivables

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Trade receivables – gross amount	522,333	484,304
Less: Allowances for impairment of trade receivables	<u>(110,127)</u>	<u>(99,484)</u>
	<b><u>412,206</u></b>	<b><u>384,820</u></b>

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:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Within 1 year	235,401	167,017
1 to 2 years	62,082	90,461
Over 2 years	<u>224,850</u>	<u>226,826</u>
	<b><u>522,333</u></b>	<b><u>484,304</u></b>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2023, a provision of RMB110,127,000 (31 December 2022: RMB99,484,000) was made against the gross amount of trade receivables.

#### 15. Cash and Cash Equivalents and Restricted Cash

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Cash and bank balances ( <i>notes</i> )	410,299	358,800
Less: Restricted cash	<u>(297,616)</u>	<u>(231,281)</u>
Cash and cash equivalents	<b><u>112,683</u></b>	<b><u>127,519</u></b>

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 RMB409,837,000 (31 December 2022: RMB358,583,000). 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 2023, such guarantee deposits amounted to RMB27,966,000 (31 December 2022: RMB15,370,000).
- (b) As at 30 June 2023, the deposits of the Group amounted to RMB269,650,000 (31 December 2022: RMB215,911,000), were placed at designated bank accounts by certain subsidiaries of the Group for the payment of 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.

## 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:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Due within 1 year or on demand	<b>1,744,914</b>	2,428,771
Due within 1 to 2 years	<b>1,515,619</b>	1,191,148
	<b><u>3,260,533</u></b>	<u>3,619,919</u>

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

## 17. Interest-Bearing Bank and Other Borrowings

	30 June 2023 (Unaudited)		31 December 2022 (Audited)	
	Effective interest rate (%)	RMB'000	Effective interest rate (%)	RMB'000
<b>Current</b>				
Bank loans – secured	4.00-6.50	5,495,303	4.00-6.50	5,808,668
Other loans – secured	2.00-12.00	4,324,836	2.00-13.00	4,306,601
Other loans – unsecured	1.20-6.00	2,035,001	1.20-6.00	1,935,557
		<u>11,855,140</u>		<u>12,050,826</u>
<b>Non-current</b>				
Bank loans – secured	4.40	259,000	–	–
		<u>259,000</u>		<u>–</u>
		<u>12,114,140</u>		<u>12,050,826</u>
			<b>30 June 2023</b>	31 December 2022
			<b>RMB'000</b>	<b>RMB'000</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
Analysed into:				
Bank loans repayable:				
Within one year or on demand			5,495,303	5,808,668
In the second year			259,000	–
			<u>5,754,303</u>	<u>5,808,668</u>
Other loans repayable:				
Within one year or on demand			6,359,837	6,242,158
In the second year			–	–
			<u>6,359,837</u>	<u>6,242,158</u>
			<u>12,114,140</u>	<u>12,050,826</u>

As at 30 June 2023, included in bank loans of the Group is an amount of RMB1,591,013,000 (31 December 2022: RMB1,595,168,000) 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 RMB5,170,175,000 (31 December 2022: RMB2,951,250,000) with original maturity dates beyond 30 June 2024, which have been reclassified as current liabilities as at 30 June 2023 as a result of the matters described in note 2.

- (a) As at 30 June 2023, 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 2022: RMB800,000,000 and RMB479,223,000 respectively). The first tranche and the second tranche 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 2023, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum (31 December 2022: 4%). The remaining second tranche of corporate bond with the principal amount of RMB200,000,000 were extended to 31 December 2024 by respective bond holders, bearing interest at a rate of 4% per annum (31 December 2022: 4%), the remaining second tranche of corporate bond with the principal amount of RMB49,523,000 were extended to 31 December 2023 by respective bond holders, bearing interest at a rate of 2% per annum (31 December 2022: 2%), and the remaining second tranche of corporate bond with the principal amount of RMB229,700,000 were extended to 31 August 2023 by respective bond holders, bearing interest at a rate of 6% per annum (31 December 2022: 6%).

- (b) As at 31 December 2022, included in other loans of the Group were senior notes due on 30 April 2025 (the “Senior Notes”) with carrying amount of RMB1,457,265,000, which constituted an event of default and were unsecured and guaranteed by certain subsidiaries of the Group.

On 17 February 2022, a solicitation of consents for the Senior Notes was completed. Previous events of default of the Senior Notes and other cross-default terms were waived. The maturity date of the Senior Notes was extended to 30 April 2025 while the interest rate of the Senior Notes changed to 6% per annum and the Company should pay consent fee and the lieu of accrued interest of USD11,500,000 in total.

Since then and up to 30 June 2023, the Company failed to pay the consent fee, the lieu of accrued interest and accrued interest of USD21,818,940 in total according to the scheduled payment date in the solicitation of consents. As at 30 June 2023, the carrying amount of Senior Notes was RMB1,554,304,000.

- (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 2023 of approximately RMB6,075,657,000 (31 December 2022: RMB5,777,695,000);
  - (ii) pledges of the Group’s investment properties with an aggregate carrying amount as at 30 June 2023 of approximately RMB15,946,958,000 (31 December 2022: RMB16,011,638,000);
  - (iii) pledges of the Group’s land held for development for sale with an aggregate carrying amount as at 30 June 2023 of approximately RMB761,226,000 (31 December 2022: RMB761,226,000);
  - (iv) pledges of the Group’s completed properties held for sale with an aggregate carrying amount as at 30 June 2023 of approximately RMB2,903,927,000 (31 December 2022: RMB3,088,247,000);
  - (v) pledge of a building of the Group with a carrying amount as at 30 June 2023 of approximately RMB22,233,000 (31 December 2022: RMB24,978,000);

- (vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB7,704,320,000 as at 30 June 2023 (31 December 2022: RMB7,749,563,000);
- (vii) pledges of certain equity interests of the subsidiaries of the Company as at the end of the reporting period;
- (d) Other than certain other borrowings with a carrying amount of RMB1,606,278,000 (31 December 2022: RMB1,510,892,000) denominated in USD as at 30 June 2023 and RMB381,670,000 denominated in HKD as at 30 June 2023 (31 December 2022: RMB369,797,000), the remaining bank borrowings and other borrowings of the Group are denominated in RMB as at 30 June 2023 and 31 December 2022.
- (e) As at 30 June 2023, 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 RMB663,731,000 (31 December 2022: RMB661,824,000), among which RMB412,172,000 (31 December 2022: RMB410,265,000), were unsecured, borne interest at 6% per annum (31 December 2022: 2%) and were repayable within one year, while the remaining RMB251,559,000 (31 December 2022: RMB251,559,000), were secured, borne interest at 6% per annum (31 December 2022: 2%) 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 2023, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB427,214,000 (31 December 2022: RMB420,572,000).

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 RMB100,649,000 (2022: RMB125,653,000) as at 30 June 2023 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 RMB1,572 million, of which sales income from residential properties within and outside business parks, office properties and standalone residential properties was RMB888 million; rental income from business parks was RMB251 million; business park operation and management income was RMB118 million; and construction, decoration and landscaping income was RMB315 million, with a gross profit of RMB309 million and a gross profit margin of 19.7%. Net loss attributable to shareholders of the Company for the Period was RMB35.72 million.

## REVIEW OF THE FIRST HALF OF 2023

Since the beginning of 2023, with the lift of epidemic control, the economy of the People's Republic of China (the "PRC" or "China") has witnessed a positive trend of recovery. However, the complex and changing external environment hinders the pace of macroeconomic recovery. It takes time to restore the confidence of residents and enterprises. After "a momentary economic rebound" in the real estate market of major cities in the first quarter of 2023, the industry as a whole continuously faces pressure. In the first half of 2023, the investment in real estate development was RMB5.9 trillion, down 7.9% year on year, recording negative growth for two consecutive years; the area of new construction was 500 million square metres ("sq.m."), down 24.3% year on year; the sales area of commercial properties was 600 million sq.m., down 5.3% year on year. During the period of inventory reduction, major real estate enterprises will slow down their dependence on scale expansion and focus on service, operation and sustainability, investment attraction, management planning, property services, asset management and operation will become the core competencies of real estate enterprises to gradually return to benign development.

As a leading developer and operator of business parks in China, the Group empowers industrial development, facilitates regional economic transformation and upgrading, continuously enriches its business sectors and increases its partners by virtue of its professional and rich industrial operation experience and strategic layout advantages. The Group continues to uphold the original intention of empowering industry development, and give full play to the advantages of Yida's resources integration, policy support, physical space and support services, so as to attract industry resources with cutting-edge technologies, provide scientific and efficient guidance and services for enterprises within the park, and create a new city-industry integration, new industry forms and new growth. Under the background of the new era, we will set sail and make great contributions to promoting the economic prosperity and development of the cities and accelerating industry transformation and upgrading.

## **I. Focusing on the digital industry and accelerating the development of integration**

After more than 20 years' development and accumulation, the business forms of the Group's parks are dominated by software information technology service outsourcing, and gradually shift to diversified, high-end and intelligent industries, featuring a high concentration of digital industries. Under the background of the Chinese government's vigorous advocacy in scientific and technological innovation, steering a dual-cycle development path, the Group will, by relying on universities, scientific research institutions and leading enterprises in the industry, gradually build a demonstration innovative science and technology park integrating production, learning, research, finance and application (i.e. where enterprises strengthen innovation, discipline talents bring vitality, scientific and technological research and development produces results, finance offers support, and achievements increase benefits), which integrates platform functions with projects, such as research and innovation public service platforms, joint laboratories, industry funds, industry investment attraction, and application scenarios, so as to accelerate the digitalization process of enterprises, promote rapid synergetic development of industries and regional economies.

During the Period, the Digital Innovation Demonstration Park of Dalian Software Park began construction in the High-tech Zone, with a total planned gross floor area (“GFA”) of approximately 440,000 sq.m. It will create an industry cluster for coordinated development of various industries, such as innovative information industry, artificial intelligence and new energy, and build an innovative comprehensive park integrating industry production, research, scientific research with supporting commercial facilities. After the completion of the project, relying on the operating experience and customer resources of Dalian Software Park, the Digital Innovation Demonstration Park will carry out the regional industry upgrading, and interact and connect with emerging industries, including software and information technology, metaverse and car networking led by the High-tech Zone, so as to expand industry width and upgrade digital layout.

## **II. Strengthening the core competencies of investment attraction and fully developing client resources**

The Group continued to strengthen the core competence of industry investment attraction, grafted superior customer resources, and further explored the coordinated development model. Through complementary industry advantages and powerful cooperation, the Group accelerated the organic integration and benign development of two or more parties' information chains, industry chains and innovation chains. During the Period, the Group achieved strategic cooperations with Fudan University, Xiangcai Securities and Tai Partners, and integrated their industry ecological resources, government resources and business resources based on their unique industry ecological systems, so as to form the integration and complementarity of advantages. Through in-depth cooperation in financial services, the commercialization of research achievements, industry resource sharing, investment and financing platform construction, and intelligent park operation and other respects, the Group will build a communication bridge for the sustainable development of enterprises in the business parks, provide accurate value-added services, and create a good cooperation environment and a good industry ecological environment.

### **III. Actively studying debt solutions to ensure the smooth operation of enterprises**

During the Period, the difficulties faced by the Company's sales side and debt side have not been fundamentally improved, and we were still at the stage of overcoming difficulties and self-save, due to the difficulties in sales fund acquisition and limited effects of relevant stimulus. Thus, the Company could only gain space and time by finely managing existing assets and debts. With the active efforts of all parties, the Company made every endeavour and tried every feasible way to promote the activation and disposal of assets, and addressed the debt issue while giving priority to guaranteeing the delivery of properties. Though maintaining close cooperation with financial institutions, the Company achieved the extension and interest rate reduction of existing debts, and ensured the smooth operation of various businesses of the Company.

### **OUTLOOK FOR THE SECOND HALF OF 2023**

In the second half of 2023, with the issuance of various favorable policies, the steady improvement of the macro economy, and the accelerated adoption of measures such as lowering interest rates, canceling purchase restrictions and increasing talent introduction, the financing environment will be improved, and the confidence of house buyers is expected to be restored. Facing the complex market environment, the Group will seize the window of market recovery, actively collect sales funds, and actively transform and upgrade such asset-light business as industry operation services to expand profit channels. We will adhere to the business philosophy of “developing the city by production, city-industry integration, harmonious development and co-creating value”, realize all-around upgrade from operational services to industry empowerment, and build high-quality modern parks.

#### **I. Deepening the layout of 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, continuously relying on the full-life-cycle ecological service system of “industry development planning, spatial planning, park construction, industry investment attraction, park operation, scientific and technological services, industry investment and property management”, the Group will utilize its professional competence and experience in industry research, resource integration, investment attraction and operation, enterprise services and other aspects through the three hard-core service capabilities of “intelligent industry clustering”, “intelligent service business” and “intelligent park management”, to help cities and parks cultivate characteristic industry clusters and promote the high-quality development of urban economy.

#### **II. Continuously rejuvenating inefficient assets and addressing the debt issue**

Based on the inventory of existing assets, guaranteeing the delivery of properties, the Group will accelerate the reduction of existing residential properties, and speed up selling and payment collection. Meanwhile, the Group will adopt diversified methods to seek to offset debts with inefficient assets. In addition, the Company's specialized work team will continue to actively collect operation accounts receivable and keep in touch with domestic and foreign investors on debt solutions to ensure the Company's medium-and-long-term sustainable development.

### **III. Bringing in strategic partners and achieving advantageous resource grafting**

The Group will continue to strengthen cooperation with major shareholders and promote the introduction of strategic investors. By sharing the resources and capital advantages of existing and potential shareholders, the Group will comprehensively address the problems and achieve the breakthrough in development prospects.

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### *I. Operation of Properties Owned by Business Parks*

During the Period, the Group wholly-owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed GFA of the above business parks was approximately 1.831 million sq.m., with a leasable area of approximately 1.260 million sq.m.. During the Period, the Group recorded a rental income of approximately RMB251 million, which was similar to that for the corresponding period in 2022.

An overview of properties owned by the Group is as follows (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%	637	368	180	33	42	85%
Dalian BEST City	100%	147	97	–	7	41	62%
Yida Information Software Park	100%	120	78	–	8	32	94%
Dalian Tiandi	100%	237	130	–	30	44	78%
Wuhan First City	50%	690	83	28	29	30	74%
Total		<u>1,831</u>	<u>1,260</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.

During the Period, the leasing status of the Group's business parks stabilized. With the joint efforts of the government, the Group and the tenant enterprises, the development of the tenant enterprises was positive, and their confidence in business operation was significantly restored. After completely lifting the pandemic controls, all temporary maintenance and management measures in the business parks were gradually withdrawn, and catering, entertainment and other ancillary facilities resumed operation. Increasing number of visitors is observed in all business parks. The cultural and artistic activities in the business parks are flourishing with great vitality.

The Group's business parks have been committed to building a multi-level and diversified social display platform to enable customer enterprises to have access to potential customers and establish cooperative relationships while supplying each other's needs and sharing experiences. During the Period, the Group organized and hosted a series of sports, entertainment, and themed training activities, including the 18th Dalian Software Park Golf Tee-shot Tournament, 2023 Staff Shuttlecock Tournament in Dalian High-tech Zone, "Vibrant Block" Creative Market, 2023 Special Training Session on Growth Planning for Technology Enterprises in Dalian High-tech Zone, Twin-engine Classes of the series of "Parks' Original Aspiration, Benefiting Enterprises' Advancement", which served as communication platforms for employees and potential customer enterprises in the business parks to exchange business management experience and analyze the future economic development situation, and also help customers from all walks of life and various cultural backgrounds to broaden their horizons and connections, jointly promoting the high-quality development of regional industries.

At present, the development momentum of digital technology-led industries is strong. With the deep integration of digital technology and manufacturing and service industries, the pace of digital transformation and upgrading is accelerating. The Group's parks will further play a demonstrating and leading role in the digital transformation, seize new opportunities, release new momentum, and comprehensively promote the prosperous development of the digital economy industry. In July, the China International Digital and Software Services Fair 2023 (the "**Digital Fair**") was once again held in Dalian. With the theme of "Integrated Development, Empowered by Digital Innovation", this Digital Fair focused on the display and demonstration of products in intelligent manufacturing, artificial intelligence, digital trade, digital finance, digital government, metaverse, big data, and other popular fields. Dalian Software Park of the Group has been participating in exhibitions for 20 consecutive years, and constantly speaks out for the development of Dalian's digitally empowered industries. Meanwhile, the organizing committee of the Digital Fair granted Dalian Software Park the title "Premium Service Platform of China Digital and Software Service Industry", which serves as a recognition of the contributions made by Dalian Software Park in promoting the development of the digital and software sectors in China.

## ***II. Sale of Properties***

During the Period, China's real estate market still faced difficulties. The Group's sales projects were distributed in the major second-tier cities in China, which were closely related to the degree of recovery of the economic development and policies of each city and we could not detach ourselves from such situations. The sales performance remained less active as compared to the situation prior to the pandemic. Under the uncertain short- and medium-term policy and sales environment, the Group has been exploring certain, medium- and long-term development routes to possess core competitiveness and regional development cluster advantages accumulated over time. With the development strategic advantage of "City-industry integration", the Group built benchmarking projects in key areas such as Dalian, Changsha and Zhengzhou. Based on the advantages of industrial development, the Group promoted the rapid development of urban supporting facilities to attract talents and promote regional economic development. Steady progress was made in projects including Changsha Yida & CSCEC Intelligent Technology Centre, Zhengzhou Yida Creation City and Chongqing Yida Innovation Plaza.

During the Period, the Group achieved contracted sales of RMB935 million, contracted sales area of 71,171 sq.m. and average contracted sales price of RMB13,134 per sq.m., where the growth in average sales price represents a year-on-year increase of 10.0%, mainly due to the increase in the proportion of sales of residential properties with higher average prices during the Period. The majority of projects sold were located in Dalian (76.0% of total contracted sales), Zhengzhou (10.5% of total contracted sales), Changsha (9.4% of total contracted sales); while residential property sales accounted for 69.1% of total contracted sales.

During the Period, the sales revenue from the business was RMB888 million, representing a year-on-year decrease of 66.7%, which was mainly due to the decrease in projects delivered during the Period. The average sales price during the Period was RMB6,114 per sq.m., representing a year-on-year decrease of 58.4%, mainly due to the main products carried forward during the Period are different from those of the same period of 2022. The projects carried forward during the Period were mainly office buildings. Revenue-recognized projects were mainly located in Zhengzhou (78.2% of revenue), Dalian (21.1% of revenue) and other cities.

### *Dalian*

In the first half of 2023, the real estate market in Dalian as a whole showed a trend of “first up, then down”. Driven by the effective release of long-term accumulated demand, the market achieved a momentary economic rebound in the first quarter, experiencing a brief period of positive market performance. However, as the rigid purchasing demand was quickly satisfied, the second quarter of 2023 witnessed a lack of willingness to purchase properties. To maintain a stable and healthy development of the market, the policy environment continued to keep loose, and a number of measures were implemented, such as short-term subsidies, new policies for provident fund, the lift of price limit and interest-rate cut, but the wait-and-see mood has not lifted significantly.

In the first half of 2023, the total cumulative area of commercial properties sold in Dalian was approximately 1.26 million sq.m., and the average transaction price was approximately RMB13,700 per sq.m., both of which declined to a certain extent as compared to the same period of 2022. The overall land market was relatively cold, with land transactions mainly conducted at the bottom price.

Under this background, the brands, products, and management and delivery capabilities of real estate developers have become key competitive factors in the market. 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. By virtue of its convenient transportation, pleasant living environment and comprehensive community facilities, the Dalian Glory of the City project of the Group in Zhongshan District, Dalian, achieved sales amount of approximately RMB420 million during the Period at an average sales price of approximately RMB27,000 per sq.m. During the Period, Yida Core Park project commenced selling with a total saleable area of approximately 120,000 sq.m. The project is located in the centre of the transportation junction of the Hi-Tech Zone in Dalian, with balanced distances to various supporting facilities. It is adjacent to six centres, i.e. transportation, industry, commerce, coast, leisure and recreation, realizing the concept of a 300-meter golden living circle.

## *Changsha*

During the Period, the Grade-A office market in Changsha witnessed an increase in activity and a continuous decrease in vacancy rate. The consumer market gradually recovered, leading to a growing willingness of brands to expand their stores. Land auctions also saw a slight rebound. The increase in the transaction price of high-quality residential land ushered in price rising in the six districts of Changsha. The demand in the residential market showed a slight recovery, alleviating the inventory pressure to a certain extent. The official website of Xiangjiang New District in Hunan released the Land Spatial Planning (including the Planning of Xiangjiang Science City) of Xiangjiang New Area in Hunan, which explicitly stated that “Meixihu” area is positioned as the main public centre of Xiangjiang New District, further elevating its urbanicity.

The Group’s Changsha Yida & CSCEC Intelligent Technology Centre project is located in Meixihu International New Town, with a floor area of 169,000 sq.m. and a GFA of 320,000 sq.m.. It is jointly invested and constructed by the Company and China State Construction International Investments. With the new “50” business office system, the project will include courtyard-style detached corporate headquarters, low-density multi-story offices, medium-high-rise intelligent business office buildings, commercial V-blocks, and elite business apartments. The construction goal of the project is to create “a business centre and an intelligent industry engine”. Focusing on developing industries such as “healthcare”, “scientific and technological information”, “artificial intelligence” and “culture creativity”, integrating related industries such as “scientific research and development”, and building a smart and healthy entire industrial chain, a green and low carbon ecological circle, and a dynamic and diverse full life cycle service system, the project creates a leading domestic intelligent industry cluster, covering three main functional areas, i.e. the intelligent healthcare area, headquarters research and development area, and financial business area.

## *Zhengzhou*

In the first half of 2023, Zhengzhou has been steadily progressing in the work of “ensuring timely deliveries of presold properties”, and the delivery of projects is expected to improve; on the other hand, the continuous optimization of house purchasing policies on the demand side will further promote the release of housing demand, which will contribute to accelerating the recovery of the real estate industry. In addition, Zhengzhou is actively improving its industrial planning and talent introduction mechanism to promote the development of the housing economy by improving its demographic structure. It is exploring new development patterns and following diversified development paths in such areas as urban renewal, green technology and introduction of cutting-edge industries, so as to create a core industrial zone in central China.

The total GFA of Zhengzhou Yida Creation City of the Group is approximately 700,000 sq.m., including the second phase of approximately 210,000 sq.m. 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. The Company makes efforts to build an intelligent manufacturing demonstration zone (Phase I),

innovation and entrepreneurship leading zone (Phase II), new generation of information technology core zone (Phase III), intelligent industrial cluster zone (Phase IV), etc., to improve the upstream and downstream layouts of the industrial chain and experience the effect of industrial clusters. The park features a characteristic commercial street, high-end talent apartments, branded restaurants, book bars, branded convenience stores, gymnasiums, leisure and entertainment, a pocket plaza and other living and business supporting facilities, which not only facilitate interpersonal and inter-enterprises multi-level interaction and communication, but also make the park an intelligent industrial cluster and innovation hub that is suitable for commerce and living.

The following table outlines the Group's contracted sales breakdown as at 30 June 2023:

	<b>Sales Floor Area</b> (sq.m.)	<b>Sales Amount</b> (RMB'0000)	<b>Average Sales Price</b> (RMB/sq.m.)	<b>Percentage of Total Sales</b>
Dalian	42,394	71,033	16,755	76.0%
Wuhan	2,978	2,437	8,183	2.6%
Changsha	7,932	8,780	11,070	9.4%
Zhengzhou	15,611	9,856	6,314	10.5%
Shenyang	1,584	792	5,000	0.9%
Chongqing	672	580	8,631	0.6%
<b>Total</b>	<b>71,171</b>	<b>93,478</b>	<b>13,134</b>	<b>100.0%</b>
Dalian Software Park	3,292	2,424	7,365	2.6%
Dalian BEST City	1,214	2,285	18,829	2.5%
Yida Information Software Park	7,490	11,872	15,849	12.7%
Dalian Tiandi	6,222	9,092	14,613	9.7%
Wuhan First City	2,978	2,437	8,183	2.6%
Changsha Yida & CSCEC Intelligent Technology Centre	7,932	8,780	11,070	9.4%
Zhengzhou Yida Creation City	15,611	9,856	6,314	10.5%
Chongqing Yida Innovation Plaza	672	580	8,631	0.6%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	1,584	792	5,000	0.9%
Residential Properties outside Business Parks	24,176	45,360	18,762	48.5%
<b>Total</b>	<b>71,171</b>	<b>93,478</b>	<b>13,134</b>	<b>100.0%</b>

### ***III. Business Park Operation and Management***

During the Period, the asset-light and entrusted operation of real estate projects are important parts of inventory relief, incremental empowerment and industry transformation and development. Since its listing in 2014, the Group has relied on its 20 years of experience in business park operation to provide business park operation and management services, and has achieved an industry-leading market position in segmentation, gaining core competitiveness and first-mover advantage.

As of the end of the Period, the Group had a total of 11 operation and management projects, and accumulated contracted operational management area of approximately 870,000 sq.m. During the Period, revenue amounted to RMB118 million, representing a year-on-year decrease of 6.7%, which was mainly due to the gradual withdrawal of some existing projects which met completion conditions during the Period. 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 Yida North Hongqiao Entrepreneur Park and Changsha Meixihu Innovation Centre.

The Group will adhere to the mature business model of management and operation, accelerate the exploration of the business model of global investment attraction and industrial customer resource allocation, and achieve the transformation from a single operation model to a multi-business model. At the same time, focusing on the existing projects, the Group strengthened the horizontal collaboration among the projects, shared the pool of customer resources and matched complementary project resources. The Group has explored practical paths and models on the basis of existing cooperation among Baoshan District of Shanghai, Baiyun District of Guangzhou and Chang'an District of Xi'an. Relying on the development strategy of existing high-quality industrial customer resources, the Group will meet the needs of the government, the parks and enterprises, seek potential revenue sources and realize long-term stable development.

Moreover, by virtue of the unique competitive advantages of its wholly-owned subsidiary, Yida Yuntu Technology (Shenzhen) Co., Ltd., the Group will sort out the industrial internet model of "Park Operation + Tool Integration", truly realizing the "online + offline" collaboration and highlighting its market advantages. In the second half of the year, the Group will further seek cooperation with the main subjects of "industry investment and operation" integration and establish flagship projects.

### ***IV. Construction, Decoration and Landscaping***

This business is closely related to regional macroeconomic development, policy support and microeconomic activity. During the Period, the business suffered certain challenges due to severe demand-side deficiencies and extending payment term. During the Period, the revenue of construction, decoration and landscaping businesses amounted to RMB315 million, representing an increase of 44.8% as compared with the corresponding period of 2022, which was mainly due to the increase in the construction output value completed 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 business 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. As of the end of the Period, there were 11 projects under construction, located in Dalian, Shenyang and Guangzhou, with a total planned GFA of approximately 1.4 million sq.m.

In the first half of 2023, the Group's business team actively expanded its businesses by conducting the "Pleasant Residence Business" for more than 70,000 property owners, including home renovation and refurbishment, replacement and installation of parts and components, and house repair and maintenance. Meanwhile, the Group formulated the working standards and processes of the inventory business, so as to establish the brand of "Yida Construction" cozy living.

## V. Land Reserves

As of 30 June 2023, the total GFA of the Group's land reserves was 6.69 million sq.m., while the GFA of land reserves attributable to the Group was approximately 6.25 million sq.m. The land reserves in Dalian accounted for 79.0%. In an environment where real estate sales have not yet recovered and the policy environment is uncertain, the Group has adopted a conservative land acquisition strategy, with inventory reduction and property delivery guarantee as its main business objectives.

The following table sets forth a breakdown of the Group's land reserves as at 30 June 2023:

By City	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Dalian	5,292,102	79.0%	5,292,168	84.6%
Wuhan	573,743	8.6%	286,872	4.6%
Zhengzhou	409,858	6.1%	409,901	6.5%
Changsha	233,000	3.5%	118,830	1.9%
Chongqing	79,236	1.2%	79,236	1.3%
Shenyang	37,951	0.6%	19,355	0.4%
Chengdu	65,848	1.0%	45,063	0.7%
Total	<u>6,691,738</u>	<u>100.0%</u>	<u>6,251,359</u>	<u>100.0%</u>

<b>By Location</b>	<b>Total GFA of Land Reserves (sq.m.)</b>	<b>Proportion</b>	<b>Attributable GFA of Land Reserves (sq.m.)</b>	<b>Proportion</b>
Business Parks	5,352,983	80.0%	4,912,670	78.6%
Residential Properties outside Business Parks	1,338,755	20.0%	1,338,755	21.4%
<b>Total</b>	<b>6,691,738</b>	<b>100.0%</b>	<b>6,251,425</b>	<b>100.0%</b>

<b>Projects Within/ Outside Business Parks</b>	<b>Equity Held by the Group</b>	<b>Remaining Completed Leasable/ Saleable GFA (sq.m.)</b>	<b>GFA under Development (sq.m.)</b>	<b>GFA Held for Future Development (sq.m.)</b>
<b>Business Parks</b>				
<b>Dalian Software Park</b>				
Office	100%	622,063	—	—
Residential	100%	53,329	—	—
Subtotal	100%	675,392	—	—
<b>Dalian BEST City</b>				
Office	100%	189,451	64,342	515,172
Residential	100%	98,063	7,233	22,152
Subtotal	100%	287,514	71,575	537,324
<b>Wuhan First City</b>				
Office	50%	226,591	174,500	155,058
Residential	50%	17,594	—	—
Subtotal	50%	244,185	174,500	155,058

<b>Projects Within/ Outside Business Parks</b>	<b>Equity Held by the Group</b>	<b>Remaining Completed Leasable/ Saleable GFA (sq.m.)</b>	<b>GFA under Development (sq.m.)</b>	<b>GFA Held for Future Development (sq.m.)</b>
<b>Yida Information Software Park</b>				
Office	100%	136,060	–	118,798
Residential	100%	38,598	86,509	–
Subtotal	100%	174,658	86,509	118,798
<b>Dalian Tiandi</b>				
Office	100%	272,846	234,674	1,415,382
Residential	100%	40,552	52,009	–
Subtotal	100%	313,398	286,683	1,415,382
<b>Chengdu Tianfu Intelligent Transportation Science and Technology City</b>				
Office	60%	–	51,961	–
Subtotal	60%	–	51,961	–
<b>Changsha Yida &amp; CSCEC Intelligent Technology Centre</b>				
Office	51%	32,246	112,854	87,900
Subtotal	51%	32,246	112,854	87,900
<b>Zhengzhou Yida Creation City</b>				
Office	100%	1,189	334,569	74,100
Subtotal	100%	1,189	334,569	74,100
<b>Chongqing Yida Innovation Plaza</b>				
Office	100%	79,236	–	–
Subtotal	100%	79,236	–	–

<b>Projects Within/ Outside Business Parks</b>	<b>Equity Held by the Group</b>	<b>Remaining Completed Leasable/ Saleable GFA (sq.m.)</b>	<b>GFA under Development (sq.m.)</b>	<b>GFA Held for Future Development (sq.m.)</b>
<b>Sino-German Yida Intelligent Technology City Creative Industrial Park</b>				
Office	51%	–	37,951	–
Subtotal	51%	–	37,951	–
<b>Projects Within Business Parks Subtotal</b>		<b>1,807,819</b>	<b>1,156,602</b>	<b>2,388,562</b>
<b>Projects Outside Business Parks</b>				
Dalian	100%	443,779	285,169	595,920
Chengdu	100%	13,887	–	–
<b>Projects Outside Business Parks Subtotal</b>		<b>457,666</b>	<b>285,169</b>	<b>595,920</b>
<b>Total</b>		<b>2,265,485</b>	<b>1,441,771</b>	<b>2,984,482</b>

## 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 RMB1,572.47 million, representing a decrease of 51.8% from the corresponding period of 2022. The following table sets forth a breakdown of the revenue for the periods indicated:

	For the six months ended 30 June			
	2023		2022	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Revenue from sales of properties	888,178	56.5%	2,663,280	81.7%
Rental income	251,186	16.0%	252,570	7.7%
Business park operation and management services income	118,310	7.5%	126,750	3.9%
Construction, decoration and landscaping income	314,797	20.0%	217,450	6.7%
<b>Total</b>	<b>1,572,471</b>	<b>100.0%</b>	<b>3,260,050</b>	<b>100.0%</b>

#### ***(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 RMB888.18 million, representing a decrease of 66.7% from the corresponding period of 2022, which was mainly attributable to the decrease 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 RMB251.19 million, which was more or less at the same level over the corresponding period of 2022.

### ***(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 RMB118.31 million, representing a decrease of 6.7% from the corresponding period of 2022, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Period.

### ***(4) Construction, decoration and landscaping income***

During the Period, the income derived from construction, decoration and landscaping services provided by the Group amounted to RMB314.80 million, representing an increase of 44.8% from the corresponding period of 2022, which was mainly attributable to the increase in the construction output value completed during the Period.

### **Cost of Sales**

The cost of sales of the Group during the Period amounted to RMB1,263.39 million, representing a decrease of 49.7% from the corresponding period of 2022, which was mainly attributable to the decrease in projects delivered during the Period.

### **Gross Profit and Gross Profit Margin**

The gross profit of the Group during the Period amounted to RMB309.08 million, representing a decrease of 58.6% from the corresponding period of 2022; the gross profit margin decreased from 22.9% for the corresponding period of 2022 to 19.7% during the Period, which was mainly attributable to different products carried forward during the Period and the decrease in corresponding gross profit of each product carried forward as compared to the same period in 2022.

### **Selling and Marketing Expenses**

The selling and marketing expenses of the Group for the Period decreased by 35.7% to RMB31.25 million from RMB48.61 million in the corresponding period of 2022, 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 RMB76.04 million, representing a decrease of 17.7% from the corresponding period of 2022, which was mainly due to the adoption of active measures to control administrative costs during the Period.

### **Other loss – net**

The net other loss of the Group recorded for the Period amounted to RMB135.93 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 RMB3.42 million during the Period. As at 30 June 2023, the fair value of investment properties remained substantially the same as at 31 December 2022.

## **Finance Costs – net**

The net finance costs of the Group increased by 22.5% to RMB247.82 million during the Period from RMB202.35 million in the corresponding period of 2022, which was mainly due to the decrease in interest capitalised during the Period.

## **Share of Profits/(Loss) of Joint Ventures and Associates**

During the Period, the Group's share of profits of joint ventures and associates was RMB7.46 million, representing an increase of approximately RMB8.73 million as compared with the corresponding period of 2022, which was mainly attributable to the increase in income from equity investments in Wuhan New Software Park Development Company Limited.

## **Income Tax Expenses**

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group decreased by 88.15% to RMB36.07 million during the Period from RMB304.37 million in the corresponding period of 2022, which was mainly attributable to the decrease in corporate income tax and land appreciation tax as a result of the decrease in income carried forward during the Period.

## **Profit/(loss) for the Period**

As a result of the foregoing, the Group recorded a loss before tax of RMB6.16 million during the Period as compared to the profit before tax of RMB315.56 million for the corresponding period of 2022.

The Group recorded a net loss of RMB42.24 million during the Period as compared to the net profit of RMB11.19 million for the corresponding period of 2022.

The net loss attributable to equity owners for the Period amounted to RMB35.72 million, as compared to net profit attributable to equity owners in the amount of RMB18.37 million for the corresponding period of 2022.

The core net loss attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) was RMB38.29 million during the Period, as compared to core net profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) of RMB1.68 million for the corresponding period of 2022.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### Cash Position

As at 30 June 2023, the Group had cash and bank balances of approximately RMB410.30 million (including restricted cash of approximately RMB297.62 million) (31 December 2022: cash and bank balances of approximately RMB358.80 million, including restricted cash of approximately RMB231.28 million).

### Debts

As at 30 June 2023, the Group had bank and other borrowings of approximately RMB12,114.14 million (31 December 2022: approximately RMB12,050.83 million), of which:

#### (1) By Loan Type

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	RMB'000
	(Unaudited)	(Audited)
Secured bank loans	5,754,303	5,808,668
Secured other borrowings	4,324,836	4,306,601
Unsecured other borrowings	2,035,001	1,935,557
	<u>12,114,140</u>	<u>12,050,826</u>

#### (2) By Maturity Date

	<b>30 June 2023</b>	31 December 2022
	<b>RMB'000</b>	RMB'000
	(Unaudited)	(Audited)
Within one year or on demand	11,855,140	12,050,826
In the second year	259,000	–
	<u>12,114,140</u>	<u>12,050,826</u>

As at 30 June 2023, the Group's bank and other borrowing amounted to RMB11,765.14 million were charged with fixed interest rate of 1.2% – 12.00% per annum with the remaining balances of RMB349 million 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 103.0% as at 30 June 2023, which remaining substantially at the same level as that of 102.5% as at 31 December 2022.

## **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 2023, the Group had cash and bank balances (including restricted cash) of approximately RMB0.4 million and approximately RMB0.06 million denominated in Hong Kong dollars and USD, respectively. As at 30 June 2023, the Group had borrowings of approximately RMB1,606.28 million and approximately RMB381.67 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 2023, the Group provided guarantees of approximately RMB427.21 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2022: approximately RMB420.57 million). Besides, the Group provided guarantees to the extent of RMB100.65 million as at 30 June 2023 (31 December 2022: RMB125.65 million) in respect of bank loans granted to a joint venture.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2023, the Group had 538 full-time employees (31 December 2022: 614). 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 Period.

## **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 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 applied the principles of good corporate governance and complied with all the code provisions set out in Part 2 of the CG Code.

Code provision C.2.1 of Part 2 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, 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 2023.

## 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**”) which consists of three independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu 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 2023 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.

As of the date of this announcement, Yida Parties have not fulfilled their payment obligations pursuant to the Settlement Agreement. The Company and the Aetos Parties maintained communication and will reach an agreement in relation to the performance and arrangement of the Settlement Agreement as soon as practically possible.

## SENIOR NOTES

On 17 April 2017, the Company issued an aggregate principal amount of US\$300,000,000, 6.95% Senior Notes due 19 April 2020 (the “**2020 Notes**”).

On 27 March 2020, the Company issued US\$224,899,000 senior notes due 27 March 2022 (the “**2022 Notes**”) pursuant to the Exchange Offer and Consent Solicitation of the holders of the 2020 Notes. The 2022 Notes are listed on the Singapore Exchange Securities Trading Limited.

In February 2021 and February 2022, the Company sought the consent of the bond holders for certain proposed waivers and proposed amendments under the 2022 Notes Deed. Completion took place on 8 March 2021 and 16 February 2022, respectively.

Due to unfavorable factors in the macro economy, real estate market and financial environment, the Company was not in a position to pay certain consent fee and interest to holders of the Senior Notes on 30 June 2022, 30 September 2022, 30 October 2022, 31 December 2022 and 30 April 2023, respectively, such non-payment of consent fee and interest may lead to holders demanding for acceleration of repayment under the 2022 Notes. As at the date of this announcement, the Company has not received notice from the holders of the 2022 Notes requiring of accelerated repayment.

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

## DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

### Breach of significant loan agreements

References are made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 30 June 2022, 3 October 2022, 14 November 2022, 3 January 2023 and 14 May 2023, the interim reports of the Company for the six months ended 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022, and the annual reports of the Company for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022.

1. In April 2019, China Minsheng Investment Corp., Ltd. (“**China Minsheng**”), the controlling shareholder of the Company, had faced liquidity difficulties and which technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.
2. In February 2020, Mr. Chen Donghui, a previous executive Director, was detained by the authorities of the PRC. It has further resulted in the occurrence of certain triggering events under certain loan agreements.
3. The failure of the Company to make certain consent fee and interest to the holders of the 2022 Notes constituted events of default as disclosed in the section headed “Senior Notes” in this announcement.

4. The failure of the Group to fulfill its payment obligations pursuant to the Settlement Agreement constituted events of default as disclosed in the section headed “Litigation and Arbitration” in this announcement. As at 30 June 2023, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,192,341,000.
5. Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their schedules payment dates (the “**Borrowings Overdue**”). As at 30 June 2023, borrowings with the carrying amount of RMB3,281,493,000 remained unsettled, and have not been subsequently repaid, renewed or extended up to the date of this announcement.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB8,183,985,000 in total as at 30 June 2023 becoming immediately repayable if requested by the lenders.

### **Specific performance of the controlling shareholder**

References are made to the announcement of the Company dated 5 March 2021, the interim reports of the Company for the six months ended 30 June 2021 and 30 June 2022 and the annual reports of the Company for the years ended 31 December 2021 and 31 December 2022. 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 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. For details, please refer to the announcement of the Company dated 13 May 2022.

## **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](http://www.hkexnews.hk) and the Company's website at [www.yidachina.com](http://www.yidachina.com).

The interim report of the Company for the six months ended 30 June 2023 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, 31 August 2023

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