YIDA 亿达

億達中國控股有限公司
YIDA CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

股份代號 Stock Code : 3639.HK

2019
Annual Report
年度報告

Contents

Corporate Overview	2
Corporate Information	3
Financial Summary	5
Chairman's Statement	7
Management Discussion and Analysis	11
Environmental, Social and Governance Report	49
Profile of Directors and Senior Management	68
Directors' Report	74
Corporate Governance Report	86
Independent Auditor's Report	97
Consolidated Financial Statements	
• Consolidated Statement of Profit or Loss	103
• Consolidated Statement of Comprehensive Income	104
• Consolidated Statement of Financial Position	105
• Consolidated Statement of Changes in Equity	107
• Consolidated Statement of Cash Flows	109
• Notes to the Consolidated Financial Statements	111

Corporate Overview

Yida China Holdings Limited (the "Company"), together with its subsidiaries (collectively referred to as the "Group"), founded in 1988, headquartered in Shanghai, is China's largest business park developer and leading business park operator. The main business involves business park development and operation, residential properties within and outside business parks and office properties sales, business park entrusted operation and management, construction, decoration and landscaping services and property management service. On 27 June 2014, the Company was successfully listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the early stage of corporate development, the Group established its foothold in Dalian and relied on its local knowledge advantages. Meanwhile, it catered to the international development trends and enjoyed the advantages of its unique business model. Since 1998, the Group had firmly been seizing the international industrial relocation opportunities of service outsourcing industry and IT outsourcing industry, implementing "Private Investment + Government Support", Internationalization and "Industry-Universities" integration strategies, creating the business model of City-Industry Integration, and constructing and operating Dalian Software Park at a high standard. The Group had become a pioneer in the field of China's service outsourcing business park development and operation and had determined its future development direction.

During the business expansion stage, the Group improved its capacities in all fields, raised abruptly based on its accumulated strength and established its own core competitiveness. The Group, by relying on its successful experiences in the operation of Dalian Software Park and the government's economic development and industrial upgrading strategies, fully integrated internal and external resources, further developed and operated Dalian Ascendas IT Park, Tianjin Binhai Service Outsourcing Industrial Park, Suzhou High-tech Software Park, Wuhan Guanggu Software Park, Dalian Tiandi, Dalian BEST City, Wuhan Software New Town, Yida Information Software Park and many other software parks and technology parks. It helped the Group achieve its preliminary strategic goals of "National Expansion, Business Model Exploration and Diversified Cooperation". For 20 years, the Group had provided its services to nearly 80 Fortune Global 500 Companies. The Group had accumulated rich client base and operation experiences, forming a blue ocean for business development featuring high entry threshold, high customer loyalty, whole production chain coverage and immunity to cyclicality risk.

Throughout these years upon the Listing, the Group clearly put forward to be "China's leading business park operator". It pursued its national expansion goal through the strategy of "leading the development of asset-light business to actuate asset-heavy business, and developing asset-light and asset-heavy businesses simultaneously". Thus, the Group, by virtue of using the development mode of "City-Industry Integration", had been consolidating its business in Dalian, greatly expanding its business in Wuhan, and fully exploring its business in major first-tier and second-tier cities and economically vital regions.

In the "second half" of the real estate industry, the Group will cater to the trends and, by virtue of its strong internal and external resources, enhance its core competitiveness as to its business park development and operation to finally achieve scale development and performance improvement.

Corporate Information

Board of Directors

Executive Directors

Mr. Jiang Xiuwen *(Chairman and Chief Executive Officer)*
Mr. Chen Donghui (suspension of duty on 12 March 2020)
Ms. Ma Lan (resigned on 29 March 2019)
Mr. Yu Shiping
Ms. Zheng Xiaohua
Mr. Xu Beinan (appointed on 29 March 2019 and resigned on 1 April 2020)

Non-executive Directors

Mr. Zhao Xiaodong (resigned on 24 October 2019)
Mr. Chen Chao (resigned on 24 October 2019)
Mr. Wang Gang
Mr. Zong Shihua (appointed on 24 October 2019)
Mr. Zhou Yaogen (appointed on 24 October 2019)

Independent Non-executive Directors

Mr. Yip Wai Ming
Mr. Guo Shaomu
Mr. Wang Yinping
Mr. Han Gensheng

Joint Company Secretary

Ms. Wang Huiting
Ms. Kwong Yin Ping Yvonne

Authorised Representatives

Mr. Jiang Xiuwen (appointed on 29 March 2019)
Ms. Wang Huiting
Ms. Ma Lan (resigned on 29 March 2019)

Board Committees

Audit Committee

Mr. Yip Wai Ming *(Chairman)*
Mr. Guo Shaomu
Mr. Wang Yinping
Mr. Han Gensheng

Remuneration Committee

Mr. Wang Yinping *(Chairman)*
Mr. Jiang Xiuwen
Mr. Guo Shaomu
Mr. Han Gensheng

Nomination Committee

Mr. Jiang Xiuwen *(Chairman)*
Mr. Yip Wai Ming
Mr. Wang Yinping
Mr. Han Gensheng

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters in the People's Republic of China ("PRC")

5/F, People's Insurance Mansion
No. 8, Fuyou Road
Huangpu District
Shanghai
PRC

Principal Place of Business in Hong Kong

Room 1215, 12th Floor
Building 2, Pacific Place
88 Queensway
Admiralty
Hong Kong

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors

As to Hong Kong Law
Sidley Austin

As to PRC Law
Commerce & Finance Law Offices

As to Cayman Islands Law
Conyers Dill & Pearman (Cayman) Limited

Principal Bankers

Bank of Dalian
Shanghai Pudong Development Bank
Harbin Bank
Huaxia Bank

Stock Code

3639

Company's Website

www.yidachina.com

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				
	2019	2018	2017	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**6,077,400**	7,356,958	7,317,619	7,004,548	7,473,200
Cost of sales	**(3,946,801)**	(5,305,746)	(5,551,155)	(5,460,083)	(5,400,560)
Gross profit	**2,130,599**	2,051,212	1,766,464	1,544,465	2,072,640
Other income	**52,733**	51,927	70,491	72,949	92,850
Gains arising from acquisition of subsidiaries	**–**	790,959	–	583,113	–
Fair value gains on investment properties	**147,396**	6,586	341,216	201,219	215,066
Net impairment losses on financial and contract assets	**(9,174)**	(23,861)	–	(19,270)	–
Other (losses)/gains – net	**347,032**	(45,058)	19,998	(342,839)	5,175
Selling and marketing expenses	**(208,086)**	(192,886)	(236,083)	(215,505)	(210,469)
Administrative expenses	**(520,801)**	(502,698)	(478,585)	(434,358)	(386,458)
Finance costs – net	**(683,098)**	(659,853)	(334,461)	(278,346)	(311,004)
Share of profits and losses of joint ventures and associates	**50,808**	8,810	449,702	(80,676)	(36,177)
Profit before income tax	**1,307,409**	1,485,138	1,598,742	1,030,752	1,441,623
Income tax expenses	**(669,306)**	(681,552)	(504,480)	(456,599)	(620,155)
Profit for the year	**638,103**	803,586	1,094,262	574,153	821,468
Owners of the Company	**450,164**	833,919	984,302	564,000	821,263
Non-controlling interests	**187,939**	(30,333)	109,960	10,153	205
	638,103	803,586	1,094,262	574,153	821,468

Financial Summary (continued)

	As at 31 December				
	2019	2018	2017	2016	2015
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**43,873,463**	43,086,362	37,097,484	35,959,502	34,518,188
TOTAL LIABILITIES	**(31,337,942)**	(31,247,803)	(25,954,578)	(25,812,973)	(25,109,702)
NON-CONTROLLING INTERESTS	**(678,523)**	(463,615)	(404,727)	(274,189)	(12,105)
	11,856,998	11,374,944	10,738,179	9,872,340	9,396,381

Chairman's Statement

Dear shareholders,

I am pleased to present you the annual results of the Group for the year ended 31 December 2019 (the "Year").

Jiang Xiuwen
Chairman and Chief Executive Officer
Yida China Holdings Limited

Results

During the Year, the Group recorded revenue of RMB6,077 million, of which sales income from residential properties within and outside business parks, office properties and standalone residential properties was RMB4,464 million. Rental income from business parks was RMB555 million; business park operation and management income was RMB42.15 million; construction, decoration and landscaping income was RMB384 million; and property management income was RMB633 million. Gross profit increased by 3.9% to RMB2,131 million compared to the corresponding period of the previous year, with a gross profit margin of 35.1%. Net profit attributable to equity owners was RMB450 million.

Review of 2019

In 2019, China's industry structural transformation and upgrade were further advanced, and its high-tech industry was striding towards the mid- to high-end of the global value chain. These factors provided great opportunities for the development of business parks and new cities integrated with dedicated industries. As important drivers of industry transformation, upgrading and economic growth, business parks will play a more prominent role in re-shaping, driving and enpowering future industry chains and the social development, and the dual driving forces of industries and new cities will become unlimited new motivations to the sustainable development, high-quality development and structural development of cities and regions.

The Group has pursued in business park development and operation for more than 20 years, and has accumulated extensive experience in the development and operation of city-industry integration projects. Its core capabilities for city upgrading, industry fostering, business services and tenant recruitment are widely recognised in the industry. Following the operational concept of "promoting cities with industry, achieving city-industry integration, accomplishing coordinated development and creating value together", the Group has devoted to creating an increasingly refined, diverse and three-dimensional industry ancillary services system.

I. Implementing city-industry integration projects, practicing various business models, in order to effectively generate new growth drivers

In 2019, the Company continued to focus on the acquisition of "city-industry integration" projects and the positioning of potential target cities, further explored its business in new first-tier and strong second-tier cities and strove to build high-end parks based on the idea of creating a new style of business-driven city with the characteristics of driving the regional economy, satisfying lifestyles and improving the living and working experiences within the region. During the Year, the Group succeeded in the bid of the land for phase two of Zhengzhou Technology New City, and entered into an office units purchase agreement with the local government in respect of the business park. Projects in core strategic cities, including Wuhan, Changsha, Chengdu, Chongqing and Zhengzhou, had all entered sales or operation phase. During the Year, the percentage of contracted sales of projects outside Dalian was 34%. The turnover rate of salable resources was accelerated and the asset structure became increasingly sound.

II. Improving the quality of asset-light business, strengthening the core capacity of tenant recruitment, in order to continuously deepen the national expansion

The Group continued to develop its asset-light business and build three core competencies of "gathering industries, servicing enterprises and managing business parks with intelligent technologies" in accordance with the strategic position of "a leading park technology service provider in China" and carried out the planning of "five regions and fifty cities" by focusing on Beijing-Tianjin-Hebei, the Yangtze River Delta, the Midwest Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area and other economically active municipalities, provincial capitals and other key cities in the area.

III. Continuously making innovations, continuously developing new business opportunities, in order to lay a solid foundation for future development

As the Group entered the second year in the construction and planning of the Yida intelligent park platform, Yida Yuntu, a wholly-owned subsidiary of the Group, was fully launched with the "Huiyun, Zhiyun, Xiangyun and Xingyun (慧雲、智雲、享雲、星雲)" product systems completed, and followed the "one body, two wings and three eco-systems" blueprint. Yida Yuntu was responsible for the implementation, delivery and stable operation of 23 internal and external projects, and reached agreement for cooperation with a number of intelligent hardware manufacturers and service resource providers.

Outlook for 2020

2020 will mark the end of China's building a "moderately prosperous society" and the 13th Five-Year Plan. The economy and society will be at a critical stage of "changing development methods, optimization of economic structure and shift in growth drivers", and economic development will face many challenges. Nevertheless, the Group will focus on its targets of national emerging industries development, implementing its main businesses, and upholding "market-oriented, customer-centric, profit-based" principles to create innovative products, technologies and services. As always, Yida will "work together and make an unremitting effort" to ensure the stable development of the Company.

I. Strengthening core competitiveness, implementing strategic plans, in order to ensure stable development

The Group has implemented the strategy of "expanding scale, focusing on efficiency, emphasising on tenant recruitment, improving services and strengthening management" for its asset-light and asset-heavy projects. It will continue to focus on the five major regions, expand project resources and improve operational quality with a view to delivering more than 100 projects in operation. The Group will also maintain its presence in Dalian, Wuhan, Changsha, Zhengzhou, Chengdu and Chongqing with a "city-industry integration" development model, and will increase the scope of investment and will select the most suitable asset-light and asset-heavy projects for implementation at the best timing to ensure a sustainable and stable performance. The Group will also work with strategic partners in Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta and other metropolitan areas to seek out investment and operation opportunities.

II. Promoting the advantages of business management and development mode, implementing digital transformation, in order to comprehensively upgrade core competitiveness

The Group will innovate within its intelligent park operation and service models, realise market-oriented value based on the existing intelligent park product system, and accelerate the development of an online platform and the delivery of an offline operation and service system. By promoting the applications to internal and external projects, the Group will build a preliminary framework for "business park site selection" and "industry services" platforms. The Group will also continue to develop in intelligent property services, strive to transcend the limitations of traditional property management, and explore a new intelligent service model. Through the use of advanced mobile internet, IoT, big data, and the integration of advanced "internet+property" concepts, the Group will move to create an intelligent integrated platform for property services, an intelligent property ecosystem, and accomplish a leap from "quality" to "intelligence" in property management.

III. Introducing strategic partners, facilitating diverse cooperation, in order to support the future development

The Group will continue to leverage on its strengths in creating industry-wise synergy effect and building intelligent new cities. Building onto the existing network of tenant recruitment, operating, construction and financial partners, the Group will actively expand and introduce partners with capitals, resources and business synergies to complement its own existing advantages in management, resources and brand. Through equity and project cooperation, the Group will pursue the implementation of city-industry integration projects and enhance its core competitiveness to form a pattern of mutual assistance and integrated development, and contribute to the stable development of cooperative projects based on respective advantages.

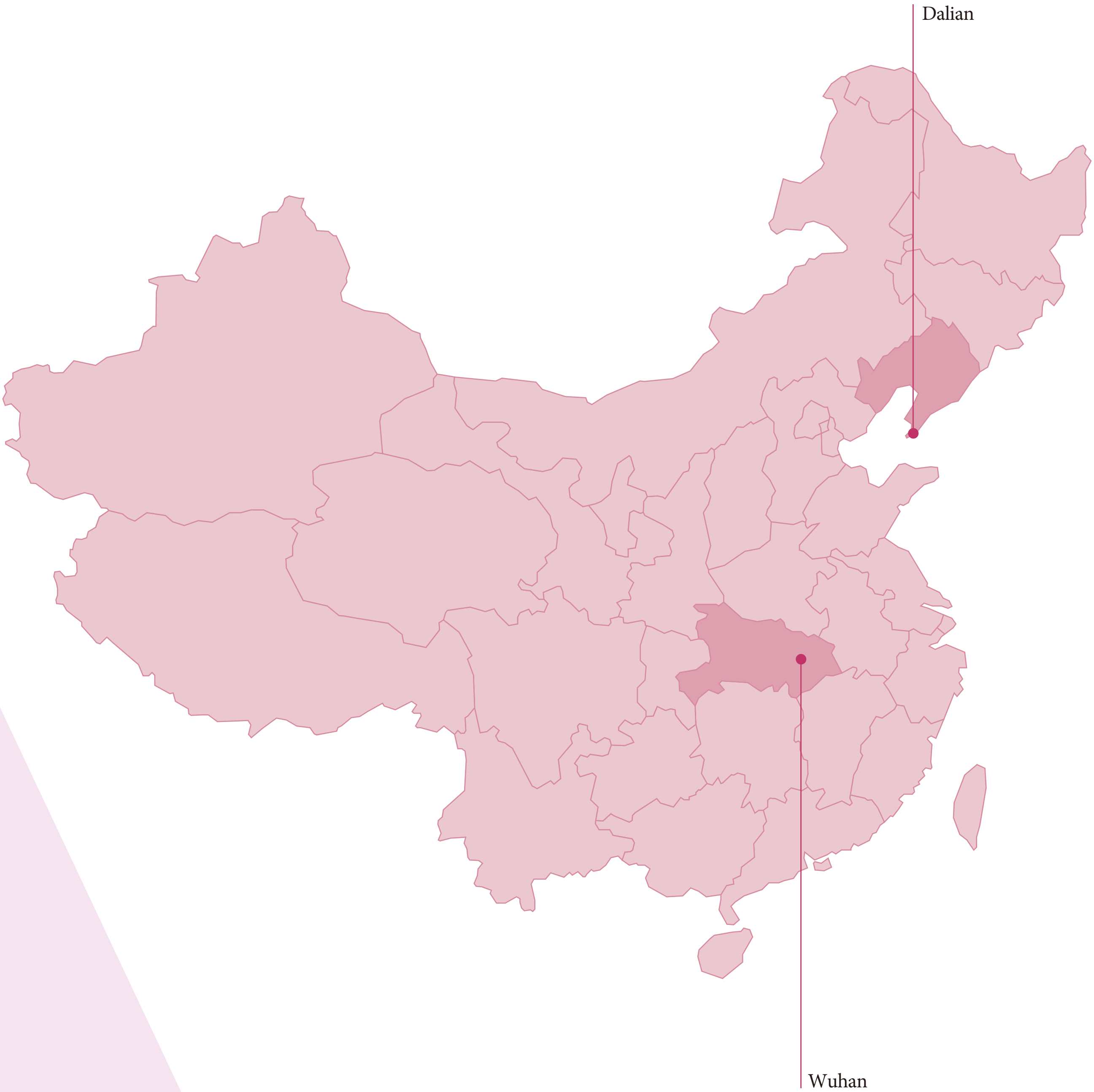
On behalf of the Board, I would like to express our heartfelt gratitude to all shareholders, investors, business partners and customers for supporting the Group, and to the management and employees for their tireless efforts and contributions.

Jiang Xiuwen
Chairman and Chief Executive Officer
Yida China Holdings Limited

Hong Kong, 15 May 2020

I. Operation of Business Parks Owned by the Group

Wuhan First City Section B #8


Dalian
Wuhan

1

2

1 Dalian BEST City

2 Dalian Software Park #9

3

4

3 People in Wuhan First City

4 Dalian Tiandi Hekou Bay Business Park

During the Year, four business parks wholly owned by the Group included Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City and Dalian Ascendas IT Park. The total completed gross floor area of the above was approximately 1,994 thousand sq.m., with a leasable area of approximately 1,949 thousand sq.m. During the Year, the Group recorded a rental income of approximately RMB554.62 million, representing a 15.9% increase over the previous year, mainly due to an increase in leased area during the Year.

An overview of business parks owned by the Group:

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area				Occupancy Rate at the End of the Year
			Office Buildings	Apartments	Shops	Parking Spaces	
		('000 sq.m.)	*('000 sq.m.)*	*('000 sq.m.)*	*('000 sq.m.)*	*('000 sq.m.)*	
Dalian Software Park	100%	637	391	180	33	42	96%
Dalian BEST City	100%	147	99	–	7	41	80%
Yida Information Software Park	100%	155	131	–	4	20	100%
Dalian Tiandi	100%	451	329	37	41	44	79%
Wuhan First City	50%	255	112	42	29	94	37%
Dalian Ascendas IT Park[1]	50%	349	206	–	3	64	85%
Total		1,994		1,949			

1. As the financial statement of Dalian Ascendas IT Park is not consolidated, its rental income is excluded from the rental income of the Group.

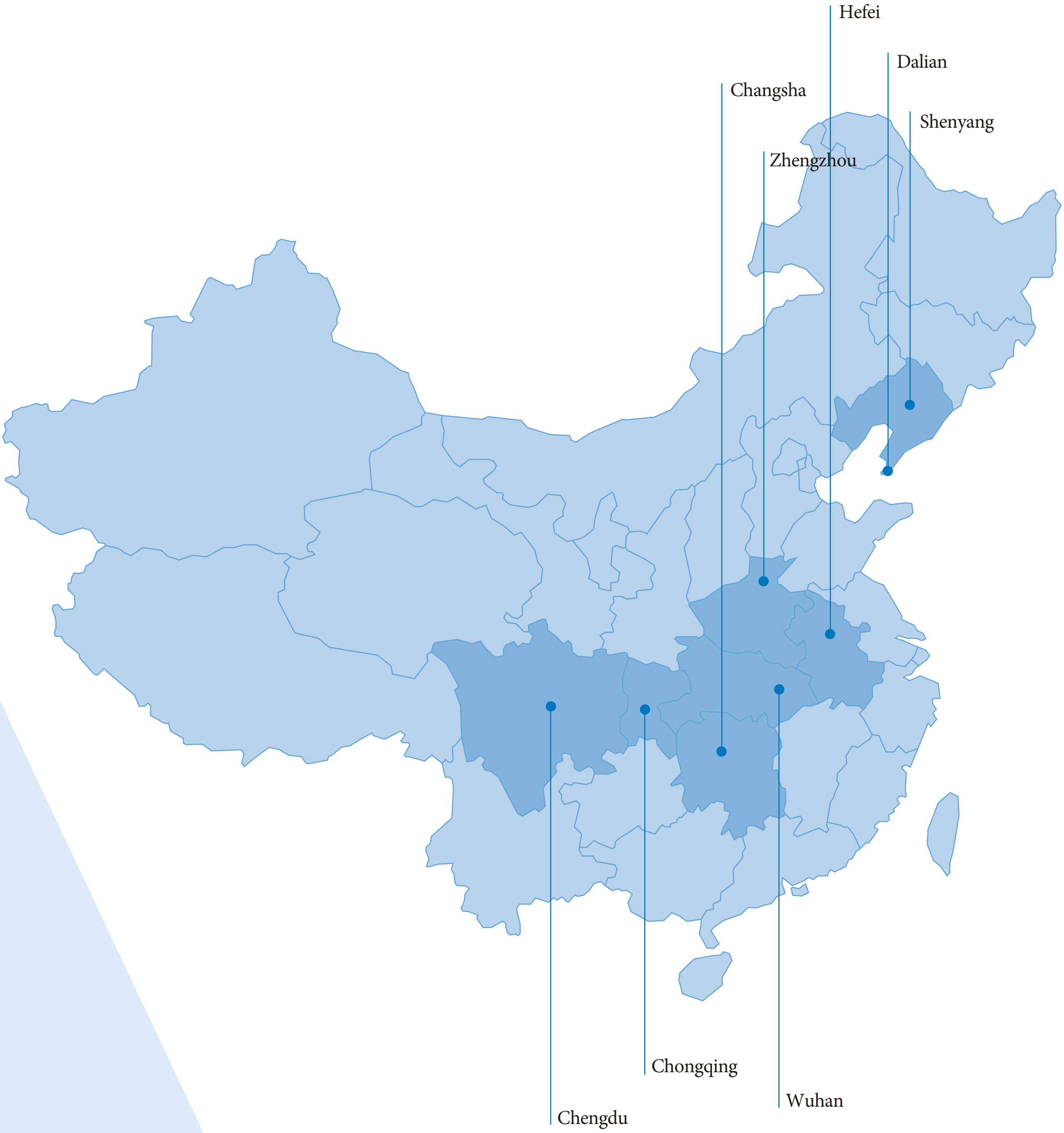
As the leading business park operator in China, the Group is people-oriented and takes the working and living requirement of tenants into full consideration. The Group helps tenant enterprises in the business parks to build and strengthen their competitiveness and swiftly develop major businesses with enterprise services as core concept. It is the focus of the Group to establish an industrial ecosystem, thereby integrating multiple resources of those enterprises settled in the business parks to meet external demands, achieve business interconnection, create market integration and business synergy, and optimize regional industrial structure within specific industries. The Group aims to drive the growth of the city with business development and improve regional manpower structure with the pooling of industrial talents, and combining the respective strengths of "production, city and people" to enhance regional value and build a distinctive brand for the city.

The Group continuously expands its business coverage, provides a one-stop intelligent service platform for tenants in the parks, integrates high-quality resources, and provides "internet+industry" solutions and housekeeping-style services for enterprises from various industries. Taking Zhongguancun No. 1 and Dalian Software Park as pilot projects, the Group integrated supplier resources, introduced advanced technology applications, and created an intelligent park demonstration project as sample through a combination of "informatization, digitalization, intelligence, and online and offline integration" to achieve the goal of "managing business parks, servicing enterprises and gathering industries with intelligent technologies".

During the Year, a number of renowned enterprises settled in Yida's business park in Dalian, such as Japanese Rakuten, Inc. settled in Dalian Ascendas IT Park, and Dalian Joyson Purui Intelligent Car Union Technology Co., Ltd. settled in the Dalian Software Park. The Group also provided high-quality long-term services to existing tenants, such as selecting and expanding leased office areas for companies including Nomura Research Institute, Adidas Group and Colt Group. Over the years, the scale of tenants has continued to expand and supporting operations have become increasingly refined. The park helps tenants gain a foothold in Dalian and pursue comprehensive business development.

In 2019, the Group's key project of Wuhan First City was recognised as a "Wuhan Copyright Demonstration Park (Base)" and "2019 China Digital Service and Service Outsourcing Characteristic Park". The Group will continue to drive the development of next-generation information technologies such as big data, internet, 5G and artificial intelligence to form a "dual drivers 2+N" model with the new generation of information technology and intelligent health as the dual drivers and various industries as the target in the future, and become important sites for strategic planning of well-known international and domestic software and information service companies. At the same time, Wuhan First City has signed 5G Strategic Cooperation Agreement with Wuhan Telegram for the upgrade of the Business Park. As a professional business park operator, Wuhan First City has transformed and upgraded from providing basic business park service to digitalized services for enterprises located in the business park.

Dalian Tiandi Hekou Bay Residential Area


Hefei
Dalian
Changsha
Shenyang
Zhengzhou
Chongqing
Wuhan
Chengdu

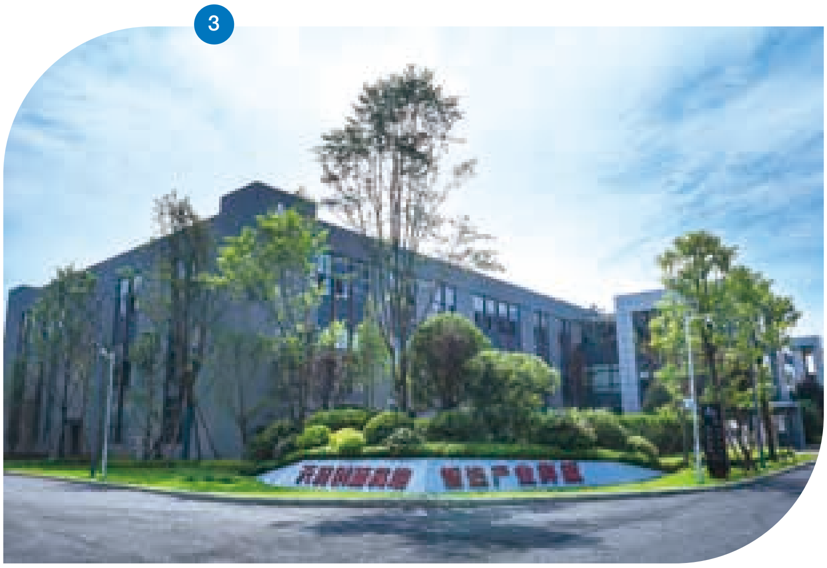
1

2

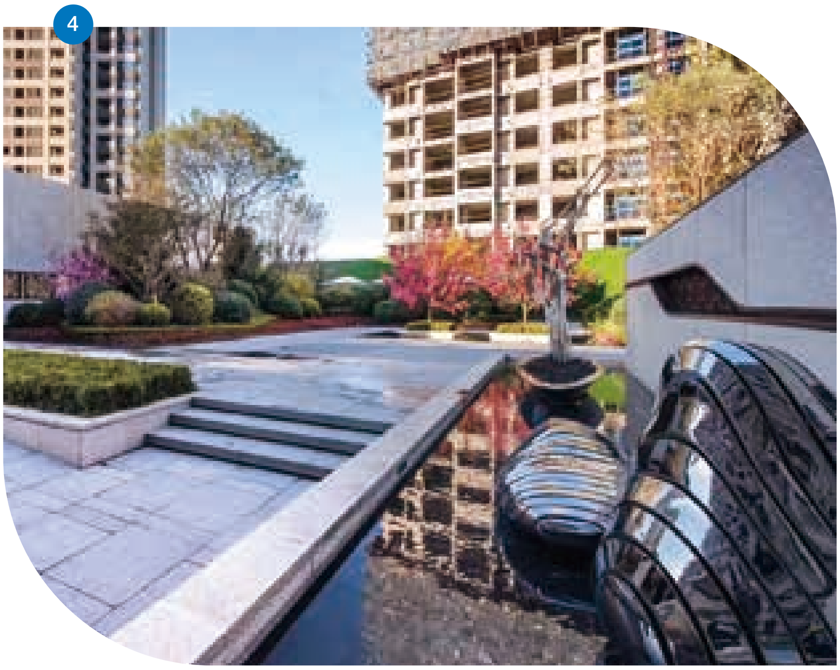
1 Zhengzhou Technology New City

2 Changsha Yida Intelligent Manufacturing Industrial Village

3



4



5

3 Chengdu Tianfu Intelligent Transportation Science and Technology City

4 Dalian Tiandi Hekou Bay

5 Dalian the First County

During the Year, the Group achieved contracted sales of RMB7,237 million, representing a 15.2% decrease from the corresponding period of the previous year, and the contracted sales area was 726 thousand sq.m., representing a year-on-year decrease of 1.3%. The average contracted sales price was RMB9,972 per sq.m., a 15.1% decrease from the corresponding period of the previous year, mainly due to an increased proportion of sales in Zhengzhou and different product types of sold during the Year. The majority of project sold were located in Dalian (65.8% of total contracted sales), Zhengzhou (21.7% of total contracted sales) and Changsha (6.4% of total contracted sales), of which residential property sales accounted for 72.0% of total contracted sales.

During the Year, the property sales segment recorded revenue of RMB4,464 million, representing a decrease of 25.1% as that of the corresponding period of the previous year, which was mainly due to the decrease in projects delivered during the Year. The average sales price was RMB11,517 per sq.m., representing a year-on-year increase of 7.2%, mainly due to the different structures of products carried forward during the Year and the increase in corresponding average price of each product carried forward as compared to the same period last year. Projects carried forward during the Year were mainly ordinary residential properties. Revenue-recognised projects were mainly located in Dalian (82.5% of revenue), Zhengzhou (10.2% of revenue) and Wuhan (5.0% of revenue).

The Group firmly upheld the development strategy of "city-industry integration" and strove to build landmark projects in key regions such as Dalian, Wuhan, Zhengzhou and Changsha. Leveraging on its business park development advantages, the Group spurred the rapid improvement of amenity facilities in the city, attracted a large number of talents and contributed to regional transformation and upgrading. In the process of creating a new residential and office ecology in the area where the business park is located, benefiting from a higher-quality park environment, better supporting facilities, inelastic demand from people working within the parks and in other areas of the city and governments' support, the Group can obtain outstanding sales performance of residential and office properties. During the Year, the fourth phase of Wuhan First City office units, Changsha Yida & CSCEC Intelligent Technology Centre, Changsha Yida Intelligent Manufacturing Industrial Village, Zhengzhou Yida Technology New City and other projects were steadily advanced, and office buildings and residences achieved good sales performance.

Contracted Sales Details

	Contracted Sales Floor Area *(sq.m.)*	**Contracted Sales Amount** *(RMB ten thousand)*	**Average Sales Price** *(RMB/sq.m.)*	**Percentage of Total Contracted Sales**
Dalian	326,178	476,368	14,605	65.8%
Zhengzhou	262,123	157,167	5,996	21.7%
Changsha	73,890	46,322	6,269	6.4%
Wuhan	45,339	27,326	6,027	3.8%
Chongqing	8,308	7,713	9,284	1.1%
Chengdu	5,259	4,753	9,038	0.7%
Shenyang	4,663	4,058	8,703	0.5%
Total	725,760	723,707	9,972	100.0%
Dalian Software Park	4,241	1,305	3,078	0.2%
Dalian BEST City	51,651	62,102	12,024	8.6%
Yida Information Software Park	28,298	24,960	8,820	3.4%
Dalian Tiandi	157,903	306,103	19,385	42.3%
Zhengzhou Yida Technology New City	262,123	157,167	5,996	21.7%
Wuhan First City	45,339	27,326	6,027	3.8%
Changsha Yida & CSCEC Intelligent Technology Centre	14,619	13,666	9,348	1.9%
Changsha Yida Intelligent Manufacturing Industrial Village	59,271	32,656	5,510	4.5%
Chongqing Yida Innovation Plaza	8,308	7,713	9,284	1.1%
Residential Properties Outside Business Parks	94,007	90,709	9,649	12.5%
Total	725,760	723,707	9,972	100.0%
Residential Properties	403,039	521,023	12,927	72.0%
Office Properties	322,721	202,684	6,280	28.0%
Total	725,760	723,707	9,972	100.0%
Business Parks	631,753	632,998	10,020	87.5%
Multi-purpose Iategrated Residential Properties	94,007	90,709	9,649	12.5%
Total	725,760	723,707	9,972	100.0%

Macro studies and analyses of each operating city are as follows:

Dalian

In 2019, the land market in Dalian was in a period of explosive growth. Approximately 5.5 million sq.m. of commercial and residential land was transacted during the year, a record high which represented a 175% increase over the previous year. Land transactions were recorded in a wider area. The supply and transaction volume of new urban areas such as the High-tech District and Lvshun District increased significantly, while land transactions in core urban areas shrank sharply. This indicates that it is imperative for the Dalian market to expand outside the city centre, and that the pace for "expanding westwards and northwards" of the city has been gradually accelerating. The annual turnover of the Dalian property market is appropriately 6.3 million sq.m. Although it has decreased compared to last year, the overall sales area is still above the average level of the past six years.

During the Year, policies related to Dalian real estate were tightened in some areas and loosened in some other areas. Through price adjustments, raised standards for provident fund loans and new rounds of house purchase subsidies, the market remained stable. With heated sales in the Dalian market in recent years, regional stocks and the de-stocking period have gradually decreased, and the market condition became more stable. Market activities of trading their existing houses to buy new houses in Dalian has not diminished, and demand for improvement continues to be steadily released.

With its strong brand and customer recognition, the Group has demonstrated its capabilities to respond efficiently to market demand and maintains a stable performance by having mature parks and supportive facilities and launching in-demand landmark projects such as Yida Hekou Bay and The First County.

Zhengzhou

In 2019, Henan Province issued an "Action Plan for Promoting High-Quality Development of Industrial Agglomeration Areas of Henan Province", proposing the gathering of around 20 industry clusters with output exceeding RMB100 billion which have both competitive strengths and growth potential during the next three to five years. Industrial properties will enjoy a favourable policy and funding environment. Industrial land area in Zhengzhou continues to expand, and during the Year several projects involving cultural tourism, distinctive village and manufacturing projects were launched.

Zhengzhou Yida Technology New City of the Group will focus on the High-tech District industrial development strategy and the launch of innovative industrial headquarters products to create innovative and intelligent industrial clusters in the core area of the High-tech District, which will further help upgrade the industrial structure and increase the regional economic value of the city.

Changsha

In 2019, regulation of real estate in Changsha was relatively mild compared to the previous year, but the overall situation remained tight. During the Year, residential transactions were concentrated at Meixihu area in Yuelu District, Yuhua District and Wangcheng District, where there were adequate supply and demand. Hunan Province and Changsha channel the leading role of financial funds into service industry trade development, issuing "Notice on the Management of Special Funds for the Development of Modern Service Trade in Hunan Province" and "Notice on Management of Guide Funds for Modern Service Industry Trade in Changsha". The project application guide was refined in accordance to fund management measures and with reference to local economic and social development needs in Changsha.

Changsha Yida Intelligent Manufacturing Industrial Village, a project of the Group in Wangcheng District, was awarded as a "2019 Changsha Modern Service Industry Demonstration Project". It received special funding support from Changsha Modern Service Trade to aid in the development of high quality manufacturing in the Wangcheng Economic Development Zone, promote the "Changsha Model" of intelligent manufacturing, and contribute to the creation of a "National Intelligent Manufacturing Centre". Changsha Yida & CSCEC Intelligent Technology Centre at Meixihu focuses on the medical and health, information technology, cultural creativity and artificial intelligence industries, and integrates related industries such as scientific R&D to build a whole industry chain, low-carbon green ecosystem, and a dynamic and diverse full life-cycle service system. In the future, the Centre will host a number of Fortune Global 500 and domestic top 500 companies to build a leading domestic intelligent industry cluster covering financial business, intelligent health and R&D headquarters zones.

III. Business Park Operation and Management

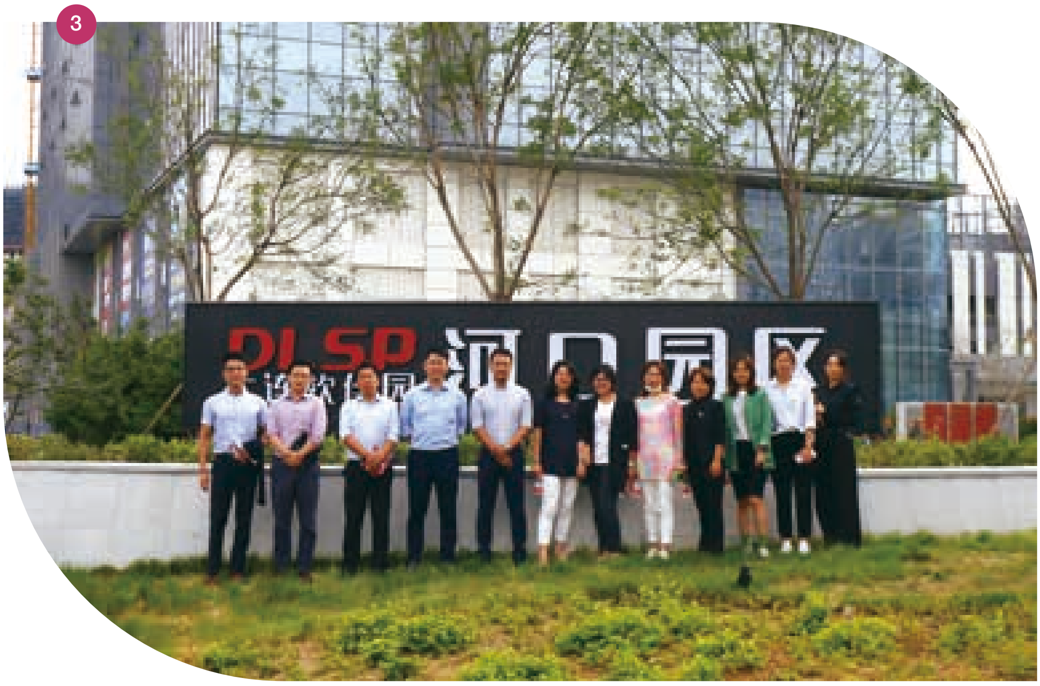
Beijing Zhongguancun No.1


Dongying
Beijing
Gaomi
Shijiazhuang
Yingkou
Harbin
Xuchang
Xi'an
Mianyang
Qingdao
Shanghai
Suzhou
Nanjing
Chuzhou
Hefei
Chongqing
Shenzhen
Guiyang
Yibin
Wuhan
Chengdu
Zhongshan
Zhuzhou

1 Chengdu Western Beidou Industrial Park

2 Yida's Booth in the 2019 4th International Artificial Intelligent Industry Exhibition and Conference Shanghai China

3



4

3 Snapshot of the Operation and Tenant Recruitment Team

4 HIT (Yibin) Technology Park

As of 31 December 2019, the Group had a total of 32 business park projects under its operation and management, and the total area of entrusted operations and management was approximately 5.06 million sq.m., with revenue generated from business park operations and management amounting to RMB42.15 million, representing a year-on-year decrease of 32.9%, mainly due to the gradual withdrawal of some existing projects that met the completion conditions during the Year, and the revenue from newly added projects has not yet been recognised.

In 2019, the Group carried out the preliminary planning for "Five Regions and Fifty Cities" focusing on Beijing-Tianjin-Hebei, the Yangtze River Delta, the Midwest Economic Zone, the Guangdong-Hong Kong-Macau Greater Bay Area and economically active provinces and municipalities, implemented new business models to expand the scale of business operations, and recruited a number of new tenants, including Fortune Global 500 companies, unicorn enterprises, top 100 companies from various industries, and listed companies. As of the end of the Year, over 800 companies had settled in the business parks. The Company has established a preliminary framework for industrial operational services and laid a solid foundation for the intelligent industrial services platform of Yida.

The Group continued to improve its tenant recruitment team's ability to strengthen business cooperation and customer reserves and complete tenant recruitment for delivered projects. In addition to satisfying the basic needs of tenants in the park, the Group also provides enterprises with high-quality, convenient, cost-effective products and services via a global service provider alliance using the internet platform.

The Group has developed a mechanism for self-growth of its business parks through a systematic tenant recruitment and settlement system. By thoroughly analyzing the requirements of individual industries, the Group has established a highly targeted tenant recruitment plan supplemented by the existing tenants' sound development and reputation established in the field, and has successfully attracted tenants' upstream and downstream enterprises to form a complete and mature ecosystem. During the Year, the Group entered agreements with several high-tech industry projects including JD Cloud (Dongying) Digital Economy Industrial Park, Wuhan Future Technology City Silicon Valley Town, Guangdong Raycome Health Technology Co., Ltd., Guiyang Orbit Satellite Big Data Industry Park, Guanghua Innovation Centre, and offered brand output, project expansion, tenant recruitment and operations and other services.

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

	Status	City	Project Name	Contracted Area (thousand sq.m.)	Operation Mode
1	Stock in 2018	Shanghai	Yida North Hongqiao Entrepreneur Park	48.0	Tenant recruitment and operation
2		Suzhou	Suzhou High-Speed Rail New City	255.5	Tenant recruitment and operation and incubator
3		Shenzhen	Haikexing Sinovac Strategic Emerging Industrial Park	70.6	Tenant recruitment and operation
4		Chengdu	Western Beidou Industrial Park	700.0	Tenant recruitment and operation
5		Hefei	Hefei City Luyang Big Data Industry Park	242.6	Tenant recruitment and operation
6		Mianyang	Phase One of China (Mianyang) Technology City Software Industry Park	62.6	Tenant recruitment and operation
7		Harbin	Harbin-Israel International High & New Technology Incubator Complex Industrial Park	89.0	Tenant recruitment and operation
8		Beijing	Yida Lize Centre	41.0	Charter
9		Shanghai	Yida Waigaoqiao Business Park	13.9	Charter
10		Chongqing	Liangjiang Science and Technology City (Phase I)	195.3	Sales agent, tenant recruitment and operation
11		Chongqing	Liangjiang Science and Technology City (Phase II)	210.0	Sales agent, tenant recruitment and operation
12		Xi'an	Collaborative Innovation Port of Feng Dong New Town	200.0	Tenant recruitment and operation
13		Beijing	Zhongguancun No. 1	497.8	Tenant recruitment and operation
14		Nanjing	Mufu Green Intelligent Town	440.0	Tenant recruitment and operation
15		Suzhou	Taicang Port Gangcheng Square	164.2	Tenant recruitment and operation
16		Shijiazhuang	Hebei Junding Industrial Park	600.0	Tenant recruitment and operation

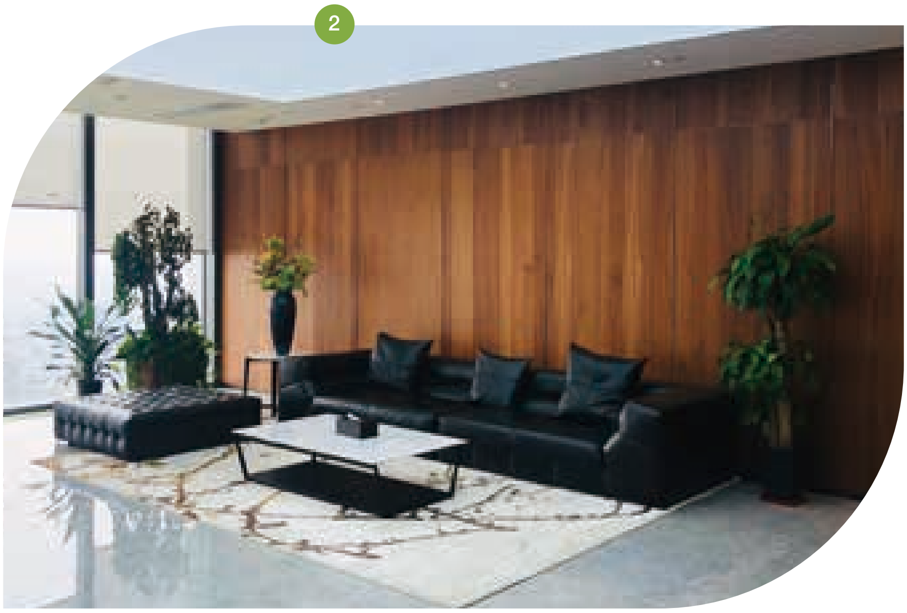
	Status	City	Project Name	Contracted Area (thousand sq.m.)	Operation Mode
17		Gaomi	Gaomi Yiyue Health Industrial Park	–	Brand promotion
18		Chuzhou	Chuzhou Innovative Science and Technology City	211.6	Tenant recruitment and operation
19		Zhuzhou	Zhuzhou Geckor China Power Valley	245.8	Tenant recruitment and operation
20		Yibin	HIT (Yibin) Technology Park	150.0	Tenant recruitment and operation
21		Chongqing	Chongqing Gangcheng Industrial Park	200.0	Tenant recruitment and operation
22		Dongying	JD Cloud (Dongying) Digital Economy Industrial Park	2.3	Tenant recruitment and operation
23	Newly added in 2019	Qingdao	Pingdu Industrial Park of Shift in Driving Forces	132.0	Tenant recruitment and operation
24		Yingkou	Huahai International Building	30.0	Tenant recruitment and operation
25		Zhongshan	Guangzhou Raycome Health Technology Co., Ltd.	33.9	Tenant recruitment and operation
26		Shenzhen	Mingxi Industry Park	30.0	Tenant recruitment and operation
27		Xuchang	To Be Determined	175.0	Tenant recruitment and operation
28		Wuhan	Wuhan Future Technology City Silicon Valley Town	–	Consultation services
29		Mianyang	Mianyang Technology Building	12.0	Tenant recruitment and operation
30		Chengdu	Guanghua Innovation Centre	10.5	Tenant recruitment and operation
31		Guiyang	Aotai Plaza	–	Consultation services
32		Guiyang	Guiyang Orbita Satellite Dig Data Industry Park	–	Consultation services
Total				5,063.6	

Dalian Blue Mountain Landscaping Design


Dalian
Zhengzhou
Chengdu
Hefei
Chongqing
Wuhan
Guangzhou
Changsha

1

2



3

1-2 Office Decoration Project Undertaken in Wuhan

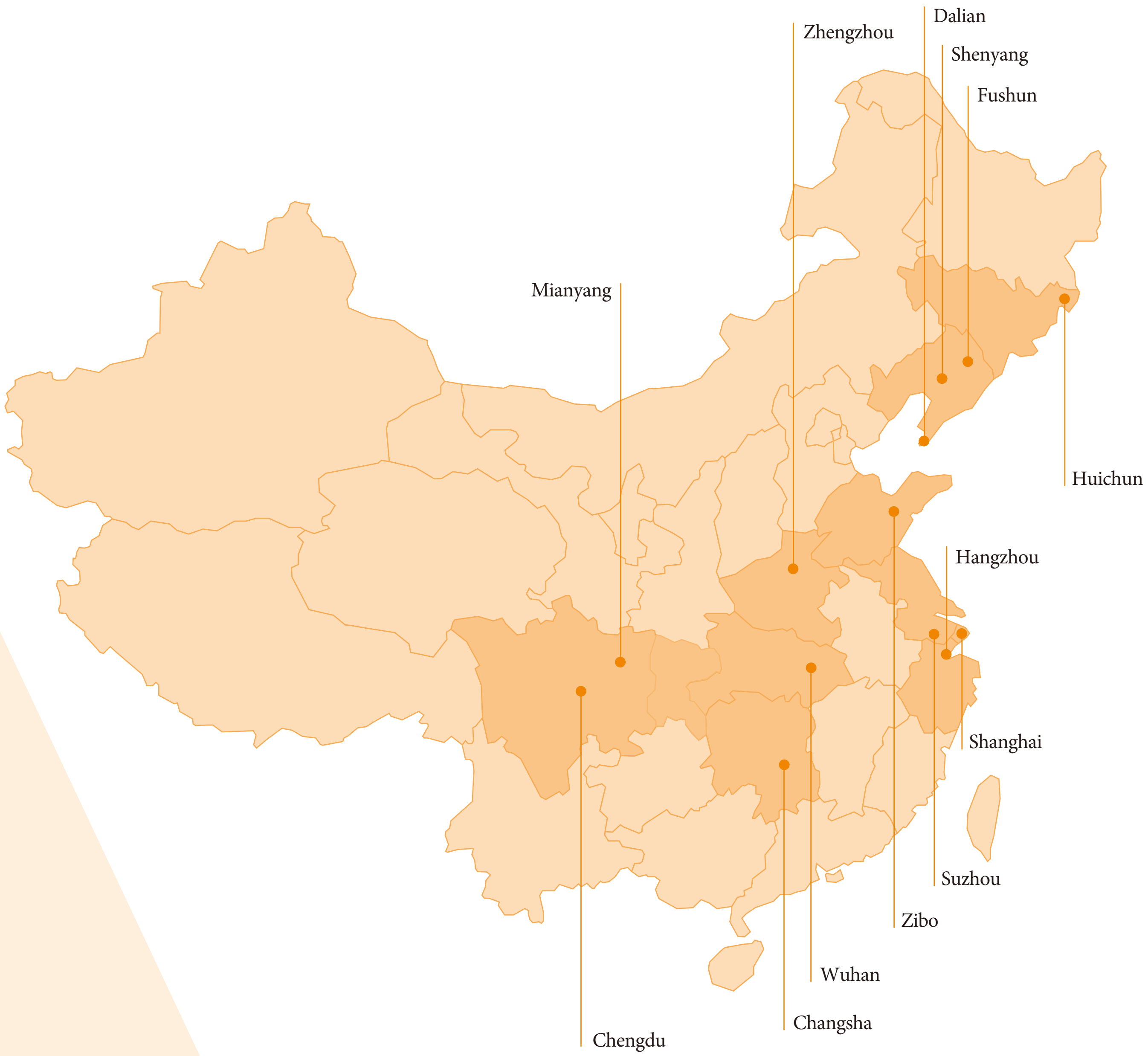
3 Construction Sites

During the Year, the construction, decoration and landscaping businesses recorded revenue of RMB384.32 million, representing an increase of 20.6% from the corresponding period of the previous year, mainly due to an increase in external project contracts. The Group continued to deepen the strategy for upholding quality and focus on building and construction quality and safety. It was appraised by governments from all levels for a number of times and was awarded as an outstanding construction enterprise in China and in Liaoning Province.

The Group continued to strengthen its capabilities in construction, decoration and landscaping to enable it to undertake external projects for stable recurring revenue while supporting the Group's internal business development. During the Year, the business team undertook a number of key construction projects, among which the Longfor-Yango Masion project ranked in the top five in third-party evaluations, effectively contributing to the business team's further negotiations for multiple projects, which significantly speeded up nationwide expansion of the Group's business segments. Following the Group's expansion across the country, the segment has set foot in six major capital cities and engaged in strategic cooperation with a number of large real estate companies. During the Year, the Group won the bidding for the Guangzhou Capitaland Ascendas Park residential project, marking the entrance to the first-tier cities construction market for the first time.

The business team will comprehensively push forward the core businesses of office space, public and bulk projects, explore effective methods of project management and integrate industry chain resources to increase the profitability of projects and strengthen the supervision and control of implementation processes to ensure the achievement of annual operating performance indicators and targets. With an increased number of projects being undertaken in differenct regions, the Group continued to improve its safety controls, pursue high quality and precision construction, and issued updated "Implementation Rules for Quality and Safety Management of Projects outside Dalian" and "Quality Control and Inspection Standard Manual" to strengthen the platform's control over projects. More frequent inspections and joint inspections of projects were made to ensure the implementation of security standards. Cost control was also strengthened to enhance the Group's overall competitiveness as it expands across the country.

Employees of Yida Property on Covid-19 Front Line


Dalian
Zhengzhou
Shenyang
Fushun
Mianyang
Huichun
Hangzhou
Shanghai
Suzhou
Zibo
Wuhan
Changsha
Chengdu

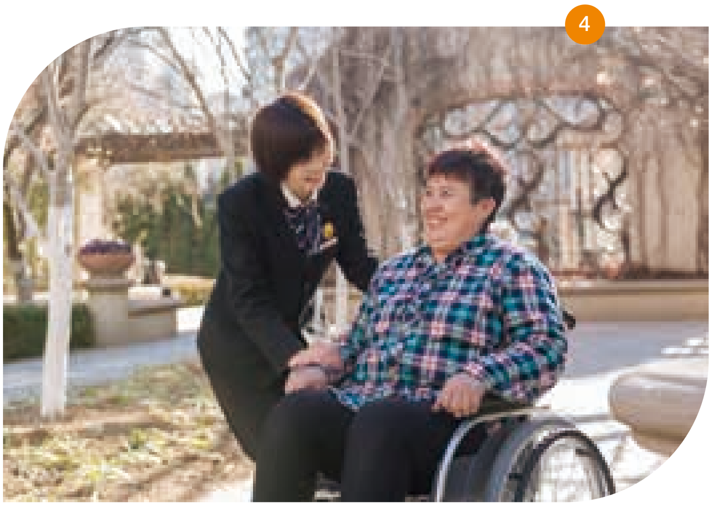
1


2

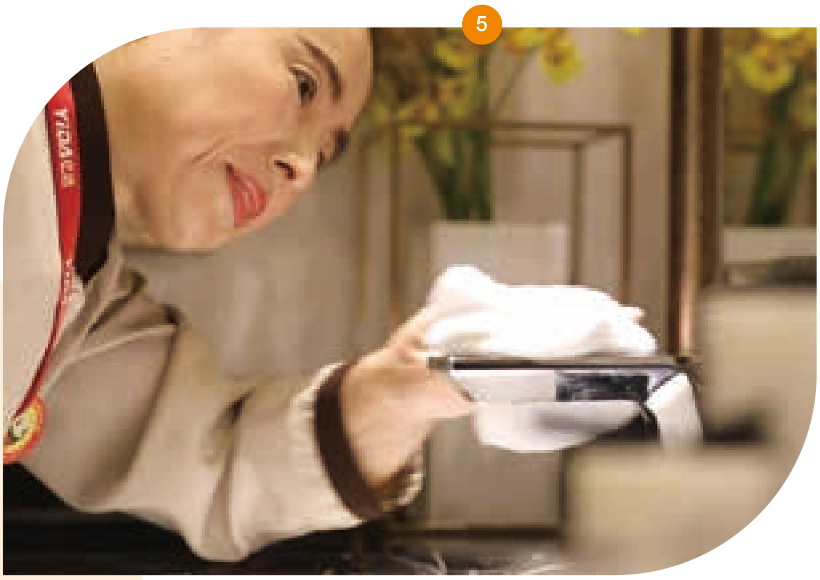

3


1-3 Employees of Yida Property on Covid-19 Front Line

4



5



6

4-5 Snapshot of Yida Property Refined Service

6 Value-add Community Stores in Chengdu

During the Year, the Group's property management business recorded revenue of RMB632.79 million, representing an increase of 17.4% from the corresponding period of the previous year, mainly due to the increase in property management projects and supporting service income. With the customer satisfaction as our service aim, the property management business operates under the concept of "improving service levels, increasing performance, and expanding business". Through establishing platforms of informatisation and digitalisation, the Group will enrich the property management portfolio and gradually transform to intelligent servicing.

As of 31 December 2019, the Group's property management business covered 13 key cities across China and was awarded with a number of honours. These included an 18th place ranking in the "2019 Top 100 Comprehensive Strength of Property Service Enterprises", placings in the "2019 Top 50 Brand Value in Property Services Enterprises", being named as an "Intelligent Park Service 2019 Special Property Service Brand Enterprise", and recognition as one of the "2019 TOP 100 Influential Wechat Official Account by Property Management Companies Media Evaluation in China".

Residential Property Management

During the Year, the Group operated seven new residential property projects with an additional operation area of 1.31 million sq.m. Its total of 75 residential property projects under operation comprised an operation area of 11.38 million sq.m. With systems such as E-family APP2.0, the cloud platform of Yida property intelligent management, the Group strives to explore novel property management models and improve property owners' satisfaction while it expands its value-added services. The latter include the building of a "rainforest scheme" business chain, and services such as high-end elderly care, "Puyang Fanghua", new retail in the community, "Yida Select", "Yida Realtor", community education "UU elephant" and high-end household service were launched, aiming to create a safe, secure, efficient, convenient and harmonious community service environment.

During the Year, Yida Elderly Care – Puyang Fanghua Blue Mountain International Nursing Centre officially opened and received the first group of elderly residence. The Centre provides services such as day-to-day care, nursing, healthcare and diet planning, and features Japanese elderly care concepts and service standards. It strives to establish Puyang Fanghua as a top-class elderly care brand. In December, the Fifth County, a project under management of the Group's property service, was recognised as a "2019 Liaoning Province Property Service Benchmarking Project".

Office Property Management

During the Year, the Group operated five new office property management projects with an additional area under management of 1.14 million sq.m. and a total gross floor area under operation of 4.09 million sq.m. The Group strengthened its presence in cities like Dalian, Hangzhou, Wuhan, Shenyang and Zhengzhou, making steady progress towards its objective of countrywide coverage. At the same time, with over 20 years of experience in developing and operating business parks and serving Fortune Global 500 enterprises, the Group focused on improving client satisfaction and expanding and accumulating business parks, government agencies, universities and other client resources.

Supported by Yida Yuntu's all-senario comprehensive solutions, digital visualisation applications, intelligent asset management, industry service platforms and the park IOT platform, the Group establishes core management and control systems such as customer service, equipment, energy consumption, occupancy and cost management with "industry serving, management improvement" as its core. Based on big data analysis and IOT technology, the Group builds an industrial trinity ecosystem comprising buildings, customers and services. The Group has built a professional technical team to create a one-stop service, improve the efficiency of office property management and operation, and enhance competitiveness to provide quality services for its clients in the creation of a more comfortable working environment.

MD&A – BUSINESS REVIEW (continued)
VI. Land Reserves

Dalian Tiandi Hekou Bay Residential Area

As of 31 December 2019, the total floor area of the Group's land reserves was approximately 9.79 million sq.m. while the floor area of land reserves attributable to the Group was approximately 8.23 million sq.m.. The concentration of land reserves further decreased; Dalian accounted for 67.8%, a 2.0 percentage point decrease compared with that of the end of the previous year, and the Group completed the business planning in Changsha, Zhengzhou, Chongqing and other key cities to implement its nationwide deployment strategy.

The Group continued to regard "city-industrial integration" project development as its core business. In June, the Group won the bid for the second phase of Zhengzhou Yida Technology New City and reached an office units purchase agreement with the local government to jointly empower new industrial development in the city.

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

The following table sets outlines the Group's land reserve breakdown as of 31 December 2019:

By City	Total GFA of Land Reserves *(sq.m.)*	Proportion	Attributable GFA of Land Reserves *(sq.m.)*	Proportion
Dalian	6,636,604	67.8%	5,936,167	72.1%
Changsha	1,146,029	11.7%	741,563	9.0%
Wuhan	823,927	8.4%	411,963	5.0%
Zhengzhou	654,900	6.7%	654,900	7.9%
Hefei	288,191	2.9%	288,191	3.5%
Chengdu	126,785	1.3%	86,393	1.1%
Chongqing	103,250	1.1%	103,250	1.3%
Shenyang	5,460	0.1%	5,460	0.1%
Total	9,785,146	100.0%	8,227,887	100.0%

By Location	Total GFA of Land Reserves *(sq.m.)*	Proportion	Attributable GFA of Land Reserves *(sq.m.)*	Proportion
Within Business Parks	7,884,140	80.6%	6,806,092	82.7%
Outside Business Parks	1,901,006	19.4%	1,421,795	17.3%
Total	9,785,146	100.0%	8,227,887	100.0%

Projects Within/ Outside Business Parks	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office	100%	594,938	–	–
Residential	100%	92,184	–	–
Subtotal	100%	687,122	–	–
Dalian BEST City				
Office	100%	131,440	182,317	491,888
Residential	100%	286,185	8,149	–
Subtotal	100%	417,625	190,466	491,888
Wuhan First City				
Office	50%	313,000	73,941	434,560
Residential	50%	2,427	–	–
Subtotal	50%	315,427	73,941	434,560
Yida Information Software Park				
Office	100%	149,014	–	118,798
Residential	100%	351,572	113,913	–
Subtotal	100%	500,586	113,913	118,798
Dalian Ascendas IT Park				
Office	50%	279,000	61,292	103,652
Subtotal	50%	279,000	61,292	103,652
Dalian Tiandi				
Office	100%	388,503	234,152	1,020,175
Residential	100%	182,033	267,717	–
Subtotal	100%	570,536	501,869	1,020,175
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	–	99,111	–
Subtotal	60%	–	99,111	–

Projects Within/ Outside Business Parks	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	–	207,182	112,073
Subtotal	51%	–	207,182	112,073
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	–	71,900	380,200
Residential	70%	–	374,674	–
Subtotal	70%	–	446,574	380,200
Zhengzhou Yida Technology New City				
Office	100%	–	2,361	652,539
Subtotal	100%	–	2,361	652,539
Chongqing Yida Innovation Plaza				
Office	100%	–	103,250	–
Subtotal	100%	–	103,250	–
Projects Within Business Parks Subtotal		2,770,296	1,799,959	3,313,885
Projects Outside Business Parks				
Dalian	25%-100%	414,771	566,205	598,705
Chengdu	80%-100%	23,937	–	3,737
Shenyang	100%	5,460	–	–
Hefei	65%	–	–	288,191
Projects Outside Business Parks Subtotal		444,168	566,205	890,633
Total		3,214,464	2,366,164	4,204,518

MD&A – BUSINESS REVIEW (continued)
VII. Impact of the Pandemic

Following the outbreak of Coronavirus Disease 2019 ("the COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been implemented across the PRC, including home quarantines, travel restrictions and work suspensions of various government departments, enterprises and individuals. It has affected the business and economic activities of the Group to certain extent. Although most of the Group's construction of properties projects and operation of business parks have been resuming, the COVID-19 outbreak would possibly affect sales of properties and signing of new contracts for the rental. In addition, the fair value of investment properties may also be affected in the future. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

Revenue

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

During the Year, the revenue of the Group was RMB6,077.40 million, representing a decrease of 17.4% from the corresponding period of last year.

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

	For the year ended 31 December			
	2019		2018	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Sales of properties	**4,463,520**	**73.4%**	5,957,781	81.0%
Rental income	**554,622**	**9.1%**	478,598	6.5%
Business park operation and management service income	**42,149**	**0.7%**	62,842	0.9%
Construction, decoration and landscaping income	**384,323**	**6.3%**	318,599	4.3%
Property management income	**632,786**	**10.5%**	539,138	7.3%
Total	**6,077,400**	**100.0%**	7,356,958	100.0%

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB4,463.52 million, representing a decrease of 25.1% from the corresponding period of last year, which was mainly due to the decrease in projects delivered during the Year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB554.62 million, representing an increase of 15.9% from the corresponding period of last year, which was mainly attributable to the increase in the leased area during the Year.

(3) Business park operation and management service income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB42.15 million, representing a decrease of 32.9% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Year, and the income from newly added projects has not yet been recognised.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB384.32 million, representing an increase of 20.6% from the corresponding period of last year, which was mainly attributable to the increase in external contracted projects during the Year.

(5) Property management income

During the Year, the income from property management service provided by the Group amounted to RMB632.79 million, representing an increase of 17.4% from the corresponding period of last year, which was mainly attributable to the increase in property management projects and supporting service income.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,946.80 million, representing a decrease of 25.6% from the corresponding period of last year, which was mainly attributable to the decrease in projects delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit provided by the Group during the Year amounted to RMB2,130.60 million, representing an increase of 3.9% from the corresponding period of last year, the gross profit margin increased to 35.1% during the Year from 27.9% in the corresponding period of 2018, which was mainly attributable to different structure of products carried forward during the Year and the increase in corresponding average price of each product carried forward as compared to the same period last year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group increased by 7.9% to RMB208.09 million for the Year from RMB192.89 million in the corresponding period of 2018, which was mainly due to the increase in advertising expenses and agency fee during the Year.

Administrative Expenses

The administrative expenses of the Group increased by 3.6% to RMB520.80 million for the Year from RMB502.70 million in the corresponding period of 2018, which was mainly due to the expansion of business scale.

Increase in Fair Value on Investment Properties

The fair value gains on investment properties of the Group increased to RMB147.40 million during the Year from RMB6.59 million in the corresponding period of 2018, which was mainly due to the increase in completion of properties under construction during the Year.

Finance Costs – net

The net finance costs of the Group increased to RMB683.10 million during the Year from RMB659.85 million in the corresponding period of 2018, which was primarily attributable to the increase in interest expenses.

Share of Profits and Losses of Joint Ventures and Associates

During the Year, the Group's share of profits of joint ventures and associates was RMB50.81 million, increased by approximately RMB42 million as compared to the corresponding period of 2018, which was mainly attributable to the increase of profit of joint ventures and associates during the Year.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group during the Year was RMB669.31 million, which was more or less at the same level in the last year.

Profit for the Year

As a result of the foregoing, the pre-tax profit of the Group decreased by 12.0% to RMB1,307.41 million during the Year from RMB1,485.14 million in the corresponding period of 2018.

The net profit of the Group decreased by 20.6% to RMB638.10 million during the Year from RMB803.59 million in the corresponding period of 2018.

The net profit attributable to equity owners decreased by 46.0% to RMB450.16 million during the Year from RMB833.92 million in the corresponding period of 2018.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) decreased to RMB339.62 million during the Year from RMB828.98 million in the corresponding period of 2018.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2019, the Group had cash and bank balances (including restricted cash of approximately RMB1,006.86 million) of approximately RMB2,039.52 million (2018: cash and bank balances of approximately RMB1,806.26 million, including restricted cash of approximately RMB728.49 million).

Debts

As at 31 December 2019, the Group had bank and other borrowings of approximately RMB15,015.73 million (2018: approximately RMB17,026.73 million), of which:

(1) By Loan Type

	31 December 2019 RMB'000	31 December 2018 RMB'000
Secured bank loans	**7,238,861**	7,870,955
Secured other borrowings	**4,817,646**	4,850,185
Unsecured other borrowings	**2,959,218**	4,305,585
	15,015,725	17,026,725

(2) By Maturity Date

	31 December 2019 RMB'000	31 December 2018 RMB'000
Within one year or on demand	**13,869,059**	12,651,205
In the second year	**1,146,666**	4,009,332
In the third to fifth year	**–**	366,188
	15,015,725	17,026,725

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 103.5% as at 31 December 2019, which decreased by 25.1 percentage points as compared to 128.6% as at 31 December 2018.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2019, the Group had cash and bank balances (including restricted cash) of approximately RMB39.26 million and approximately RMB0.52 million denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB2,112.15 million and RMB496.35 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (I) registration of mortgage interest to the bank, or (II) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2019, the Group provided a guarantee of approximately RMB275.19 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (2018: approximately RMB324.05 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 2,018 full-time employees. The Group distributes remunerations to the staff based on the performances, work experiences of the employees and the current market salary level.

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

1 Environmental, Social and Governance Report Overview

1.1 Reporting Standards

This section comprises the third annual Environmental, Social and Governance Report (the "Report") issued by the Group. The Report was prepared in compliance with the "Comply or Explain" provision in the "Environmental, Social and Governance Reporting Guide" under Appendix 27 of the Main Board Listing Rules (the "Listing Rules") issued by the Stock Exchange, and the "Recommended Disclosures". Unless otherwise stated, the reporting period covers the period from 1 January 2019 to 31 December 2019, which is consistent with the annual report, and discloses the Group's information and performance in the areas of environmental protection, employment, operational practices and community investment. The scope of the report covers the Group's major business, including business park development and operation, residential properties within and outside business parks and office properties sales, business park entrusted operation and management, construction, decoration and landscaping services and property management service.

The Report is approved for issue by the Board after being reviewed and confirmed by the Group's senior management. For detailed information on the Group's corporate governance of the during the reporting period, please refer to the section headed "Corporate Governance Report" in this annual report.

1.2 Sustainable Development

The Group's path of "city development through industry integration while creating value together through coordinated development" makes social responsibility inherent to the process of development. The Group ensures the sustainability of its projects in order to guide the healthy development of the industry and market, and it strives to create long-term value for stakeholders and shareholders.

2 Environment

The Group is committed to building green and low carbon business parks as its contribution to a healthy environment. The Group's integrated property development model enables it to effectively manage the environmental impact of each stage of project development, from planning and design to construction and post-construction.

The Group operates in full compliance with the environmental laws and regulations that have a significant impact on its operation, including the Environmental Protection Law of the PRC and the Law of Prevention and Treatment of Water Pollution of the PRC, as well as with local discharge standards. The Group has also implemented its own "Identification of Environmental Factors and Assessment of Control Procedures", "Environmental Operation Control Procedures" and "Environmental Monitoring and Testing Control Procedures" to achieve energy savings and minimise its carbon footprint and emissions output. During the year under review, no violations or cases of non-compliance with environmental laws, nor cases of excessive or irregular discharge, were reported by the Group. Additionally, some of the Group's park landscaping projects and related activities have implemented environmental management systems that meet stringent ISO 14001 requirements.

The Group's contributions to the environment have been widely recognised. Yida China was named as a "2019 Top Ten Green Building Industry Pioneer Companies in Dalian", and Mr Qin Xuesen, deputy general manager of Dalian company of the Group, was recognised as one of the "Top Ten Green Building Industry Pioneers in Dalian" to recognize the concerted efforts of Yida China in creating a more beautiful Dalian and green buildings.

2.1 Saving resources and reducing emissions

The Group has actively responded to China's policy of developing a low-carbon economy and is committed to improving energy efficiency, reducing greenhouse gas emissions and minimising carbon footprints. The Group integrates measures for environmental protection, saving energy, and carbon and emission reduction into its industrial chain of design, construction, operation and management of parks and properties.

The Group strives to minimise a business park's energy consumption beginning at the design phase by specifying efficient materials for architectural features such as exterior walls and rooftops, and efficient infrastructure for heating and lighting. Construction facilities are also designed for maximum efficiency and minimum environmental impact. Green design features of its business parks include:

- Solar water heating. The volume of hot water generated should not be lower than 10% of average household hot water consumption
- Ground-source heat pump systems for air conditioning. This cuts demand for coal used for heating in winter
- Variable refrigerant volume (VRV) system. This allows for constant adjustment of air conditioning temperature and volume to match actual need, reducing energy use
- Other energy saving elements include energy-saving lifts, LED lighting, tube lighting in basements, automatically adjusted lighting in public areas, photovoltaic power generation
- Flexible interior design for offices and other spaces to reduce waste generated by renovation

During project construction, the Group requires contractors to take measures to reduce their environmental impact. Such measures are in line with the Group's own policies and procedures. Contractors are also required to follow the Group's "Identification of Environmental Factors and Assessment of Control Procedures" to identify energy use and emissions during the construction process[1] and implement corresponding control measures to mitigate their impact. For example, contractors must reduce construction site dust by either regularly spraying water or properly covering materials stored on site. Contractors are similarly required to control construction noise by undertaking high noise operations in phases.

In accordance with the "Environmental Monitoring and Testing Control Procedures", the Group continues to monitor parks' energy performance after they have commenced in operation. Automatic systems monitor the energy consumption of heating and cooling sources, transmission systems, lighting, office equipment and hot water infrastructure. This constant stream of data enables the Group to effectively analyse, manage and plan every aspect of a park's energy consumption, review existing energy-saving measures, and improve the Group's environmental management performance.

The Group's energy consumption and greenhouse gas emissions for the year under review are shown below:

	Unit	2018 Performance	2019 Performance[2]
Electricity consumption[3]	kWh	63,032,917	113,042,244
Petrol consumption[3]	Litre	/	8,979[4]
Diesel consumption[3]	Litre	171,500	3,683[5]
Energy intensity	kWh/m^2	3.46	5.07
Direct greenhouse gas emissions (Scope 1)	Metric tons CO_2 equivalent	447.69	30.02
Indirect greenhouse gas emissions (Scope 2)[6]	Metric tons CO_2 equivalent	48,970.27	86,394.47
Total greenhouse gas emissions (Scope 1 and Scope 2)	Metric tons CO_2 equivalent	49,417.96	86,424.49

1 The Group has not yet collected the data by the types of emission indicators, and will further improve the data collection system for the future reporting.
2 In 2019, the Group gradually expanded the scope of environmental data collection and the number of subsidiaries whose electricity and water consumption data were collected increased from 5 to 32. The Group's data collection includes six major business segments: property development, business park operation and management, construction, decoration and landscaping, and property management. Therefore, the electricity and water consumption increased significantly as compared to 2018.
3 The data were estimated based on other operational data (such as bills of expenses, operation time).
4 In response to business needs, some diesel vehicles were replaced with gasoline vehicles, resulting in gasoline consumption.
5 Due to changes in business needs, the Group is engaged in business with large amount of diesel consumption, resulting in significant decrease in diesel consumption.
6 The revised indirect greenhouse gas emission data of 2018 was calculated by using the unified calculation method, and now is with reference to the Average Carbon Dioxide Emission Factors of Regional Grids in the PRC for the Years 2011 and 2012 issued by the National Development and Reform Commission of the PRC.

2.2 Conserving water resources

In recent years, the increasingly serious impact of climate change and extreme weather has confronted China with the issue of scarce water resources, creating a major threat to the environment and regional economy. The Group has accordingly improved its water resource management, implemented water conservation measures, and strengthened its business parks' capabilities of treating reclaimed water and collecting rainwater.

Some of the water-saving measures incorporated into the Group's business parks include:

- Recycled water pump system. Used water is collected, treated and then used for non-drinking purposes such as irrigation, washing of roads and underground parking
- Rainwater collection devices
- Use of tapwater by contractors is prohibited during the construction process, reducing the site's reliance on clean water sources
- Water-saving sanitaryware and plumbing fixtures

The Group's water consumption performance during the reporting period is shown below:

	Unit	2018 Performance	2019 Performance[2]
Water consumption[3]	m^3	880,682	1,638,004
Water consumption intensity	m^3/m^2	0.047	0.073

Waste water treatment is another matter of importance to the Group. The Group stipulates that sewage generated during construction is treated in a sediment pool before draining into municipal sewage conduits. An online sewage treatment monitoring system is also used to ensure that the sewage discharged from municipal sewage conduits meets government standards for water quality.

2.3 Resource usage

The Group's business of developing business parks and residential properties inevitably consumes resources. However, the Group ensures that their consumption is minimised by designing for maximum efficiency in the use of building materials, following principles of waste reduction at the source, and by recycling and reusing materials whenever possible.

The Group outsourced purchasing, design and construction processes to the same contractor so that their resource usage performance may be comprehensively and uniformly managed. To this end, the Group closely monitored the use of building materials during construction. Contractors are required by the Group to comply with local environmental laws and regulations, and the use of prohibited building materials is strictly forbidden. Contractors must also effectively manage the storage of building materials in order to avoid causing environmental damage. Finally, contractors are required to classify and recycle concrete, mortar and other building materials in a reasonable and timely manner, and reuse and recycle other construction waste to the greatest extent possible.

[2] In 2019, the Group gradually expanded the scope of environmental data collection and the number of subsidiaries whose electricity and water consumption data were collected increased from 5 to 33. The Group s data collection includes six major business segments: property development, business park operation and management, construction, decoration and landscaping, and property management. Therefore, the electricity and water consumption increased significantly as compared to 2018.

[3] The data were estimated based on other operational data (such as bills of expenses, operation time).

2.4 Waste treatment

The Group has long striven to reduce the waste generated by building projects and property management, and has implemented a series of measures for the proper handling of waste. For business parks and residential building projects, we require contractors to prioritise the recycling of reusable construction waste, while non-reusable waste is earmarked for treatment by third parties certified by a local environmental hygiene department. For the operation of business parks, the Group assigns personnel to be responsible for ensuring that rubbish is collected at a central place designated by the environmental hygiene department, thereby ensuring effective waste management.

The Group recognises the need to carefully collect and process hazardous wastes such as fluorescent tubes, toner cartridges, batteries, film and automotive air filters. Accordingly, the Group has established designated procedures congruent to government requirements for the centralised storage of hazardous waste, and such procedures are reported on the website of the environmental protection bureau. The reported hazardous waste is treated by a certified third party environmental protection company and is recorded in a "Hazardous Waste Treatment Record".

As the Group initiated a number of projects during the reporting period, with some comprising a large management area, a dedicated department for waste statistics has not yet been established. Also, in order to avoid affecting the integrity and accuracy of the data, the amount of non-hazardous waste disposed during the reporting period is not disclosed. Therefore, these data are not presented in this Report. Nevertheless, in the context of its business, the Group generated relatively less hazardous waste and material. In addition, the consumption of packaging materials is irrelevant to Yida's main business, thus this is not disclosed in the report.

2.5 Advocating environmental protection

As the leading domestic developer of integrated business parks, the Group strongly encourages its stakeholders to make their own efforts to protect the environment and promote green building. During the reporting period, Mr. Qin Xuesen, deputy general manager of Dalian company of the Group, was re-elected as president of the Dalian Green Building Council. In this capacity he will leverage on the influence of Yida China to build an industry consensus, strengthen industry cooperation, and work with the council to transform Dalian into a green city. During the year, the Council held various industry conferences – including for the 50th Earth Day/4th Dalian Green Building Public Welfare Week – which enabled officers of government departments, representatives of trade unions and associations, and industry professionals to exchange views on future green building trends. Yida China will continue to advise the industry on the development of green building standards and jointly upgrade best practices for the green building industry.

In addition to promoting green building in the industry, the Group also advocates concepts of green living, green offices and environmental protection to stakeholders such as employees, residents and tenants. In the Group's offices and canteens, for example, staff members are encouraged to reduce printing, switch off superfluous lights, and minimise food waste, thereby improving their environmental awareness and reduce the environmental footprint of the office.

2.6 Reducing impact on the environment and natural resources

The Group understands that the traditional industrial park development model creates unsustainable pressure on the environment. Therefore, the Group incorporated ecosystems into the parks themselves in keeping with its "integration of industry into the city" development model. For example, after construction of a park is completed, the Group will create landscaped green areas using flora selected for local suitability, such as cold-resistant trees and shrubs. We continue to review and improve park greenery even after completion to ensure that the planned results are obtained for a more beautiful greening environment.

In its early years, the Group created an innovative "Muchengyi Index" to evaluate whether different park projects' "city building" processes were consistent with ecological indicators, and to engage the Group fully into ecological protection. Looking ahead, the Group will participate in more development projects that meet green building certification criteria, and will ensure that the design and construction processes for all business park projects are executed to the one-star green building standard. The Group's residential projects will refer to other green building standards while incorporating green elements such as solar power, energy-saving lamps and rainwater recycling. At the same time, the Group has applied for a rating for key projects to ensure external recognition of the Group's construction expertise.

3 Employees

The Group prides itself on being "people first", and it continues to invest in talent development and team building, employee health, safety and well-being, and a diverse range of employee training.

The Group has formulated employee benefits, benefits and employment policies. The Yida China Staff Handbook provides employees with a detailed explanation of Group policies and regulations on salary, benefits and dismissal, talent recruitment and promotion, hours of work, holidays, equal opportunities and diversity. The Group regularly holds networking activities to promote communication and understanding between employees from different levels and parts of the Group, increase their sense of ownership, and foster a working environment of openness, fairness and respect. As the Group regards employees as vital to its development, it is committed to providing comprehensive training programmes and career opportunities. The Group implements comprehensive construction and service management policies and measures for the occupational safety and health of its employees, and to minimise risks.

During the year under review, the Group has fully complied with the labour laws and regulations that have a significant impact on its operation, including the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, to ensure employee benefits, treatment and basic rights, and prohibits the employment of child or forced labour. The Group did not report any labour disputes or violations of employment rules during the year under review.

3.1 Creating a fair and harmonious working environment

Employee benefits

The Group offers market-competitive remuneration conditions and employee benefits in accordance with national and industry standards. The Group also regularly makes salary adjustments and pay performance and year-end bonuses based on employee performance to protect their basic rights. In addition to national statutory and public holidays, employees enjoy benefits such as paid annual leave, marriage leave, maternity leave and breastfeeding leave subject to Company rules. The Group also paid for employees' social insurance and housing reserve. The Group regularly reviews employees' basic security and compensation in relation to updated national and local laws and regulations. Improved benefits are offered to certain employees: for example, high-temperature subsidies are offered to employees working outdoors in high-temperature areas.

Staff recruitment and opportunities for promotion

The Group advocates fair recruitment, selection and promotion, and provides fair employment opportunities for people regardless of their race, color, gender, language, religion and nationality. The Group advocates for fairness in recruitment and promotion to create a working environment of diverse culture, background and skills.

The Group is committed to talent development through providing employment opportunities to young people to gather and cultivate dynamic and creative talents and promote the progress of the society. The Group organises campus recruitment programmes in key business areas with the aim of attracting young talent to join the team as trainees. At the same time, the Group also provides long- and short-term internship opportunities for undergraduate students to increase their understanding of the Company and the industry. The Group's "Yida China 2020 Campus Recruitment Conference" held during September-October 2019 presented a range of employment opportunities for undergraduate students from various universities to join the Yida team.

The Group has a fair, just and transparent internal promotion mechanism in place. Employees' work performances are assessed every six months, based on key indicators and their work plans, with the results used as a reference for adjustments to their salary and position. Criteria for assessment and promotion are detailed in the Staff Handbook for easy reference.

During the year, the Group's total number of employees was approximately 2,018. The following is an overview of employees by category:

Percentage of total employees		2018	2019
By gender	Male	67.3%	68.9%
	Female	32.7%	31.1%
By age	<30	19.4%	18.0%
	30-50	63.9%	64.6%
	>50	16.7%	17.3%
By position	Management staff	14.6%	12.7%
	Ordinary employee	85.4%	87.3%
By type	Regular employee	100.0%	100.0%
	Non-regular employee[7]	0.0%	0.0%

Employee communication

The opinions of employees can be an invaluable aid to improving the Group's development. The Group therefore strives to listen to its employees, and emphasises that their ideas and feedback are valued and worthy of response. To this end, the Group has established a number of communication channels which encourage employees to express their opinions while establishing a mutual trust and understanding. The Group has also established labour union subdivisions in all subsidiaries whose representative members are chosen by election. They have the right and responsibility to participate in, communicate and monitor all policy matters relating to employee benefits. Each unit also includes designated human resources management officers from the human resources departments of each subsidiary, with responsibility for communicating with employees and maintaining good relations. Procedures are also in place to ensure that employees who report directly to the Group's human resources department, labour union, vice president in charge or chairman, have formal, fair and transparent communication channels by which to provide opinions and reports related to company management or any suspected actions damaging to personal interests or in violation of the Company's code.

The Group complied with the provisions of relevant laws and regulations such as the Labour Law of the People's Republic of China and Labour Contract Law of the People's Republic of China, to ensure employee benefits, treatment and basic rights. During the year under review, the Group did not report any labour disputes or violations of employment rules.

[7] Non regular employees mean employees engaged in temporary work, contract work or seasonal work.

3.2 Occupational health and safety

Occupational health and safety policy

The Group's Quality, Environment and Occupational Health and Safety Management Manual clearly defines its comprehensive policies for employee health and safety. The Manual is applicable to the Company's construction projects and services, and requires strict implementation by leaders and employees at all levels. Some of the Group's business parks have obtained OHSAS 18001 accreditation for their occupational health and safety management systems.

The Group provides the employees with appropriate protective equipment whenever and wherever it is required. Safety norms and systems are strictly observed to reduce risks and avoid accidents. The Group also provides safety education and training for new employee prior to assuming their positions to foster and enhance their awareness of health and safety, and requires them to pass a health and safety entry examination to ensure that they have enough basic knowledge on issues related to health and safety and possess sufficient emergency response ability before they begin to work.

Construction management

A serious area of concern for the Group is the potential safety risks arising during the project construction process. It has therefore developed a construction management system based on thorough risk assessment and consideration, which employees are required to follow. A safety compliance rate of 100% is set as its goal for the supervision of construction process.

During the construction phase, the engineering and technical departments supervise site safety and identify risk factors while ensuring the implementation of all relevant safety directions, policies, laws, regulations and requirements. The departments also arrange for regular on-site drills to enhance employees' ability to coordinate effective emergency responses. The Group requires the construction contractor to develop an on-site safety management plan for each project, and hire on-site safety officers to monitor health and safety conditions and undertake risk management. On-site safety officers conduct regular inspections to ensure that dust and hazardous gas emissions levels generated by construction activity are in compliance with statutory internal safety procedures and government standards.

The Group is committed to strict compliance with the "Safety Production Law of the of the PRC" and other regulations to ensure the full implementation of the aforesaid occupational health and safety management policies and measures at all places of operation. During the year under review, no illegal or irregular incidents relating to occupational safety and construction, nor accidents resulting in job-related employee fatalities, were reported by the Group.

3.3 Diverse employee development

Comprehensive talent training

The Group provides comprehensive and diverse training programmes for employees. The overall aim of the programmes is to encourage employees to continue learning, enhance their skills, and increase the overall competitiveness of the enterprise. At present, the programmes comprise management training, general training, office based documenting training and professional training.

Training for management staff provided by the Group generally involves systems, workflows and industry knowledge. Leadership training is offered for middle and senior management, while training for occupational skills is available to employees. The Group provides on-the-job training and examination to each new employee. Each employee is required to consult the staff handbook to gain familiarity with the management structure, understand the business and work conditions of the Group, and the requirements for their own job.

Department heads may allocate a mentor to each new employee to provide individual coaching and prepare a specific and instructive programme and job target during the probation period. This assists new employees in adapting to the working conditions. The Group will also arrange training for internal transferred staff on the knowledge and skills required for their new positions.

Establishing a "Yida e-school" online learning platform

During the year, the Group hired an external consulting organisation to establish a "Yida e-school" online training system. By logging in via computer or mobile phone, employees can browse learning courses online and share knowledge in the school's question zone. To encourage employee participation in the platform, we have included learning results as a key indicator in their performance evaluations. The online school's flexibility enables the Group to allocate its training resources more effectively, and by integrating technologies such as big data and user behaviour analysis, school administrators can now obtain the training status of students while offering real time supervision. This year, "Yida e-school" provided nearly 2,000 courses both online and offline, achieving a total of 102,789 user visits and recording 28,578 hours of teaching time.

Career exploration with Yida Talent

The Group increased its cultivation of new talent by implementing a "Yida Talent" training plan for 14 newly recruited graduates from Shanghai, Dalian, Changsha, Chengdu, Zhengzhou and other places. "Yida Talent" assists them in quickly acquiring the knowledge, skills and experience required to become outstanding employees.

As part of the scheme, career development trainers and professional mentors provide recruits with teaching and guidance, as well as answers to questions arising from their work and study. Just over two months after the recruits' arrival, the 14 "Yida Talents" showcased the results of their learning during a special "Job Sharing Session". The Session also served as a communication platform for "Yida Talents" to exchange knowledge and express their personal visions for future works.

The Group believes that through tailor-made career planning, we can more effectively cultivate a new generation of successors for different departments and build a competent team, thereby strengthening the sustainability of its business.

The start of a learning journey for new managers

Outstanding employees have the opportunity to be promoted to management positions. To sharpen the leadership skill of newly appointed managers and enable them to develop their skills in new positions, the Group arranged for them a two-month "Yida New Manager Apprenticeship Learning Tour."

Each participant earned their place by passing a competency test covering their abilities to manage people, themselves and business. Based on the results, participants progressed to four online course modules to improve leadership, team management, planning and organisation skills and personal influence. After each course, participants were required to deliver the results of their learning to senior leaders from four different perspectives, namely objective observation, subjective feeling, factual elaboration and action. The senior leaders in turn communicated with and provided feedback to the new managers, as well as verifying their satisfactory completion of the course.

It is expected that the new managers will apply what they have learned in the course to lead Yida China’s employees to achieve better results for the Company.

In 2017, the Group established the Yida Management College (“Yida College”) on the concept of “Marking leaning a habit” to provide professional training courses for internal employees and external students. The contents of these courses cover the requiremenets of the industry and internal training seminars and organised. Yida College also provides project manager training camps, academic education, headhunting and study exchanges to enable enterprises and individuals to foster talent and help to improve service quality.

During the reporting period, the Group held 92 employee training sessions,with an aggregate of 6,383 participation. The following is an overview of employee training by category:

Training statistics		2018 Percentage of trained employees	2018 Average training hours	2019 Percentage of trained employees	2019 Average training hours
Employee by gender	Male	58.0%	44	94.0%	54
	Female	42.0%	65	91.1%	83
Employee by position	Management staff	20.8%	72	86.8%	94
	Ordinary employees	79.2%	47	94.0%	58

In addition to online and in-classroom programmes, Group employees also participated in industry exchange meetings, discussions and external training activities and enjoyed various communication and information exchange opportunities to enhance the understanding and communication between employees. The Group also provided training allowances based on employees' length of service to enable them to participate in external short- or long-term training related to their job functions or occupational development.

The Group's investment in talent development leads the industry. In 2019, the Group won the "Award for Best Learning Organisation of the Year" and "Award for Good Learning Project Design" in recognition of its efforts and contributions in talent cultivation over the past year.

Internal trainer management system

The Group maintains a system to encourage employees who have worked for at least one year to become internal trainers. Any employee may recommend themselves or be recommended by the department to the programme. Those whose qualifications, course materials and teaching expertise have been confirmed by the Human Resources Department, can subsequently become internal trainers. The Group will award book vouchers in different amounts to these internal trainers upon satisfaction of their performance and the number of training hours completed. The book vouchers can also be used as funding subsidy for attending other external training courses can also convert the book vouchers into fees for other external training courses to recognise the lecturers' efforts. This reward mechanism encourages employees who have worked for the Group for one year to become internal trainers, and enables them to continue to receive relevant job training while providing internal training to other staff.

In recognition of the excellent performance and leadership potential of internal trainers, in 2019 the headquarters' human resources centre bestowed "Best Staff in Sharing" and "Internal Lecturer of the Year" to 113 internal trainers to encourage them to continue to train talents for Yida.

4 Value chain

Customers are the foundation of the Group business, and the Group accordingly upholds a service philosophy of "Quality first, Customer first". Fundamentally, this entails the Group to comprehensively and continuously optimise its products and improve services, in respect to everything from the procurement of materials to park development, project construction, operation and property management. The Group assumes full responsibility for its products and services, and are working to strengthen its supply chain management and ensure that customer complaints are handled satisfactorily and customer privacy is protected. As a component of its risk management system, the Group maintains codes of conduct for both employees and suppliers. These require employees and suppliers to thoroughly implement Group policies, to jointly pursue compliant business practices and environmental performance, and to fulfill the Group's corporate social responsibilities.

4.1 Supply chain management

Stable suppliers are essential for maintaining the Group's product and service quality. The Group's "Tendering and Procurement Management System" regulates the management, procurement, tendering and approval procedures of suppliers, and establishes basic principles such as integrity, full competition and transparency to ensure the quality of their products and services and a fair procurement process.

The Company's Tendering Committee handles decision-making, approval and supervision work related to tendering, and uses comprehensive evaluation guidelines to ensure that only quality suppliers are selected. During a screening process which includes a preliminary qualification examination, candidate suppliers are subjected to a rigorous on-site inspection by the Group which enables it to accurately appraise each supplier's operation, background, material quality and processes. Additionally, the bidding documents expressly provide that bidders must comply with relevant laws and regulations on occupational health and safety. The Group is currently considering to further incorporate suppliers' environmental and social responsibility performance as a screening factor. The Group continuously monitors and evaluates supplier performance during their contractual period to ensure their compliance with the Company's operational requirements. During the year, the Group further unified the various procedures and tools used for managing and evaluating suppliers, including the database, qualification assessments, performance evaluations (including process, summary and warranty evaluations), annual appraisals and comprehensive grading.

The Group has adopted centralised procurement and strategic cooperation procurement models to further reduce potential supply chain risks. For suppliers providing standard products and services with wider coverage – for example, paints, doors, windows, lighting, electrical appliances – the Group signed framework agreements which effectively integrate internal demand with external resources. The strategic cooperation model is used for projects involving high risk and larger numbers of suppliers with high risk, including the overall contracting of construction work, interior decoration, landscape engineering, etc. Stricter requirements are imposed for these strategic cooperation suppliers as compared to the general suppliers, including but not limited to their overall contracting capacity, construction quality, environmental performance, worker training and skill development, and working environment. To effectively manage risks along its supply chain, the Group has also established long-term strategic cooperative relationships with several well-known and reliable suppliers. In order to improve the efficiency of procurement and approval, we have also adjusted the approval authority for tendering and procurement, so that projects with less dollar amount are approved under direct entrustment.

4.2 Product and service responsibility

As a leading integrated business park develop in China, the Group is committed to providing quality customer services, and it maintains its brand reputation and business advantage through continuously improved management of construction and service projects. Yida China is widely recognised in the industry in these respects, as the representative awards below demonstrate:

Yida China's achievements in industry-city integration in China earned it the title "Outstanding Operator for Integration of Industry and City" at the 16th China Blue Chip Real Estate Selection sponsored by The Economic Observer this year. The selection uses three dimensions, "excellence, stability and innovation", as the evaluation criteria, to select the most representative "China Blue Chip Real Estate Enterprise" of the year, and is one of the best-known activities in the real estate field for its rigorous selection process and perfect evaluation system.

In 2019, Yida China made outstanding achievements in respect of financial information, development model and operation area, ranking 5th among the "Top 30 National Industry and City Development Operators" at the 2019 CRIC Annual Summit of Industry and City & 2019 National Industry and City development White Paper and Top 30 National Industry and City Development Operator Conference sponsored by E-House CRIC. Yida China has placed in the top 10 for four consecutive years.

Enabling the Group to assume responsibility for its products and services are internal guidelines for "construction project quality objective management" and "construction quality management" systems. These outline the duties and obligations of employees at all levels for strict control of project construction workflows. The Group's "Integrated management system manual" – prepared with reference to the ISO 9001 quality management system – provides additional impetus for full compliance with all relevant laws and regulations. We believe that good internal management can ensure the effective corporate governance and surveillance required to meet its commitment to quality products and services.

In terms of construction projects, the Group implements innovative plans, incorporating an accountability system on quality for its development projects. Apart from setting management goals, the Group also equips its construction projects with the most advanced facilities and trains outstanding technical personnel to add strength to the enterprise in the construction of high rise commercial and residential buildings and large-scale factory buildings. In terms of service management, the Group is working to improve in the areas of property sales and leasing, business park management, park construction, interior decoration and landscaping. In terms of property sales and leasing, the Group has adopted advanced domestic and international safety standards and specification to continuously optimise the design and function of its properties while meeting customer and tenant needs for property safety.

With the advancement in technology towards digital economy, big data, artificial intelligence and Internet of Things, Yida China successfully developed, constructed and operated typical city-industry integrated projects such as Dalian Software Park, Dalian Ecology Technology Innovation City and Wuhan first City, creating a suitable business environment for emerging industries in the cities. In order to present an ideal work-life growth picture in the community, Yida China participated in the China International Digital and Software Service Fair and WAIE Fourth Shanghai International Artificial Intelligence Exhibition 2019 to present our development concept of "promoting city with industry, achieving city-industry integration, accomplishing coordinative development, and creating values together". The Group leverages its advantage of superb ability and rich experience in business park operation and management and promote the development of intelligent parks, so as to encourage innovation in the community and development of hi-tech industries and foster the development of digital economy in the city.

Yida China's booth at the China International Digital and Software Service Fair in Dalian Software Park presented intelligent parks' ability to drive industrial innovation, improve industrial value and expand economic ecosystems. The booth included various up-to-date intelligent park products, as well as future product and service plans such as intelligent building solutions and online and offline integrated transaction service platforms.

Yida China used the WAIE Fourth Shanghai International Artificial Intelligence Exhibition 2019 to demonstrate how the artificial intelligence (AI) industry can combine with corporate development and service to create greater value for communities. Various products and services with AI technology (such as communications and market service platforms) are applied in the Beijing Zhongguancun No.1, the global artificial intelligence innovation center operated by Yida China. Yida China has adopted information and intellectual technology and has built a full range of commercial, educational, residential and other urban facilities in the vicinity of the business parks in the provincial capital cities, so as to create value with the community and establish a harmonious relationship merging technology, industry, city with people.

Close cooperation and good communications enables the Group to understand the needs of its customers and tenants. In view of this, the Group has revised its "Guidelines for Visiting Homes" and "Guidelines for Visiting Customers", both of which stipulate regular visits and conducting in-depth customer interviews between March and June every year, and a 100% timely response rate on the issues raised. For the elderly and other special groups identified in the "Accounts of Key Owner", our customer service managers, comprehensive supervisors and project managers pay quarterly, semi-annual and annual visits to learn about their needs. Additionally, the Group employs a third party research organisation to conduct customer satisfaction surveys by telephone and interviews from September to October each year, and to analyse customer views and opinions on all types of products and services. The Service Centre will further compile statistics of the feedback on the open questions in the relevant surveys, and selectively pay household visits to properly handle feedback, and discuss and implement the ongoing rectification measures. For issues of initial ancillary facilities, design defects, project quality, etc., supervisor-in-charge and project manager will conduct household visits to ensure that the Group will fix more than 85% of the relevant issues; the remaining issues will be taken care by the project manager so that more than 95% of such issues are handled by the Group each month.

4.3 Customer complaints

The Group's "Customer Complaint Handling Guidelines", "Procedures for Handling Customer Demands/Complaints" and other internal guidelines and procedures ensure that customer complaints are handled with a maximum of efficiency and effectiveness. Depending on their nature and seriousness, complaints are assigned to levels such as general complaints, significant complaints and crisis incidents, and categories such as housing equipment, safety, environment and supporting facilities. These all have their corresponding levels of response. The "Customer Complaint Handling Guidelines" pertain specifically to Dalian City Company projects, and explicitly stipulate procedures for customer complaint classification, statistic analysis and complaint handing, as well as outlining the related duties and working processes for each department, so as to improve employee service awareness and efficiency of complaint handling.

The Group maintains several channels for complaints and feedback, such as in-person, by telephone, mobile phone apps and others. Complaints and opinions are submitted to a handling officer who then facilitates an initial response in the hope that our customers will be satisfied with our service pledge and standard through reasonable and detailed explanations of the handling officer. The Group may revisit specific complaint incidents to follow up on the customer's opinion of the complaint's acceptance, processing and response. The Group's "Guidelines on Standards for Handling Reported Incidents/Repair" meanwhile regulate procedures for handling complaints and maintenance requests from customers at property service centres.

4.4 Client privacy protections

The Group obtains customer information related to our operations from formal and legal channels and has implemented an "Administrative Management System" to protect this information from undesirable disclosure or loss. The "Administrative Management System" clearly defines, classifies and guides the management of confidential information, such as how it is to be collected, stored, handled and destroyed. It also establishes measures such as assigning specific personnel to manage the database, and allowing operations only in restricted areas, and saving confidential and client information electronically. These and other measures strengthen the Group's ability to protect sensitive data. To further guarantee security, the Group employed various permission settings and technical protections to thwart any thefts of customer information.

4.5 Anti-corruption

Good corporate governance is an important foundation for the Company's sustainable development. We have developed a solid internal control system to detect incidents of corruption in the industry, reduce the risk of corruption, and maintain a culture of fairness, transparency and integrity in the Group. The Group's "Management system for internal audit", "Management system for term-end accountability audit" and other systems and regulations are used to ensure that the all staff are law-abiding during the course of day-to-day operations. The Group has also incorporated "responsibility to prohibit commercial bribery" in its employment contracts, requiring employees to commit to preventing all forms of bribery. The Group also disseminates relevant information to employees through emails and intranets from time to time to update employees information on combating corruption. To prevent suppliers from committing corruption, the Group also requests each of its suppliers to sign a "clean cooperation" agreement to ensure their full compliance with anti-corruption requirements. Suppliers need to comply with the Group's business codes, they may not provide or solicit benefits to/from the Group's contractors or related units, so as to prevent bribery, corruption or misconduct in the supply chain.

The Group's "Reporting Management System" provides clear procedures for identifying and reporting any instances of corruption or fraud in the Company's operations or employees' work. Employees making a report may directly appeal to the Group's vice president or chairman in person or in writing. The Group also provides a mailbox and telephone number for reporting to suppliers through the "clean cooperation" agreement. These reports may be offered anonymously if desired. All information received will be kept confidential to protect the rights of the whistleblower. Reported cases will be received by the Audit Committee of the Group, which may independently exercise its internal audit authority while investigating with other relevant departments. Results of investigations are reported to the Audit Committee and the Board. Should an incident of non-compliance be found to have occurred, the Group will hand over the case to external law enforcement agencies while ensuring that accountability is enforced internally.

The Group is committed to promoting the spirit of combating corruption through the implementation of various policies and management measures. It complies fully with all laws and regulations relating to product and service liability, corruption and fraud, including but not limited to the "Law of the PRC for Countering Unfair Competition", the "Tendering and Bidding Law of the PRC", the "Property Law of the PRC" and the "Rules on the Grant of State-owned Land Use Rights for Construction Through Public Tender, Auction or Listing for Bidding". During the year under review, no violations relating to the above laws, and no corruption cases against the Group or its employees were reported.

5 Society

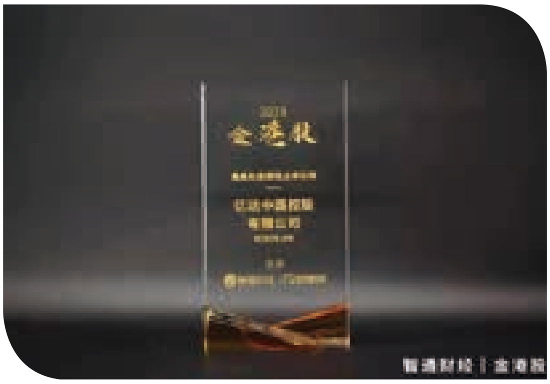
Because "enterprises survive for the sake of society", the Group devotes considerable energy to fulfilling social responsibilities. On a fundamental level, the Group implements stringent standards to provide high-quality products and excellent services to customers. The Group is also active in charities devoted to improving the public welfare and cultural life.

Over the past 25 years, the Group has closely cooperated with the Dalian Municipal Party Committee Propaganda Department and Dalian Bureau of Cultural Broadcast and Television for a joint community investment project called "Sound of Yida". "Sound of Yida" uses music to bring a series of culturally enriching charitable activities to local communities and disadvantaged groups. During the Reporting Period, the Group invested RMB2.682 million in "Sound of Yida" cultural and charitable projects while donating approximately RMB2.70 million in aggregate toward poverty alleviation and other charitable causes.

At the same time, Yida China gained extensive acclaim from all walks of life by virtue of its contribution to the society. Some representative recognitions of Yida China's social responsibility work during the Reporting Period are described below:

Yida China participated in the Summit Forum on CSR in China for 2019. Themed "Global Vision, Shared Responsibility" and hosted by China Business Journal, the event featured members of the Group's senior management participate in a roundtable to share Yida China's practices and achievements in the development of green industry for over 20 years. Yida China was included in the event's "2019 CSR Competitiveness – China CSR Selection" and was named as winner of the "2019 CSR Contribution Award".

In 2019, Yida China received the "Most Socially Responsible Listed Company Award" at the 4th Jinganggu Annual Awards Ceremony held by Zhitongcaijing and Tonghuashuncaijing, which represents a commendation for its constant efforts to assume social responsibility and make initiative contribution to targeted poverty alleviation, ecological protection and charitable donation.



Yida China was named as one of the "2019 Annual Responsible Enterprises in China's Real Estate" by the 11th forum of House China.

5.1 Sound of Yida 2020 New Year Concert

Founded in 1994, the "Sound of Yida" series cultural and charitable activities have grown from the initial arts performances to a variety of cultural and community activities of multi categories and in multi platforms. In the past 25 years, Yida China has invited globally renowned orchestra and conductors to give hundreds of classical music performances as part of the "Sound of Yida" series.

With the strong belief that music appreciation is not the exclusive right of only a limited group of individuals, the Group holds New Year concert every year to provide opportunity for the general public to watch world class music performance, members from all walks of life including volunteers, teachers, traffic policemen, and children from remote mountainous areas who love art are welcome. In December 2019, the Group invited the Ukraine Symphony Orchestra--currently the Ukraine National Honorary Academic Symphony Orchestra – to perform in the nine cities of Beijing, Dalian, Zhengzhou, Chengdu, Chongqing, Changsha, Wuhan, Shanghai and Hefei. Over 15,000 music-lovers enjoyed the concerts which helped to enhance the spiritual and cultural construction of the cities, improve cultural qualities and enrich the cultural life of citizens.

The Group also regularly invites music-loving citizens and art students to master classes and indoor music appreciation concerts, giving audience members a rare opportunity to engage with professional musicians and inspire local music.

5.2 Sound of Yida Love Music Classroom Project

Since April 2011, the Group has brought music to the under privileged communities of Mainland China through its "Love Music Classroom Project" in collaboration with the Dalian Broadcast Television Station Music Broadcast. The aim of the Project is to engage all sectors of society to participate in crowdfunding music classrooms in remote and poor primary schools. Then children in remote areas can also receive formal and complete music education, and use music as a medium to promote love and care.

For its 9th year, the Project has extended beyond building music classrooms to cultivating art appreciation among rural children and aiding teacher training through the "Assistance, Study, Research and Utilisation" platform. Currently, the Project has covered 11 cities in 6 provinces, namely Liaoning, Inner Mongolia, Jilin, Hebei, Henan and Hubei. To date, it has donated music classrooms to over 160 rural primary schools, benefiting more than 60,000 children.

5.3 Yida Walking

In May of 2019, the 17th International Walking Conference was held successfully in the Hi-tech District of Dalian. The Group has been the auxiliary organiSer of the International Walking Conference for five consecutive years, and has enlisted a number of well-known enterprises to register through the Federation of Software Park Unions to join the activity. The Group believes that the Walking Conference promotes healthy lifestyles to the public, strengthens community connections and awakes participants' interest in sport.

On the day of the event, the Group's 100-strong trekking team joined with other enterprises from the business park such as Accenture, HP Dalian Branch and ADIDAS in a variety of activities designed to entertain and encourage participants of all ages, including cartoon figures and face painting specially designed for children.

5.4 Assistance to Rural Areas

In August 2019, the Group initiated a targeted poverty alleviation programme dubbed "Assistance to revitalising rural areas, building love bridges" which leveraged on its industry expertise to 'give back' to the Jiantang community of Pulandian District, Dalian. The Group's staff built five "Yida Bridges" for the village as well as a "Yida Basketball Court" in Jiantang primary school, collecting more than RMB150,000 in donations along the way.

The bridges were built as a solution to villagers' transportation problems caused by local rivers. The bridges' presence enabled planting, harvest and transportation in 1,000 Mu of land (1 Mu equals approximately 666.7 square metres) as well as making life generally easier for 300 villagers. The basketball court was built to reduce the dust problem created by an existing courtyard at Jiantang primary school. The new court has given 200 students a new venue to develop their sporting prowess while improving respiratory health.

This and other activities comprise the Group's response to the State Council's call for "Targeted Poverty Alleviation and Rural Revitalisation". Many of the Group's charitable activities related to rural poverty alleviation are in joint cooperation with Dalian, and aim to support underdeveloped villages and counties with improvements to education, livelihoods and sales of agricultural products.

Profile of Directors and Senior Management

Executive Directors

Mr. Jiang Xiuwen (**姜修文**), aged 43, was appointed as an executive Director of the Company on 16 December 2013 and as the Chairman of the Board of the Company on 22 June 2018. He is the chief executive officer of the Group and also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company, responsible for the comprehensive operating management of the Group and responsible for making decisions in relation to human resources, finance, auditing and material matters authorized by the Board. Mr. Jiang joined the Group in July 2000 and received his bachelor's degree in thermal treatment of metal from Dalian Jiaotong University (大連交通大學) in July 2000 and an executive master's degree in advanced business administration from Dalian University of Technology (大連理工大學) in July 2011. Mr. Jiang is a vice president of China Real Estate Association (中國房地產業協會), an executive director of China Society for Promotion of the Guangcai Program (中國光彩事業促進會) and a vice chairman of Dalian Federation of Industry and Commerce (大連市工商業聯合會). Mr. Jiang also won several awards, namely the "Liaoning May 1st Labour Medal" (遼寧五一勞動獎章) of the General Labor Union of Liaoning Province in 2010 and the "Model Worker" (勞動模範) by the People's Government of Liaoning Province in 2012.

Mr. Chen Donghui (**陳東輝**), aged 47, was appointed as an executive Director of the Company on 31 December 2016, responsible for the research of business model and financial model, and the establishment of profit model. Mr. Chen holds a doctorate degree from the accounting faculty of Renmin University of China. On 12 March 2020, the Board resolved to suspend the duties of Mr. Chen due to the detention of Mr. Chen by the Public Security Bureau, as further detailed in the announcements of the Company dated 20 February 2020, 23 February 2020 and 12 March 2020. Mr. Chen is currently an executive director of SRE Group Limited (Hong Kong stock code: 1207). Mr. Chen served as a non-executive director of China Minsheng DIT Group Limited (Hong Kong stock code: 726) from June 2016 to May 2018 and the vice chairman and general manager of China Minsheng Jiaye Investment Co., Ltd.. Mr. Chen had served as the chief financial officer of China Minsheng Jiaye Investment Co., Ltd. during the period from January 2015 to October 2015. Before joining CMIG Jiaye, Mr. Chen had served as supervisor and vice supervisor of the strategic research office of the R&D center of The People's Insurance Company (Group) of China Limited, deputy general manager and then general manager of the finance and accounting department of PICC Property and Casualty Company Limited and the deputy general manager of its Jiangsu Branch, general manager of the strategic financing department of China Export & Credit Insurance Corporation, and executive director of financial sector of China Minsheng Investment Corp., Ltd.

Mr. Yu Shiping (**于世平**), aged 50, was appointed as an executive Director of the Company on 18 September 2017. He is a vice president of the Group, responsible for the industrial operation, product operation and investment expansion management of the Group. Mr. Yu joined the Group in 2002. Prior to joining the Group, Mr. Yu was the head of construction department of The Fourth Engineering Company of Northeast Electricity Administration Bureau (東北電業管理局第四工程公司). Mr. Yu received a bachelor's degree in water conservancy in 1993 from Inner Mongolia Institute of Agriculture (內蒙古農牧學院). In 2014, he was also awarded the title of "Model Worker" (勞動模範) of Dalian City for the year of 2012–2013.

Ms. Zheng Xiaohua (**鄭曉華**), aged 51, was appointed as an executive Director of the Company on 22 June 2018. She is the vice president of the Group, and is responsible for financial management, financial accounting tax planning, financing and fund management of the Group. Ms. Zheng joined the Group in 2003 and has been engaging in financial management so far, and served as the Chief of Finance Department of Neusoft University of Information (東軟信息學院), the chief financial officer of Dalian Software Park Co. and the chief financial officer of the Group. Before joining the Group, Ms. Zheng served as the accountant in Dalian Huaneng Onoda Cement Co., Ltd. (大連華能小野田水泥有限公司) from 1992 to 1995, and the deputy director of Dalian Daxin Tax Accountant (CPA) Firm (大連達信稅務師(會計師)事務所) from 1995 to 2002. Ms. Zheng was a financial manager in the financial department of Qingtang Industrial (Dalian) Co., Ltd. (慶堂工業(大連)有限公司) from 2002 to 2003. Ms. Zheng obtained a bachelor's degree in applied mathematics in Liaoning University in 1992. Ms. Zheng was a member of the Chinese Institute of Certified Public Accountants and a fellow of China Certified Tax Agents Association.

Mr. Xu Beinan (徐北南), aged 43, was appointed as the executive Director and CFO of the Company on 29 March 2019 and resigned on 1 April 2020. During his tenure of office, he was responsible for financing and fund management of the Group. From 1999 to 2002, Mr. Xu served as a cashier and accountant at NetEase Inc., (網易), a Chinese internet technology company listed on the NASDAQ Capital Market (NASDAQ: NTES). From 2002 to 2008, Mr. Xu was the audit manager of Ernst & Young (安永會計師事務所). From 2008 to 2010, Mr. Xu was the senior manager in the finance department of China Jinmao Holdings Group Limited (Hong Kong stock code: 817) (中國金茂控股集團有限公司). From 2010 to 2014, Mr. Xu served as the financial controller of Lanhai Xingang City Properties Company Limited* (藍海新港城置業有限公司) ("Lanhai"). From 2014 to 2016, Mr. Xu served as the financial controller of Qingdao Jinmao Properties Company Limited (Shandong Regional Corporation)* (青島金茂置業有限公司(山東區域公司)) and a director of Lanhai. Mr. Xu was as the financial controller of Zhongmin Bund Real Estate Development Co., Ltd.* (中民外灘房地產開發有限公司) from 2016 to 2019. Mr. Xu graduated from the Capital University of Economics and Business (首都經濟貿易大學) in Beijing, PRC with a bachelor's degree in international business management in 1999. He had also obtained a certificate of the Chinese Certified Public Accountant and is a certified auditor in the PRC.

Non-Executive Directors

Mr. Wang Gang (王剛), aged 45, was appointed as a non-executive Director of the Company on 26 March 2018. He has been an executive president of Yida Holdings Ltd (億達控股有限公司) and the chairman of Beijing Yida Investment Co., Ltd (北京億達投資有限公司) since 2016. From 2015 to 2016, Mr. Wang worked at China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司) (Shanghai stock code: 600340) as the general manager of its investment management center. From 2006 to 2015, Mr. Wang worked at the Group as the general manager of investment department. From 2002 to 2006, Mr. Wang worked at Dalian Merro Pharmaceutical Co., Ltd (大連美羅藥業股份有限公司) (the then Shanghai stock code: 600297) as the manager of securities department and the securities representative of its board. From 1997 to 2002, Mr. Wang worked at Liaoning Machinery Import & Export Co., Ltd (遼寧機械進出口股份有限公司) as the manager of securities department. Mr. Wang obtained his bachelor's degree in currency and banking and master's degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in 1997 and 2009, respectively. Mr. Wang obtained the qualification certificate of the training for the secretary to the board of directors issued by Shanghai Stock Exchange and the securities industry qualification in Mainland China, and he was also granted the title of economist in Mainland China.

Mr. Zong Shihua (宗式華), aged 39, was appointed as a non-executive Director of the Company on 24 October 2019. Mr. Zong has over 15 years of work experience in the areas of development and investment of real estate, property leasing and accounting practice. In 2003, Mr. Zong worked as an auditor in Jiangsu Gaoshen CPA* (江蘇皋審會計師事務所). From 2004 to 2007, Mr. Zong worked as the financial manager of Shanghai Zhong Rong International Business Center Co., Ltd.* (上海中融國際商城有限公司) and Shanghai Zhong Rong Property Management Co., Ltd.* (上海中融物業管理有限公司). In 2007, Mr. Zong worked as the vice financial director (hosting) and chief taxation officer of Zhong Rong Group* (中融控股集團). In 2015, Mr. Zong joined China Minsheng Investment Corp., Ltd.* (中國民生投資股份有限公司) and worked as the financial general manager of China Minsheng Bund Real Estate Development Co., Ltd.* (中民外灘房地產開發有限公司). Mr. Zong has been the chief financial officer and an executive director of SRE Group Limited (Hong Kong stock code: 1207) since May 2016 and September 2019, respectively. Mr. Zong is also the financial controller of China Minsheng Jiaye Investment Co., Ltd* (中民嘉業投資有限公司), the controlling shareholder of the Company. Mr. Zong obtained a bachelor's degree in economics from Nantong University in 2003, a master's degree in accounting from Shanghai Jiao Tong University in 2013, and a master's degree in business administration from Fudan University in 2014.

Mr. Zhou Yaogen (周耀根), aged 39, was appointed as a non-executive Director of the Company on 24 October 2019. Mr. Zhou has over 13 years of experience in real estate investment, operations management and capital operations. From 2006 to 2008, Mr. Zhou worked as an investment manager in the investment management department of China Jinmao. From 2009 to 2013, Mr. Zhou first worked as the assistant to general manager and subsequently the deputy general manager of the Lijiang company of China Jinmao. From 2014 to 2015, Mr. Zhou worked as the deputy general manager of the Suzhou company of China Jinmao Holdings Group Limited (formerly known as Franshion Properties (China) Limited) (Hong Kong stock code: 817) ("China Jinmao"). During 2016 to 2019, Mr. Zhou worked as the general manager and the assistant to the president of the strategic operation department of the SRE Group. During May 2019 to September 2019, Mr. Zhou was the assistant to the chairman of Zhongliang Holdings Group Company Limited (Hong Kong stock code: 2772). Mr. Zhou is currently the assistant to the president of China Minsheng Jiaye Investment Co., Ltd* (中民嘉業投資有限公司), the controlling shareholder of the Company, and the general manager of its investment management department. Mr. Zhou obtained a bachelor's degree in management from Southeast University in 2003 and a master's degree in management from Tongji University in 2006.

Independent Non-Executive Directors

Mr. Yip Wai Ming (葉偉明), aged 55, was appointed as an independent non-executive Director of the Company on 1 June 2014. He is also the chairman of the audit committee and a member of the nomination committee of the Company. Mr. Yip has over 20 years of experience in accounting, capital markets and corporate finance. From 1987 to 1996, Mr. Yip worked at Ernst & Young. From 1996 to 1998, Mr. Yip served as an associate director of ING Bank N.V., where he was principally engaged in corporate finance. From 1999 till now, Mr. Yip has held positions in a number of companies listed on the Stock Exchange, including serving as the chief financial officer of China New Energy Power Group Limited (stock code: 1041) from 1999 to 2001; the vice president of Hi Sun Technology (China) Limited (stock code: 818) from 2001 to 2003; the chief financial officer of Haier Electronics Group Co., Ltd. (stock code: 1169) from 2004 to 2009; an independent non-executive director of Ju Teng International Holdings Limited (stock code: 3336) from 2006 till now; an independent non-executive director of BBMG Corporation (stock code: 2009) from 2009 to 2015; the deputy general manager of Yuzhou Properties Company Limited (stock code: 1628) in 2010; an independent non-executive director of PAX Global Technology Limited (stock code: 327) from 2010 till now; an independent non-executive director of Far East Horizon Limited (stock code: 3360) from 2011 till now; and an independent non-executive director of Poly Culture Group Corporation Limited (stock code: 3636) from 2013 till now. Mr. Yip holds a bachelor's degree in social sciences from the University of Hong Kong and a bachelor's degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, an associate of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants.

Mr. Guo Shaomu (郭少牧), aged 54, was appointed as an independent non-executive Director on 1 June 2014. Mr. Guo is also a member of both the audit committee and remuneration committee of the Company. Mr. Guo has over 13 years of experience in investment banking in Hong Kong. From February 2000 to February 2001, Mr. Guo served as an associate of corporate finance of Salomon Smith Barney, an investment bank principally engaged in providing financial services (an investment banking arm of Citigroup Inc.), where he was primarily responsible for supporting the marketing and execution efforts of the China team. From March 2001 to September 2005, Mr. Guo served as an associate and an associate director of global investment banking of HSBC Investment Banking, an investment bank principally engaged in providing financial services, where he was primarily responsible for the execution of China-related transactions. From October 2005 to April 2007, Mr. Guo served as a vice president and a director of the real estate team of J.P. Morgan Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was primarily responsible for marketing efforts covering the real estate sector in China. From April 2007 to April 2013, Mr. Guo served as a director and a managing director of the real estate team of Morgan Stanley Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was one of the key members responsible for the business in the real estate sector in the Greater China region. Since February 2015, Mr. Guo has been an independent non-executive director of Fantasia Holdings Group Co., Limited (Hong Kong Stock Code: 1777), a real estate developer based in Shenzhen, PRC. Mr. Guo received his Bachelor's degree in electrical engineering from Zhejiang University in July 1989, a Master's degree in computer engineering from the University of Southern California in May 1993 and a Master's degree in business administration from the School of Management of Yale University in May 1998.

Mr. Wang Yinping (王引平), aged 59, was appointed as an independent non-executive Director of the Company on 31 December 2016. He is also the chairman of the remuneration committee, a member of the audit committee and nomination committee of the Company. Mr. Wang has extensive experience in corporate management. Mr. Wang joined China National Chemical Import & Export Corporation (中國化工進出口總公司) (now known as Sinochem Corporation) ("Sinochem") in 1987 until he tendered his resignation as Vice President of Sinochem in 2014. Mr. Wang had held various senior positions in Sinochem and its subsidiaries ("Sinochem Group"), including the deputy general manager of the Hainan branch of Sinochem, general manager of the Pudong branch of Sinochem, the deputy general manager of China Foreign Economic and Trade Trust Company Limited (中國對外經濟貿易信託有限公司), the general manager of the human resource department of Sinochem, the vice president of Sinochem Group, general manager of Sinochem International Trading Company Limited (now known as Sinochem International Corporation (中化國際(控股)股份有限公司)) (Shanghai stock code: 600500), the chairman of the China Foreign Economic and Trade Trust Company Limited and the chairman of the Sinochem Lantian Co., Ltd (中化藍天集團有限公司). Mr. Wang had also served as a director of the board of Bank of Communications Co., Ltd (交通銀行股份有限公司) (Hong Kong stock code: 03328) from 2001 to 2004, and non-independent Director of Zhejiang Int'l Group Co., Ltd (浙江英特集團股份有限公司) (Shenzhen stock code: 000411) from 2010 to 2014. From January 2015 to December 2016, Mr. Wang was an executive director of China Pioneer Pharma Holdings Limited (Hong Kong stock code: 1345) and was re-designated as a non-executive director from December 2016 to December 2019. Since July 2017, Mr. Wang has been an independent non-executive director of Western Resources Corp., Canada (TSX: WRX). Since March 2019, Mr. Wang has been an independent non-executive director of China Risun Group Limited (Hong Kong stock code: 1907). Mr. Wang obtained a bachelor's degree in law from Renmin University of China in 1985 and a master's degree in business administration from the China Europe International Business School in 2004.

Mr. Han Gensheng (**韓根生**), aged 66, was appointed as an independent non-executive Director of the Company on 31 December 2016. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Han has extensive experience in corporate management. Mr. Han has worked in various positions since August 1978, including the director of the logistics and warehousing division of China National Chemicals Import & Export Corporation (中國化工進出口總公司), the general manager of Sinochem International Storage & Transportation Co., Ltd (中化國際儲運有限公司), vice president of America West Pacific Refinery Co., the general manager of West Rockies Inc., the general manager of refined oil division of Sinochem Group, the vice president and a party member of Sinochem Group, the general manager of Sinochem International Oil Co., Ltd. (中化國際石油有限公司), the general manager of Sinochem Petroleum Exploration and Production Co., Ltd. (中化石油勘探開發有限公司), the general manager of Sinochem Corporation (中化股份有限公司) and a director and general manager of Sinochem Europe Holdings PLC (中化歐洲集團公司). Since October 2016, Mr. Han has been an independent non-executive director of SRE Group Limited (Hong Kong stock code: 1207). Mr. Han obtained a bachelor's degree in Ocean Transportation from Shanghai Maritime University in 1978 and had participated in one month training sessions of business administration in both the Wharton School and University of Cambridge.

Senior Management

Mr. Li Yong (**李勇**), aged 42, is a vice president of the Group, responsible for the Group's product operations, planning operations, risk management and project development management. Mr. Li joined the Group in 2019. From 2017 to 2019, Mr. Li served as the general manager of Zhoushan and Wenzhou Branch of Evergrande Real Estate Group East China Company. From 2004 to 2017, Mr. Li served as manager of tender procurement department, director of engineering and deputy general manager of Dalian Shengbei Real Estate Co., Ltd., general manager of Dalian Lanwan Property Company Limited, cost director of Yida Development Company Limited, project general manager of Dalian Ruanjing Property Development Company Limited, and Chinese general manager of Dalian Qingyun Sky Realty and Development Company Limited. Mr. Li obtained a master's degree in engineering from Karlsruhe University of Applied Sciences in Germany in 2002 and a bachelor's degree in architectural engineering from Dalian University of Technology in 2000. Mr. Li holds the technical title of senior engineer.

Mr. Yu Dahai (**于大海**), aged 46, is a vice president of the Group. He is responsible for the Group's strategic development, external cooperation, brand management, corporate culture promotion, etc. Mr. Yu joined the Group in 2012, and served as the general manager of Dalian Yida Property Company Limited (大連億達房地產股份有限公司) and the president of Yida Technology New City Management Co., Ltd. (億達科技新城管理有限公司). Prior to joining the Group, Mr. Yu served as the deputy general manager of Dalian Tianfu Hotel (大連天富大酒店) from 1995 to 1998, the general manager of Dalian Jinlian Building Co., Ltd. (大連錦聯大廈有限公司) from 1998 to 2002, and the president of Dalian Jinlian Real Estate Group Co., Ltd. (大連錦聯地產集團有限公司) from 2002 to 2012. Mr. Yu obtained a master's degree in economics from Dongbei University of Finance and Economics (東北財經大學) in 2004, a master's degree in business administration from Macau University of Science and Technology (澳門科技大學) in 2002, and a bachelor's degree in marine engineering management from Dalian Maritime University (大連海事大學) in 1995. Mr. Yu was awarded the Dalian May 1st Labor Medal in 2007.

Joint Company Secretaries

Ms. Wang Huiting (王慧婷), is one of joint company secretaries of the Company. She is primarily responsible for the Company's compliance and legal work. Prior to joining the Group, Ms. Wang worked at Merro Pharmaceutical Co., Ltd. (美羅藥業股份有限公司) (the then Shanghai stock code: 600297) and Dashang Co., Ltd. (大商股份有限公司) (Shanghai stock code: 600694). Ms. Wang obtained her bachelor of law degree in international economic law and her master of law degree in international law from Dalian Maritime University (大連海事大學). Ms. Wang holds a PRC legal professional qualification certificate.

Ms. Kwong Yin Ping Yvonne (鄺燕萍), is one of joint company secretaries of the Company. She is a vice president of SWCS Corporate Services Group (Hong Kong) Limited. She holds a degree in accountancy from the Hong Kong Polytechnic University and is a fellow of the Hong Kong Institute of Chartered Secretaries and a fellow of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators). Ms. Kwong has extensive experience in providing company secretarial and compliance services to numerous private and listed companies. She is currently the named company secretary or joint company secretary of several companies listed on the Stock Exchange.

Directors' Report

The Board is pleased to present the report and audited financial statements of the Group for the year ended 31 December 2019.

Principal Activities

The Company is an investment holding company and its subsidiaries principally engage in the business of development and operation of business parks, the development and sales of multifunctional integrated residential community projects, the operation and management, construction, decoration, landscaping and the property management of business parks. There were no significant changes in nature of the Group's principal activities during the year.

Results

The results of the Group for the year ended 31 December 2019 are set out on page 103 of this annual report.

Business review

The fair review of the Group's business, the financial key performance indicators and analysis of future development of the Group are disclosed in sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. Both sections form parts of this report.

Environmental policy and performance

The Group puts emphasis on environmental responsibility, always adheres to the concept of low carbon environmental protection, enhances its environmental protection performance through planning, construction and property management, and fulfills its commitment to environmental protection by actively implementing green construction design and adopting measures of energy saving and emission reduction during construction of buildings and throughout all aspects in property management and office operation. For the details, please refer to the "Environmental, Social and Governance Report" of this annual report.

Compliance with relevant laws and regulations

The Group always operates its businesses in compliance with laws and regulations. The Group closely monitors various policies and regulations promulgated by the state from time to time, in particular those in land, credit and tax associated with the production and operations of the Group, and adapts to the economic trend and the changes in the orientation of policies and regulations.

Major risks and uncertainties

The Group is mainly exposed to risks and uncertainties arising from the changes of its own operations and industry environment. Risks from own operations include cross-regional operations risk, vacant land risk, construction quality risk and human resources management risk. Risks from the industry environment include risk arising from the fluctuation of the macro economy and the industry cycle, risk of increase in costs of land, raw materials and labour, risk of changes in financial policies, risk of changes in land policies and risk of changes in tax policies.

Relationships with major stakeholders

The Group encourages the participation of stakeholders, keeps in touch with stakeholders by different means and coordinates the opinions and requirements from different stakeholders.

The Group regularly submits documents to the relevant regulatory authority, or receives its inspection from time to time to meet the requirements of the regulatory authority. In addition, the regulatory authority will investigate the Group's projects through investors, customers and suppliers and strengthen the mutual communication.

Dividends

The final cash dividend of RMB8 cents per Share for the year ended 31 December 2017 (the "2017 Final Dividend") was originally payable on or around 18 July 2018 to the shareholders of the Company whose names appear on the register of members of the Company on 25 June 2018. The declaration of the 2017 Final Dividend was approved at the annual general meeting of the Company held on 14 June 2018. The payment of the 2017 Final Dividend was delayed as further time is required for arranging remittance from the PRC to Hong Kong and was paid to the eligible shareholders of the Company on 12 February 2020.

Please also refer to the announcements of the Company dated 26 March 2018, 14 June 2018, 28 September 2018, 28 December 2018, 29 March 2019, 12 April 2019, 25 June 2019, 30 December 2019 and 12 February 2020.

The Board does not recommend any payment of final dividend for the year ended 31 December 2019.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividends.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 10 June 2020 to Monday, 15 June 2020 (both days inclusive), during such period no transfer of shares will be registered. To ascertain shareholders who are eligible to attend and vote at the AGM to be held on Monday, 15 June 2020, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 June 2020.

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 5 of this annual report.

Property, Plant and Equipment and Investment Properties

The details of changes of the property, plant and equipment and investment properties of the Company and the Group during the year are set out in notes 15 and 16 to the consolidated financial statements of the Group, respectively. Further details of the Group's major investment properties are set out on page 11 of this annual report.

Borrowings

Details of borrowings are set out in note 30 to the financial statements of the Group.

Reserves

The changes of reserves of the Group during the year are set out in the consolidated statement of changes in equity and note 35 to the financial statements of the Group.

Distributable Reserves

As at 31 December 2019, the available distributable reserves of the Company was approximately RMB1,288,734,000.

Donations

The donations made by the Group during the year was approximately RMB2,700,000.

Major Customers and Suppliers

For the year ended 31 December 2019, the sales attributable to the Group's five largest customers was less than 30% of the Group's total sales for the same period, while the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases for the same period. None of the Directors, their close associates or any shareholder (who to the knowledge of the Directors owns more than 5% of the share capital of the Company) had any interest in the share capital of any of the five largest customers and suppliers of the Group for the year ended 31 December 2019.

Share Capital

The details of the changes in the share capital of the Company during the year are set out in note 34 to the financial statements of the Group.

Purchases, Sale or Redemption of Listed Securities of the Company

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

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

On 24 October 2019, Wuhan New Software Park Development Company Limited* (武漢軟件新城發展有限公司), a subsidiary of the Company (the "Vendor") and Wuhan Hesheng Wenlv Development Co., Ltd.* (武漢和晟文旅發展有限公司) (the "Purchaser"), among others, entered into the disposal agreement, pursuant to which the Vendor agreed to dispose, and the Purchaser agreed to purchase the entire equity interest of Wuhan Springfield Real Estate Development Co., Ltd.* (武漢春田房地產開發有限公司) (the "Target Company"), together with the outstanding liabilities at the consideration of RMB870,000,000. The Target Company is principally engaged in real estate development in the PRC and owned the project of the second residential phase of the Wuhan Software New Town (武漢軟件新城) as at the date of the disposal agreement. Please refer to the announcement of the Company dated 24 October 2019 for details.

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

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 (the "Claimants") relating to the put price of the put options pursuant to certain agreements entered into between the certain subsidiaries of the Company, and the Claimants. As at the date of this annual report, the arbitration proceedings are in progress and the results of the arbitration are not yet available.

Pre-Emptive Rights

There are no provisions for pre-emptive rights over shares of the Company under the Company's Articles of Association or the laws of Cayman Islands where the Company is incorporated.

Professional Tax Advice Recommended

If shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult a professional adviser.

Permitted Indemnity Provision

The Articles of Association of the Company provide that each Director, secretary or other senior officer of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them may incur or sustain in or about the execution of the duties in their respective offices. The Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors. Save as disclosed in this report, the Company has not come into any permitted indemnity provision with the Directors.

Share Option Scheme

The Company adopted a share option scheme on 1 June 2014 (the "Share Option Scheme"). During the period from the date of adoption to 31 December 2019, no share options have been granted under the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme:

1. **Purpose of the Share Option Scheme:**
   The Share Option Scheme is established to recognize and acknowledge the contributions the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

   (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and

   (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. **Participants of the Share Option Scheme:**
   The Board may, at its discretion, offer to grant an option to the following persons (collectively the "Eligible Participants") to subscribe for such number of new Shares as the Board may determine:

   (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

   (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and

   (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

3. **Total number of Shares available for issue under the Share Option Scheme and percentage of issued share capital:**

As at 31 December 2019, no share option has been granted under the Share Option Scheme.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not in aggregate exceed 258,000,000 Shares.

4. **Maximum entitlement of each participant under the Share Option Scheme:**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

(i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers and terms of the options to be granted (and options previously granted to such participant) and the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and

(ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her associates (as defined in the Listing Rules) abstaining from voting.

5. **The period within which the Shares must be exercised under the Share Option Scheme:**

An option may be exercised at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date of grant of options subject to the provisions for early termination set out in the Share Option Scheme.

6. **The minimum period for which an option must be held before it can be exercised:**

There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the Directors.

7. **The basis of determining the exercise price:**

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of options, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of options; and (iii) the nominal value of a Share.

8. **The remaining life of the Share Option Scheme:**

Subject to the earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption (i.e. 31 May 2024).

Directors and Directors' Service Contracts

The Directors during the year and up to the date of this annual report are:

Executive Directors

Mr. Jiang Xiuwen *(Chairman and Chief Executive Officer)*
Mr. Chen Donghui *(suspension of duty on 12 March 2020)*
Ms. Ma Lan (resigned on 29 March 2019)
Mr. Yu Shiping
Ms. Zheng Xiaohua
Mr. Xu Beinan *(appointed on 29 March 2019 and resigned on 1 April 2020)*

Non-Executive Directors

Mr. Zhao Xiaodong (*resigned on 24 October 2019)*
Mr. Chen Chao *(resigned on 24 October 2019)*
Mr. Wang Gang
Mr. Zong Shihua *(appointed on 24 October 2019)*
Mr. Zhou Yaogen *(appointed on 24 October 2019)*

Independent Non-Executive Directors

Mr. Yip Wai Ming
Mr. Guo Shaomu
Mr. Wang Yinping
Mr. Han Gensheng

Mr. Jiang Xiuwen, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 27 June 2017. Mr. Chen Donghui, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 31 December 2016. Mr. Chen Donghui was detained by the relevant authorities in the PRC for suspected embezzlement in February 2020.On 12 March 2020, the Board resolved to suspend all administrative and executive duties and powers of Mr. Chen Donghui as an executive director. Mr. Yu Shiping, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 18 September 2017. Ms. Zheng Xiaohua, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 22 June 2018. Mr. Xu Beinan, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 29 March 2019. Mr. Wang Gang, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 26 March 2018. Non-executive Directors Mr. Zong Shihua and Mr. Zhou Yaogen have entered into a letter of appointment with the Company for a term of three years commencing from 24 October 2019. Independent non-executive Directors Mr. Wang Yinping and Mr. Han Gensheng have entered into a letter of appointment with the Company for a term of three years commencing from 31 December 2019. Independent non-executive Directors Mr. Yip Wai Ming and Mr. Guo Shaomu have entered into a letter of appointment with the Company for a term of three years commencing from 27 June 2017. None of the Directors, including Directors being proposed for re-election at the forthcoming annual general meeting, has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payments of compensation other than statutory compensation.

In accordance with Article 83(3) and 84.(1)(2) of the Articles of Association, Mr. Jiang Xiuwen, Mr. Yu Shiping, Mr. Wang Gang, Mr. Zong Shihua, Mr. Zhou Yaogen and Mr. Guo Shaomu shall retire and being eligible, have offered themselves for re-election at the Company's forthcoming annual general meeting.

Mr. Chen Donghui, an executive director, was recently summaried and detained by the Public Security Bureau for suspected embezzlement in accordance with the laws of the PRC. The Board resolved on 12 March 2020 to suspend all administrative and executive duties and powers of Mr. Chen as an executive director. On 31 March 2020, the Board (save and except for Mr. Chen) resolved to convene a general meeting of the Company in accordance with the Articles of Association of the Company for the purpose of considering the removal of Mr. Chen from the position of executive director. Please refer to the announcements of the Company dated 20 February 2020, 23 February 2020, 12 March 2020 and 31 March 2020.

Remuneration of Directors and Five Highest Paid Individuals

For the year ended 31 December 2019, the details of the remuneration of the directors and five highest paid individuals of the Group are set out in notes 9 and 10 to the financial statements of the Group, respectively.

Directors' Interests in Contracts of Significance

Save as those transactions disclosed in the paragraph headed "Related Party Transactions" below, no contracts of significance in relation to the Group's business to which the Company, any of its subsidiary, or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in a Competing Business

As at 31 December 2019, none of the Directors had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Controlling Shareholders' Interests in Contract of Significance

There was no contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or its holding company was a party and in which a controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review, save as otherwise disclosed in this annual report.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

Connected Transactions

On 3 December 2019, Dalian Shengyue Property Development Company Limited, a wholly-owned subsidiary of the Company (the "Borrower") entered into the loan agreement with Shanghai Jiayu Medical Investment Management Co., Ltd. (the "Lender"). Pursuant to which the Lender agreed to provide the loan of up to RMB288,500,000 in three tranches. The Group also entered into the pledge agreement and the guarantee agreement in favor of the Lender as security for the loan.

Pursuant to the Listing Rules, the Lender is a direct wholly-owned subsidiary of China Minsheng Jiaye Investment Co., Ltd, the controlling shareholder of the Company, and is therefore a connected person under Chapter 14A of the Listing Rules. Accordingly, the loan constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the loan agreements entered into on 29 November 2019 and 18 November 2019, the aggregate amount of unsecured loans provided by the lender to the Group was RMB58,500,000, as the Group's assets were not secured and were fully exempted from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

A circular was dispatched by the Company on 30 December 2019 pursuant to the Listing Rules. The loan agreement was considered and approved at the extraordinary general meeting on 15 January 2020. On 4 February 2020, the first tranche loan of RMB230,000,000 under the loan agreement was completed. Out of the first tranche loan, the term for RMB22,000,000 (the "Relevant Portion of the First Tranche Loan") ended on or before 18 February 2020. On 18 February 2020, the Borrower entered into an extension agreement with the Lender, pursuant to which the Lender agreed to extend the repayment date for the Relevant Portion of the First Tranche Loan from 18 February 2020 to 30 June 2020, or two working days after the Borrower has obtained other alternative financing in the amount equivalent to the Relevant Portion of the First Tranche Loan (whichever is earlier), with the interests payable remain at 8% per annum and all other terms in the Loan Agreement shall remain valid and in force.

In addition, the second tranche loan of RMB11,500,000 and third tranche loan of RMB47,000,000 under the loan agreement have lapsed as certain conditions precedent under the loan agreement could not be fulfilled before the then agreed drawndown date of the loan.

Please refer to the announcements of the Company dated 3 December 2019, 15 January 2020 and 18 February 2020, and the circular dated 30 December 2019.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31 December 2019.

Related Party Transactions

During the year ended 31 December 2019, the Group entered into transactions with related parties as disclosed in notes to the consolidated financial statements of the Group. The transactions set out in note 43(a) Related Party Transactions do not constitute connected transactions of the Group, and the transactions set out in note 43(b) constitute fully exempt connected transactions of the Group, for all of which the applicable requirements under the Listing Rules have been duly complied with.

Directors and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares or Debentures of the Company or Any of its Associated Corporations

As at 31 December 2019, the interests and short positions of each of the Directors and the chief executives of the Company in the shares (the "Shares") and underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules were as follows:

(I) Interest in the Shares and underlying Shares

Name of Director	Capacity/Nature of interest	Number of shares held (1)	Approximate percentage in the Company's issued share capital
Mr. Jiang Xiuwen	Interest of a controlled corporation	68,600,000(L) (2)	2.65%
Mr. Wang Gang	Interest of a controlled corporation	69,200,000(L) (3)	2.68%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) Mr. Jiang Xiuwen beneficially owns the entire issued share capital of Grace Excellence Limited, Everest Everlasting Limited and Wonderful High Limited, which, in total own 74.21% of the issued share capital of Keen High Keen Source Limited. Keen High Keen Source Limited owns 2.65% of the issued share capital of the Company. By virtue of the SFO, Mr. Jiang Xiuwen is deemed to be interested in the Shares held by Keen High Keen Source Limited.

(3) Mr. Wang Gang beneficially owns the entire issued share capital of Mighty Equity Limited, which in turn owns 87.21% of the issued share capital of Grace Sky Harmony Limited. Grace Sky Harmony Limited owns 2.68% of the issued share capital of the Company. By virtue of the SFO, Mr. Wang Gang is deemed to be interested in the Shares held by Grace Sky Harmony Limited.

(II) Interest in associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of Shares[1]	Percentage of the issued share capital of that associated corporation held
Mr. Jiang Xiuwen	Keen High Keen Source Limited	Interest of a controlled corporation	5,180(L)[2]	74.21%
Mr. Wang Gang	Grace Sky Harmony Limited	Interest of a controlled corporation	6,140(L)[3]	87.21%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) These shares held by Grace Excellence Limited with 3,000 shares, Everest Everlasting Limited with 180 shares and Wonderful High Limited with 2,000 shares, which are wholly owned by Mr. Jiang Xiuwen.

(3) These shares are held by Mighty Equity Limited which is wholly owned by Mr. Wang Gang.

(III) Interest in debentures of the Company

US$300 million 6.95% senior notes due 2020 ("2020 USD Notes")

Director	Nature of interest	Amount of debentures of the Company held	Approximate percentage of the interest in the 2020 USD Notes as at 31 December 2019
Mr. Guo Shaomu	Beneficial owner	USD200,000[2]	0.07%[1]
Mr. Yip Wai Ming	Beneficial owner	USD200,000[2]	0.07%[1]

Note:

(1) The percentage of interest is based on the aggregate principal amount of the 2020 USD Notes.

(2) The debenture has been cancelled after the repayment of the Group on April 24, 2020.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company and/or their respective associated persons had any personal, family, corporate or other interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO).

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2019, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions have interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of shares held [1]	Approximate percentage in the Company's issued share capital
Jiayou (International) Investment Limited [2]	Beneficial owner	1,581,485,750 (L)	61.20%
Jiahuang (Holdings) Investment Limited [2]	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
Shanghai Pinzui Enterprise Management Ltd. [2]	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
China Minsheng Jiaye Investment Co., Ltd. [2]	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
China Minsheng Investment Corp., Ltd. [2]	Interest of corporation controlled by the substantial shareholder	1,581,485,750 (L)	61.20%
Golden Sunflower Limited	Person having a security interest in shares	1,578,751,750 (L)	61.09%
Sun Yinhuan [3]	Founder of a discretionary trust	241,400,000 (L)	9.34%
TMF (Cayman) Ltd. [3]	Trustee	241,400,000 (L)	9.34%
Right Ying Holdings Limited [3]	Interest of controlled corporation	241,400,000 (L)	9.34%
Right Won Management Limited [3]	Beneficial owner	241,400,000 (L)	9.34%

Notes:

(1) The letter "L" denotes the person's long position in such securities.

(2) China Minsheng Investment Corp., Ltd ("China Minsheng") owns 67.26% share equity of China Minsheng Jiaye Investment Co., Ltd ("CMIG Jiaye"). Shanghai Pinzui Enterprise Management Ltd. ("Pinzui") is beneficially owned by CMIG Jiaye. Jiahuang (Holdings) Investment Limited ("Jiahuang") is beneficially wholly-owned by Pinzui. Jiayou (International) Investment Limited ("Jiayou") is beneficially wholly-owned by Jiahuang. By virtue of the SFO, China Minsheng, CMIG Jiaye, Pinzui and Jiahuang are deemed to hold equity in 1,581,485,750 shares held by Jiayou.

(3) The entire issued share capital of Right Won Management Limited is held by TMF (Cayman) Ltd. (as the trustee of The Right Ying Trust) through Right Ying Holdings Limited. The entire issued share capital of Right Ying Holdings Limited is held by TMF Cayman Ltd. The Right Ying Trust is a discretionary trust established by Mr. Sun Yinhuan on 14 November 2018. The beneficiaries of The Right Ying Trust include Mr. Sun Yinhuan and certain of his family members.

Save as disclosed above, as at 31 December 2019, there was no other person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Adequacy of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2019 and up to the date of this annual report, the Company has maintained a sufficient public float of at least 25% of the total number of issued Shares as required under the Listing Rules.

Subsequent Events

On 17 April 2017, the Company issued an senior notes in an aggregate principal amount of US$300,000,000, which will be due in 2020. On 26 February 2020, the Company commenced the offer exchange in accordance with the terms of the offer exchange and consent solicitation memorandum. On 27 March 2020, the exchange offer and consent solicitation were completed. The senior notes of USD247,146,000 which were effectively submitted and accepted in accordance with the exchange offer and consent solicitation, have been cancelled and converted into new notes. The new notes are listed on the SGX. Upon relevant cancellation, the remaining principal amount of the senior notes was USD52,854,000 which was due on 20 April 2020 and the Company has repaid in full on 24 April 2020, which also constituted an event of default after 31 December 2019. This event resulted in certain of the Group's borrowings amounted to RMB9.14 billion in total as at the date of this report becoming immediately repayable if requested by the lenders. For details, please refer to the announcements of the Company dated 26 February 2020, 2 March 2020, 10 March 2020, 17 March 2020, 24 March 2020, 27 March 2020 and 24 April 2020.

On February 2020, the Company was aware that Mr. Chen Donghui ("Mr. Chen"), an executive director, was summaried and detained by the Public Security Bureau for suspected embezzlement in accordance with the laws of the PRC. Resulting in certain of the Group's borrowings amounted to RMB4.71 billion in total as at the date of this report becoming immediately repayable if requested by the lenders. The Board resolved on 12 March 2020 to suspend all administrative and executive duties and powers of Mr. Chen as an executive director. On 31 March 2020, the Board (save and except for Mr. Chen) resolved to convene a general meeting of the Company in accordance with the Articles of Association of the Company for the purpose of considering the removal of Mr. Chen from the position of executive director. Please refer to the announcements of the Company dated 20 February 2020, 23 February 2020, 12 March 2020 and 31 March 2020.

Auditor

The financial statements have been audited by the Company's auditor, PricewaterhouseCoopers.

By order of the Board
Yida China Holdings Limited
Jiang Xiuwen
Chairman and chief executive officer

Hong Kong, 15 May 2020

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2019.

The Company recognizes the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board will strive to uphold the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders of the Company.

The Board is of the view that, for the period from 1 January 2019 to 31 December 2019 (the "Review Period"), except for the deviation from CG Code A.2.1, the Company has complied with the principles and the code provisions set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 of the Listing Rules (the "CG Code") as policies on inner corporate governance.

(A) The Board of Directors

Board Composition

During the Review Period and up to the date of this annual report, the Board consisted of Mr. Jiang Xiuwen (Chairman and Chief Executive Officer), Mr. Chen Donghui (suspension of duty on 12 March 2020), Ms. Ma Lan (resigned on 29 March 2019), Mr. Yu Shiping, Ms. Zheng Xiaohua and Mr. Xu Beinan (appointed on 29 March 2019 and resigned on 1 April 2020) as the executive Directors; Mr. Zhao Xiaodong (resigned on 24 October 2019), Mr. Chen Chao (resigned on 24 October 2019), Mr. Wang Gang, Mr. Zong Shihua (appointed on 24 October 2019) and Mr. Zhou Yaogen (appointed on 24 October 2019) as non-executive Directors; Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng as the independent non-executive Directors. The biographical details of the Directors as at the date of this report are set out in the section headed "Profile of Directors and Senior Management" of this annual report. The overall management of the Company's operation is vested in the Board. Saved as disclosed in this annual report, to the knowledge of the Company, the Board members have no financial, business, family or other material relationship with each other.

Board's Responsibilities

The Board takes on the responsibility to oversee all major matters of the Group, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior management. The Board has established three Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All relevant terms of reference are published on the websites of the Stock Exchange and the Company. All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the best interests of the Company and its shareholders at all times.

Liability insurance for Directors and senior management officers of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

Delegation by the Board

The management, consisting of the Company's executive Directors along with other senior management officers, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior management officers meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Review Period. The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by the relevant employees, including the Directors, who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by any employees was noted by the Company.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Group are published in a timely manner.

The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the "Independent Auditor's Report" in this annual report.

Chairman and Chief Executive Officer

Pursuant to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. Pursuant to the code provision A.2.4 of the CG Code, the chairman plays a leadership role in the Board and is responsible for the management and functioning of the Board. The chairman is also responsible for the formulation of the Group's strategic vision, direction and objectives as well as participating in the Group's strategic and key operational decision-making process. The chairman is also responsible for establishing good corporate governance practices and procedures for the Company. On the other hand, the chief executive officer primarily focuses on developing and implementing objectives and policies approved and delegated by the Board. The chief executive officer is also responsible for the Group's day-to-day management and operations and the formulation of the organization structure, control systems and internal procedures and processes of the Company for the Board's approval. Mr. Jiang Xiuwen, the chief executive officer of the Company, was appointed as the chairman of the Company on 22 June 2018 and is responsible for overseeing the operations of the Group. The Board has considered the merits of separating the roles of the chairman and chief executive offer but is of the view that it is in the best interests of the Company to vest the two roles in Mr. Jiang Xiuwen. The Board considers vesting the two roles in Mr. Jiang Xiuwen will ensure the Company is under a consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Board will nevertheless review the structure from time to time in light of the prevailing circumstances.

Independent Non-Executive Directors

During the Review Period, the Board at all times met the requirements of the Listing Rules and the Company appointed four independent non-executive Directors representing one-third of the Board, of which Mr. Yip Wai Ming, an independent non-executive Director, possessed appropriate professional qualifications, accounting and related financial management expertise.

The Company has also received an annual written confirmation from each of the independent non-executive Directors in respect of their independence in accordance with the requirement under Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

All independent non-executive Directors of the Company possess extensive industry expertise, professional and management experience. They play a significant role in the Board by virtue of their independent judgment. They advise on the Company's strategies, performance and control. They are also members of various Board committees and devote sufficient amount of time and attention to the affairs of the Company.

Board Meetings and General Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Pursuant to the code provision A.1.1 of the CG Code, during the Review Period, the Company held five Board meetings. All Directors participated in the Board meetings.

At least 14 days' notice will be given for a regular Board meeting. All Directors are provided with relevant materials relating to the matters in issue in advance before the meetings and have the opportunity to include matters in the agenda for Board meetings.

Directors can separately get access to the senior management and the company secretary at all time and may seek independent professional advice at the Company's expense. Pursuant to the code provisions A.1.4 and A.1.5 of the CG Code, minutes of Board meetings and meetings of Board committees are kept by the company secretary of the meeting and such minutes are open for inspection at any reasonable time on reasonable notice by any Director. Minutes of Board meetings and meetings of Board committees record in sufficient detail the matters considered by the Board and decisions reached.

Pursuant to the code provision A.1.7 of the CG Code, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would not be dealt with by way of circulation of resolutions or by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a formal Board meeting would be held. Executive Directors and independent non-executive Directors who have no material conflict of interest in the transaction would be present at such Board meeting.

The Board procedures are in compliance with the articles of association (the "Articles") of the Company, as well as relevant rules and regulations.

During the Review Period, the Company held an annual general meeting on 20 June 2019.

Appointment, Re-election and Removal of Directors

The procedures of appointment, re-election and removal of Directors are set out in the Articles of the Company. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company for a term of three years and subject to his re-election by the Company at an annual general meeting upon retirement. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting. In accordance with the Articles, at every annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible offer themselves for re-election.

In accordance with Article 83(3) and 84(1)(2) of the Articles, Mr. Jiang Xiuwen and Mr. Yu Shiping, the executive Directors, Mr. Wang Gang, Mr. Zong Shihua, Mr. Zhou Yaogen, the non-executive Directors, and Mr. Guo Shaomu, the independent non-executive Directors, shall retire by rotation, and being eligible, have offered themselves for re-election as Directors at the annual general meeting to be held on 15 June 2020.

The shareholders of the Company may, at any general meetings convened and held in accordance with the Articles, remove a Director at any time before the expiration of his period of office notwithstanding anything contrary in the Articles or in any agreement between the Company and such Director.

Mr. Chen Donghui ("Mr. Chen"), an executive director of the Company, was recently summaried and detained by the Public Security Bureau for suspected embezzlement in accordance with the laws of the PRC. The Board resolved on 12 March 2020 to suspend all administrative and executive duties and powers of Mr. Chen as an executive director. On 31 March 2020, the Board (save and except for Mr. Chen) resolved to convene a general meeting of the Company in accordance with the Articles of Association of the Company for the purpose of considering the removal of Mr. Chen from the position of executive director. Please refer to the announcements of the Company dated 20 February 2020, 23 February 2020, 12 March 2020 and 31 March 2020.

Induction and Continuing Development for Directors

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are continually provided with information related to the latest developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Relevant training such as continuing briefing and professional development for Directors were also arranged by the Company and its legal adviser.

During the Review Period, a training course was organized by the Company for Directors to update the Directors on the new amendments to the relevant code and the related Listing Rules. All Directors participated in such training course. Some Directors also attended seminars, conferences and/or forums and read newspapers, journals, Company newsletters and updates relating to the economy, general business, real estate or Directors' duties and responsibilities, etc.

Board Diversity Policy

The Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. In designing the Board's composition, the Company considered diversity of board members from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Board Committees

The Board has established three committees, namely, the Nomination Committee, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Board and the Group's affairs. All Board committees are established with defined written terms of reference which are available to shareholders on the Company's website and the website of the Stock Exchange. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Nomination Committee

The Nomination Committee of the Company is established with written terms of reference in compliance with Rule A.5 of the CG Code. The Nomination Committee was comprised of one executive director and three independent non-executive directors, namely Mr. Jiang Xiuwen as the chairman, and Mr. Yip Wai Ming, Mr. Wang Yinping and Mr. Han Gensheng as members.

The Nomination Committee is primarily responsible for recommending to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required as well as assessing the independence of each independent Director. Its written terms of reference cover recommendations to the Board on the appointment, succession or removal of Directors, evaluation of Board composition and the management of Board succession. The written terms of reference of the committee are in line with the provisions of the code. During the Review Period, the Nomination Committee convened a meeting on 29 March 2019 to discuss the structure, size and composition of the Board, assess the independence of each independent non-executive Director and the appointment of Directors, and convened a meeting on 24 October 2019 to discuss the appointment of Directors.

As set out in the nomination policy adopted by the Board pursuant to the CG Code, in assessing the suitability of a proposed candidate, the following factors would be considered by the Nomination Committee:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

As set out in the nomination policy, the nomination procedure is as follows:

(1) The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

(2) For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

(3) Pursuant to the articles of association of the Company, a member (duly qualified to attend and vote at the meeting) who wish to recommend a candidate for election to the office of director at any general meeting must submit a signed written notice, for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company, provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(4) A candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.

(5) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

To ensure that the Board of the Company has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance, selection of candidates is based on a range of diversified perspectives: one out of the twelve directors is woman; nine directors aged between 40 and 60; and in terms of academic qualifications, there are one doctor, six masters and five bachelors.

Audit Committee

The Audit Committee of the Company is established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provisions C.3 and D.3 of the CG Code. The Audit Committee is comprised of all independent non-executive Directors. Mr. Yip Wai Ming is the chairman and Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng are members. The Group's accounting principles and practices, financial statements and related materials for the year ended 31 December 2019 had been reviewed by the committee.

The primary duties of the Audit Committee include, but are not limited to: (i) reviewing and monitoring the relationship of the external auditors and the Group, particularly the independence, objectivity and effectiveness of the external auditors; (ii) providing an independent view of the effectiveness of the financial reporting process, internal control, compliance and risk management systems of the Group; (iii) overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (iv) developing, reviewing and monitoring our policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the Listing Rules; (v) reviewing the financial statements of the Company including the completeness of the annual and interim reports as well as ensuring compliance with accounting standards and reviewing significant adjustments resulting from audit; and (vi) developing, reviewing and monitoring the code of conduct applicable to our employees and Directors. The written terms of reference of the committee are in line with the provisions of the code.

During the Review Period, the Audit Committee convened a meeting on 29 March 2019 to review the Company's annual financial report as of 31 December 2018, and convened a meeting on 16 August 2019 to review the Company's interim financial report as of 30 June 2019.

Remuneration Committee

The Remuneration Committee of the Company is established with written terms of reference in compliance with Rule B.1 of the CG Code. The Remuneration Committee is comprised of three independent non-executive Directors and one executive Director. During the Review Period, the committee comprised Mr. Wang Yinping as the chairman and Mr. Jiang Xiuwen, Mr. Guo Shaomu and Mr. Han Gensheng as members.

The primary duties of the Remuneration Committee include, but are not limited to: (i) making recommendations to the Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives and ensuring that it is consistent with contractual terms and are reasonable and appropriate; and (iii) determining the terms of the remuneration package of our Directors and senior management with reference to their time commitment and responsibilities, and employment condition in the Group, and comparable companies. The written terms of reference of the committee are in line with the provisions of the code.

During the Review Period, the Remuneration Committee convened a meeting on 29 March 2019 to discuss the reasonableness matters related to the remuneration of the Directors and senior management and the appointment of Directors, and convened a meeting on 24 October 2019 to discuss the appointment of Directors.

The remuneration policy of the Group and details of the remuneration of the Directors are set out in the section headed "Directors' Report – Remuneration of Directors and Five Highest Paid Individuals" and note 10 to the financial statements.

The emolument paid to two senior management members of the Company was between HKD2.5 million to HKD3 million as at 31 December 2019.

Meeting Attendance

The attendance of Directors at Board meetings, meetings of the Board committees and general meetings during the Review Period, as well as the number of such meetings held, are set out as follows:

Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	General meetings
Executive Directors					
Jiang Xiuwen	5/5		2/2	2/2	1/1
Chen Donghui	5/5				1/1
Ma Lan (1)	1/5				0/1
Xu Beinan (2)	4/5				1/1
Yu Shiping	5/5				1/1
Zheng Xiaohua	5/5				1/1
Non-executive Directors					
Zhao Xiaodong (3)	4/5				1/1
Chen Chao (4)	4/5				1/1
Zong Shihua (5)	1/5				0/1
Zhou Yaogen (6)	1/5				0/1
Wang Gang	5/5				1/1
Independent Non-executive Directors					
Yip Wai Ming	5/5	2/2	2/2		1/1
Guo Shaomu	5/5	2/2		2/2	1/1
Wang Yinping	5/5	2/2	2/2	2/2	1/1
Han Gensheng	5/5	2/2	2/2	2/2	1/1

(1) Ms. Ma Lan resigned on 29 March 2019.

(2) Mr. Xu Beinan was appointed as an executive Director on 29 March 2019 and resigned on 1 April 2020.

(3) Mr. Zhao Xiaodong resigned on 24 October 2019.

(4) Mr. Chen Chao resigned on 24 October 2019.

(5) Mr. Zong Shihua was appointed as a non-executive Director on 24 October 2019.

(6) Mr. Zhou Yaogen was appointed as a non-executive Director on 24 October 2019.

Company Secretary

Ms. Wang Huiting, a full-time employee of the Company, is the joint company secretary of the Company. Ms. Kwong Yin Ping Yvonne is an external joint company secretary and assists Ms. Wang to discharge the functions. During the Review Period, both of them have confirmed that they have complied with Rule 3.29 of the Listing Rules.

The major contact person of the Company is Ms. Wang Huiting, the joint company secretary.

(B) Financial Reporting and Internal Control

Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019, and for ensuring the financial statements are published in a timely manner. (see Appendix 14 C.1.3 of the Listing Rules)

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements.

Pursuant to the code provision C.1.1 of the CG Code, the senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

The working scope and reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are set out on page 101 of the "Independent Auditor's Report" in this annual report.

In preparing the financial statements for the year ended 31 December 2019, the Directors have selected suitable accounting policies and applied them consistently, approved adoption of all applicable Hong Kong Financial Reporting Standards in effect, made judgments and estimates that are appropriate, and prepared the financial statements on a going concern basis. The management is of the view that the Group will continue as a going concern for the reasons stated as set out in note 2.1(c) to the consolidated financial statements.

External Auditor and Auditor's Remuneration

The statement of the external auditor of the Company about its reporting responsibilities for the financial statements is set out under the section headed "Independent Auditor's Report" in this annual report.

The external auditor of the Company will be invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report and auditor's independence.

During the year, the remuneration paid to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2019 amounted to approximately RMB5.18 million and RMB1.0 million, respectively.

PricewaterhouseCoopers was appointed as external auditor of the Company with effect from 14 June 2018 and has been re-appointed as the external auditor of the Company at the 2019 annual general meeting of the Company and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

Risk Management and Internal Control

During the year, the Board has conducted a review of the effectiveness of the internal control system of the Group. The review has covered the financial, operational compliance and risk management aspects of the Group.

The Board is responsible for maintaining an adequate internal control system to safeguard shareholders' investments and the Group's assets, and reviewing the effectiveness of such on an annual basis through the Audit Committee. In addition to the external audit, an internal audit department has been established to perform regular financial and operational reviews and conduct audit of the Company and its subsidiaries. The work carried out by the internal audit department will ensure the internal controls are in place and functioning properly as intended.

The Directors of the Company believe that the above internal control measures are adequate and effective.

The Company has established an internal official information system to ensure that one or more Directors and senior officers are informed of and able to identify and assess the Company's important information or transactions, and communicate the progress of the matters and circumstances to the Board in a timely manner so that the Board can determine whether to make disclosures. For the Company to perform its obligations to disclose inside information about material changes in its financial position, business performance or the prospect of its business performance, the Company's financial controller ensures timely reporting to the Directors, and the Directors ensure that such financial and operational data are communicated to the Board in a timely manner.

(C) Dividend Policy

The Board proposes dividends based on the Company's financial performance, shareholders' interests, the Company's business conditions and strategies, capital requirements, tax considerations, contractual, statutory and regulatory restrictions, and other factors as the Board considers relevant. Payment of dividends to the shareholders of the Company may be announced at the general meetings from time to time, but the amount of dividends shall not exceed the amount proposed by the Board.

(D) Communications with Shareholders and Investors

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at www.yidachina.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

In addition, the Company has also established and maintained various channels of communication with the Company's shareholders and the public to ensure that they are kept abreast of the Company's latest news and business development. Information relating to the Company's financial results, corporate details, property projects and major events are disseminated through publications of interim and annual reports, announcements, circulars, press release and newsletters. The Company is committed to maintaining a high level of corporate transparency and disclosing relevant information to shareholders, investors, analysts and bankers in a timely manner.

There were no changes to the Company's constitutional documents during the year ended 31 December 2019. The Company's existing constitutional documents have been published at the website of the Company and the website of Hong Kong Exchanges and Clearing Limited and are available for access.

(E) General Meetings and Shareholders' Rights

If shareholders have any enquiries about their shareholdings and entitlements to dividend, they can contact Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Shareholders who wish to put enquiries to the Board can send their enquiries to the company secretary at the Company's principal place of business in Hong Kong who will ensure these enquiries to be properly directed to the Board. Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Pursuant to the code provisions of the CG Code, to safeguard shareholders' interests and rights, in respect of each substantially separate issue at a general meeting, a separate resolution would be proposed by the chairman of that meeting. The chairman of the Board should attend the AGM and arrange for the chairman of the Audit, Remuneration and Nomination Committees or in the absence of the chairman of such committees, another member of the committee, to be available to answer questions at the AGM. The Company would arrange for the notice to shareholders to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.

Pursuant to article 58 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying rights of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders who wish to put forward proposals at general meetings may follow article 58 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of article 58 of the Articles of Association of the Company are set out above.

As at the date of this annual report, based on information publicly available to the Company and to the knowledge of the Directors, the Company had a diversified shareholding structure and had maintained sufficient public float as required under the Listing Rules.

Disclosure Pursuant to Rules 13.19 and 13.21 of the Listing Rules

Reference is made to the announcements of the Company dated 10 April 2019, 18 April 2019, 22 April 2019 and 10 June 2019 and the interim report of the Company for the six months ended 30 June 2019.

In February 2019, an asset freeze order was imposed on the Company's controlling shareholder, China Minsheng Investment Corp., Ltd. ("China Minsheng"), who indirectly held as to approximately 61.20% interests in the Company as at 31 December 2019, in relation to its equity interests in China Minsheng Jiaye Investment Co., Ltd. (中民嘉業投資有限公司) ("Minsheng Jiaye") and China Minsheng Bund Real Estate Development Co, Ltd. (中民外灘房地產開發有限公司) for the period of three years, and upon the release of such freeze order and in March 2019, another freeze order was imposed on China Minsheng in relation to its equity interests in Minsheng Jiaye for a period of another three years (the "Assets Freeze").

As a result of the imposition of the Assets Freeze on China Minsheng, it has technically resulted in the occurrence of certain triggering events (the "Triggering Events") under certain loan agreements entered into by the Group in the aggregate outstanding principal amount of approximately RMB4,277 million (the "Yida Loans"). As a result of such Triggering Events, the respective lenders of the Yida Loans may demand immediate repayment of the outstanding loans, accrued interests and all other amounts accrued or outstanding under the Yida Loans.

As stated in the announcement of the Company dated 22 April 2019, the Company was further notified by Minsheng Jiaye in relation to the financial difficulties faced by China Minsheng ("Liquidity Difficulties of China Minsheng"). As a result of the latest Liquidity Difficulties of China Minsheng, it has technically further resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group. As a result of which, the amount of the Yida Loans of which the respective lenders may demand immediate repayment had increased.

Subsequent to the publication of the announcements dated 10 April 2019 and 22 April 2019, certain banks and financial institutions have indicated to the Company that they would not enter into new loan agreements with the Group until the Liquidity Difficulties of China Minsheng are resolved, and one of the financial institutions has since suspended further drawdowns of the Group's existing borrowings. As at the date of this announcement, the Company continues to maintain ongoing discussions with the relevant banks and financial institutions in relation to the financing arrangement with the Company way forward, and the Company is assessing the potential impact on the financial condition and cash position of the Group under the circumstances, and at the same time is also exploring alternative sources of financing as and when needed. As at 31 December 2019, the Yida Loans of which the respective lenders may demand immediate repayment amounted to RMB8.188 billion.

On February 2020, Mr. Chen Donghui, an executive director, was summaried and detained by the Public Security Bureau for suspected embezzlement in accordance with the laws of the PRC, it has further resulted in the occurrence of certain triggering events under certain loan agreements. For details, please refer to "Subsequent Events" under Directors' Report of this report.

As of the date of this report, no relevant lender had demand for immediate repayment of the Yida Loans. Further, The operation of the Group, including its pre-sale and receivables collection, remains normal. The operating financial condition and cash position of the Company remain stable, and the overall operating condition remains healthy.

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

羅兵咸永道

To the Shareholder of Yida China Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Yida China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 103 to 196, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to note 2.1(c) to the consolidated financial statements, which states that as at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB9,029,332,000. At the same date, its current borrowings amounted to RMB13,869,059,000 while its cash and cash equivalents amounted to RMB1,032,666,000 only. Since 2018, the financial conditions of the Group's controlling shareholder, China Minsheng Investment Corp., Ltd. changed in such a way that triggered certain terms specified in the Group's loan agreements. This resulted in certain of the Group's borrowings amounted to RMB8,187,719,000 in total as at 31 December 2019 becoming immediately repayable if requested by the lenders. Subsequent to 31 December 2019, the detention of an executive director of the Company by the authorities in the People's Republic of China and a delay in repayment of senior notes also constituted the occurrences of certain triggering events under the loan agreements resulting in defaults of the Group's certain borrowings. The above events resulted in a total of RMB9,084,748,000 of the Group's borrowings as at 31 December 2019 becoming immediately repayable (if requested by the lenders) as at the date of this report. Such conditions, along with other matters as set forth in note 2.1(c) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties
- Provision for impairment of properties under development and completed properties held for sale

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
Refer to note 3 (Critical accounting judgements and estimates) and note 16 (Investment properties) to the consolidated financial statements. The Group's investment properties were carried at RMB19,746 million as at 31 December 2019, of which RMB497 million were right-of-use assets, RMB12,977 million were completed properties and RMB6,272 million were properties under construction. The Group engaged an independent valuer to perform the valuation of the Group's investment properties as at 31 December 2019. We focused on this area because the investment properties balances were significant to the consolidated financial statements and the valuation involved significant management judgements in selection of valuation method, and application of key assumptions including yearly rental value, capitalisation rate, estimated construction costs, and estimated development profit.	Our work in relation to the valuation of investment properties included: We assessed the independence, competence and capability of the external valuer used by management. With the assistance of our internal valuation experts, we performed the following: (1) assessed the appropriateness of the valuation methods adopted with reference to market practice. (2) for current rental income used in the valuation, checked the amounts to the signed lease agreements with the tenants on a sample basis. (3) for estimated future rental income, capitalisation rate and estimated development profit, compared them with market transaction data. (4) for estimated total construction costs, compared them to the project budgets approved by management, tested these project budgets against underlying contracts with vendors and other supporting documents, and compared the actual costs of the newly completed properties with the relevant budgets to assess the reliability of the project budgets. We tested the calculation of the valuation. Based on the audit procedures performed, we consider that management's estimates and assumptions adopted in the valuation are supported by the evidence we obtained.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for impairment of properties under development and completed properties held for sale	
Refer to note 3 (Critical accounting judgements and estimates), note 21 (Properties under development) and note 22(Completed properties held for sale) to the consolidated financial statements. As at 31 December 2019, the Group's properties under development and completed properties held for sale amounted to RMB6,495 million and RMB4,792 million, respectively. The Group engaged an external valuer to perform a valuation of properties under development and completed properties held for sale as at 31 December 2019 to assess if the net realisable values of these assets were higher than their carrying amounts. As a result, an impairment loss of RMB75 million was charged for the year ended 31 December 2019. We focused on this area because the determination of net realisable values of properties under development and completed properties held for sale involved significant management judgements on setting estimated selling prices, selling expenses to be incurred and the estimated total construction costs of the development projects.	Our work in relation to impairment provision of properties under development and completed properties held for sale included: We assessed the independence, competence and capability of the external valuer used by management. With the assistance of our internal valuation experts, we performed the following: (1) assessed the appropriateness of the valuation methods adopted with reference to market practice. (2) compared the forecast selling prices to the recently transacted prices if available, or prices of comparable properties located in the same vicinity with reference to our industry knowledge and external market analysis. (3) compared the estimated selling expenses to be incurred set as a certain percentage of selling price with the actual average selling expenses to revenue ratio of the Group in recent years. (4) compared management's budgeted total construction costs against underlying contracts with vendors and supporting documents and assessed the reasonableness of estimated total construction costs and the underlying assumptions with reference to our understanding of similar projects completed in the past. We tested the calculation of the valuation. Based on the audit procedures performed, we consider that management's judgements applied in impairment assessment of properties under development and completed properties held for sale were supported by the evidence we obtained.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chung Bor.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 May 2020

Consolidated Statement of Profit or Loss

For the year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Revenue	5	**6,077,400**	7,356,958
Cost of sales	8	**(3,946,801)**	(5,305,746)
Gross profit		**2,130,599**	2,051,212
Other income	6	**52,733**	51,927
Fair value gains on investment properties	16	**147,396**	6,586
Net impairment losses on financial and contract assets	46	**(9,174)**	(23,861)
Other gains – net	7	**347,032**	745,901
Selling and marketing expenses	8	**(208,086)**	(192,886)
Administrative expenses	8	**(520,801)**	(502,698)
Finance costs – net	11	**(683,098)**	(659,853)
Share of profits and losses of joint ventures and associates	19, 20	**50,808**	8,810
Profit before income tax		**1,307,409**	1,485,138
Income tax expenses	12	**(669,306)**	(681,552)
Profit for the year		**638,103**	803,586
Attributable to:			
Owners of the Company		**450,164**	833,919
Non-controlling interests		**187,939**	(30,333)
		638,103	803,586
Earnings per share attributable to ordinary equity holders of the company			
Basic and diluted (RMB per share)	14	**0.17**	0.32

The notes set out on pages 104 to 196 are an integrated part of these consolidated financial statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	2019 RMB'000	2018 RMB'000
Profit for the year	**638,103**	803,586
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:		
Exchange differences	–	21,027
Total comprehensive income for the year	**638,103**	824,613
Attributable to:		
Owners of the Company	**450,164**	854,946
Non-controlling interests	**187,939**	(30,333)
	638,103	824,613

The notes set out on pages 104 to 196 are an integrated part of these consolidated financial statements

Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Non-current assets			
Property, plant and equipment	15	**125,761**	93,868
Investment properties	16	**19,745,832**	18,604,066
Investments in joint ventures	19	**1,853,509**	1,780,760
Investments in associates	20	**14,174**	21,300
Prepayments for acquisition of land		**2,801,290**	2,555,067
Prepayments and other receivables	26	**792,413**	22,934
Intangible assets	18	**32,597**	32,959
Deferred tax assets	32	**253,446**	150,820
Total non-current assets		**25,619,022**	23,261,774
Current assets			
Inventories	24	**7,920**	14,658
Land held for development for sale	17	**768,008**	1,111,781
Properties under development	21	**6,494,611**	5,121,082
Completed properties held for sale	22	**4,791,514**	5,453,716
Prepayments for acquisition of land		**529,529**	1,121,228
Contract assets	23	**138,439**	140,242
Trade receivables	25	**912,416**	1,186,619
Prepayments, deposits and other receivables	26	**2,197,831**	3,463,103
Prepaid corporate income tax		**129,655**	143,720
Prepaid land appreciation tax		**244,995**	262,178
Restricted cash	27	**1,006,857**	728,486
Cash and cash equivalents	27	**1,032,666**	1,077,775
Total current assets		**18,254,441**	19,824,588
Total assets		**43,873,463**	43,086,362

Consolidated Statement of Financial Position (continued)

As at 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Non-current liabilities			
Interest-bearing bank and other borrowings	30	**1,146,666**	4,375,520
Deferred tax liabilities	32	**2,505,589**	2,516,583
Lease liabilities		**399,255**	–
Other non-current liabilities		**2,659**	–
Total non-current liabilities		**4,054,169**	6,892,103
Current liabilities			
Contract liabilities	5	**4,733,967**	3,046,881
Trade payables	28	**3,378,641**	2,716,306
Other payables and accruals	29	**2,917,219**	4,138,083
Derivative financial instruments	33	**769,496**	746,708
Interest-bearing bank and other borrowings	30	**13,869,059**	12,651,205
Corporate income tax payable		**678,807**	469,079
Provision for land appreciation tax	31	**875,513**	587,438
Lease liabilities		**61,071**	–
Total current liabilities		**27,283,773**	24,355,700
Total liabilities		**31,337,942**	31,247,803
Equity			
Equity attributable to owners of the Company			
Issued capital	34	**159,418**	159,418
Reserves	35	**11,697,580**	11,215,526
		11,856,998	11,374,944
Non-controlling interests		**678,523**	463,615
Total equity		**12,535,521**	11,838,559
Net current liabilities		**(9,029,332)**	(4,531,112)
Total assets less current liabilities		**16,589,690**	18,730,662

Jiang Xiuwen
Director

Yu Shiping
Director

The notes set out on pages 104 to 196 are an integrated part of these consolidated financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 35)	Other reserves RMB'000 (note 35)	Retained profits RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2019	159,418	1,288,734	979,427	8,947,365	11,374,944	463,615	11,838,559
Comprehensive income							
Profit for the year	–	–	–	450,164	450,164	187,939	638,103
Other comprehensive income for the year:							
Exchange differences	–	–	–	–	–	–	–
Total comprehensive income for the year	159,418	1,288,734	979,427	9,397,529	11,825,108	651,554	12,476,662
Transactions with owners							
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	80,684	80,684
Appropriation to surplus reserve	–	–	68,156	(68,156)	–	–	–
Disposal of equity interests in subsidiaries without loss of control	–	–	31,890	–	31,890	(31,890)	–
Dividend to non-controlling interests of subsidiaries	–	–	–	–	–	(21,825)	(21,825)
Balance at 31 December 2019	159,418	1,288,734	1,079,473	9,329,373	11,856,998	678,523	12,535,521

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2019

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 35)	Other reserves RMB'000 (note 35)	Retained profits RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2018	159,418	1,495,452	918,934	8,164,375	10,738,179	404,727	11,142,906
Changes in accounting policies	–	–	–	(11,463)	(11,463)	–	(11,463)
Restated balance at 1 January 2018	159,418	1,495,452	918,934	8,152,912	10,726,716	404,727	11,131,443
Comprehensive income							
Profit for the year	–	–	–	833,919	833,919	(30,333)	803,586
Other comprehensive income for the year:							
Exchange differences	–	–	21,027	–	21,027	–	21,027
Total comprehensive income for the year	–	–	21,027	833,919	854,946	(30,333)	824,613
Transactions with owners							
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	186,770	186,770
Appropriation to surplus reserve	–	–	39,466	(39,466)	–	–	–
Dividend to non-controlling interests of subsidiaries	–	–	–	–	–	(97,549)	(97,549)
2017 final dividend	–	(206,718)	–	–	(206,718)	–	(206,718)
Balance at 31 December 2018	159,418	1,288,734	979,427	8,947,365	11,374,944	463,615	11,838,559

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Cash flows from operating activities			
Profit before income tax		**1,307,409**	1,485,138
Adjustments for:			
Depreciation	8	**37,387**	17,330
Amortisation of intangible assets	8	**12,909**	11,250
Net (gains)/losses on disposal of items of property, plant and equipment		**(108)**	145
Gain on disposal of investment properties		**–**	(5,035)
Fair value gains on investment properties	16	**(147,396)**	(6,586)
Fair value losses on derivative financial instruments		**22,788**	155,643
Share of profits and losses of joint ventures and associates		**(50,808)**	(8,810)
Gains on bargain purchase	37	**(49,389)**	(630,438)
Gains on re-measurement of the fair value of pre-existing interests in a joint venture to the date of obtaining control and acquisition	37	**–**	(160,521)
Impairment of properties under development and completed properties held for sale	8	**74,686**	214,463
Net impairment losses on financial and contact assets		**9,174**	23,861
Gains from disposal of a subsidiary and an associate	7	**(333,591)**	–
Finance costs – net	11	**683,098**	659,853
Interest income	6	**(38,870)**	(33,339)
Dividend income	6	**–**	(3,928)
Others		**–**	(8,054)
		1,527,289	1,710,972
Decrease/(increase) in inventories		**8,983**	(4,459)
(Increase)/decrease in properties under development		**(799,048)**	2,249,950
Decrease in completed properties held for sale		**348,410**	892,718
Decrease/(increase) in land held for development for sale		**486,360**	(2,935)
Decrease/(increase) in prepayments for acquisition of land		**345,476**	(1,129,202)
Decrease in contract assets		**1,805**	22,221
Decrease/(increase) in trade receivables		**290,764**	(47,306)
(Increase)/decrease in prepayments, deposits and other receivables		**(388,125)**	3,717,612
Decrease/(increase) in trade payables		**670,446**	(1,291,142)
Decrease/(increase) in other payables and accruals		**1,078,252**	(3,475,647)
Increase in contract liabilities		**1,685,225**	707,815
Increase in other non-current liabilities		**2,659**	–
Cash generated from operations		**5,258,496**	3,350,597
Interest received		**38,870**	33,339
PRC corporate income tax paid		**(115,430)**	(182,450)
PRC land appreciation tax paid		**(137,707)**	(291,559)
Net cash flows from operating activities		**5,044,229**	2,909,927

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2019

	Notes	2019 RMB'000	2018 RMB'000
Cash flows from investing activities			
Decrease/(increase) in amounts due from joint ventures and associates		**12,385**	(1,012,675)
Purchases of property, plant and equipment	15	**(24,849)**	(22,615)
Purchases of intangible assets	18	**(12,002)**	(29,139)
Investment in an associate		**–**	(600)
Investment in joint ventures		**(331,720)**	(583,620)
Net payment for acquisition of subsidiaries	37	**(1,387,723)**	(679,096)
Additions to investment properties	16	**(330,594)**	(197,306)
Proceeds from disposal of items of property, plant and equipment		**1,491**	821
Proceeds from disposal of investment properties		**19,249**	85,933
Proceeds from disposal of fair value through other comprehensive income ("FVOCI")		**–**	32,594
Net proceeds from disposal of a subsidiary		**767,819**	–
(Increase)/decrease in restricted cash		**(278,371)**	1,151,054
Dividends received		**5,000**	3,928
Net cash used in investing activities		**(1,559,315)**	(1,250,721)
Cash flows from financing activities			
Increase in amounts due to joint ventures, associates and non-controlling interests		**113,767**	493,496
Capital contribution from non-controlling interests		**80,684**	186,770
Interest paid		**(1,427,459)**	(1,318,871)
Dividends paid		**(70,600)**	(48,774)
Principal elements of lease payments		**(58,198)**	–
Proceeds of bank and other borrowings		**4,132,738**	6,177,359
Repayment of bank and other borrowings		**(6,300,955)**	(7,555,549)
Net cash used in financing activities		**(3,530,023)**	(2,065,569)
Net decrease in cash and cash equivalents		**(45,109)**	(406,363)
Cash and cash equivalents at beginning of year		**1,077,775**	1,484,138
Cash and cash equivalents at end of year			
Representing cash and bank balances	27	**(1,032,666)**	1,077,775

1. Corporate and group information

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

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

The Company is an investment holding company. During the year ended 31 December 2019, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in property development, property investment, business park operation and management, property construction, decoration and landscaping and property management in Dalian, Wuhan, Shenyang, Beijing, Shanghai, Tianjin, Zhengzhou, Hefei, Xi'an, Suzhou, Hangzhou, Shenzhen, Changsha, Chongqing and Chengdu, the People's Republic of China (the "**PRC**").

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

The consolidated financial information is presented in thousands of Renminbi ("**RMB000**"), unless otherwise stated.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct (%)	Indirect (%)	
Yida Development Company Limited (億達發展有限公司) @#	PRC/Mainland China	RMB1,000,000,000	–	100	Property development
Dalian Yitong Property Development Company Limited (大連益通房地產開發有限公司) *#	PRC/Mainland China	RMB10,000,000	–	100	Property development
Dalian Software Park Company Limited (大連軟件園股份有限公司)*#	PRC/Mainland China	RMB1,000,000,000	–	100	Property development
Wuhan New Software Park Development Company Limited ("Wuhan NSP") (武漢軟件新城發展有限公司) *#^	PRC/Mainland China	RMB475,000,000	–	44	Property development
Yida Construction Group Company Limited (億達建設集團有限公司) *#	PRC/Mainland China	RMB400,000,000	–	100	Construction
Yida Property Service Group Co., Ltd. (億達物業服務集團有限公司)*#&	PRC/Mainland China	RMB85,000,000	–	100	Property management
Dalian Software Park Rongda Development Co., Ltd. (大連軟件園榮達開發有限公司)*#	PRC/Mainland China	RMB660,000,000	–	100	Property development
Dalian Software Park Zhongxing Development Co.,Ltd. (大連軟件園中興開發有限公司)*#	PRC/Mainland China	RMB1,900,000,000	–	100	Property development
Dalian Software Park Dejia Development Co.,Ltd. (大連軟件園德嘉開發有限公司)*#	PRC/Mainland China	RMB600,000,000	–	100	Property investment

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct (%)	Indirect (%)	Principal activities
Dalian Service Outsourcing BaseDevelopment Company Limited (大連服務外包基地發展有限公司)*#	PRC/Mainland China	RMB210,000,000	–	100	Property development
Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司)*#	PRC/Mainland China	RMB10,000,000	–	100	Property development
Dalian Gaoji Property Development Company Limited (大連高基房地產開發有限公司) *#	PRC/Mainland China	RMB561,000,000	–	100	Property development
Dalian Shengbei Development Company Limited (大連聖北開發有限公司) *#	PRC/Mainland China	RMB10,000,000	–	100	Property development
Dalian Yida Meijia Property Development Company Limited (大連億達美加房地產開發有限公司)*#	PRC/Mainland China	RMB120,000,000	–	100	Property development
Dalian Lanwan Property Company Limited (大連藍灣房地產有限公司)*#	PRC/Mainland China	RMB250,000,000	–	100	Property development
Dalian Software Park Rongtai Development Co., Ltd. (大連軟件園榮泰開發有限公司)*#	PRC/Mainland China	RMB100,000,000	–	100	Property development
Changsha Yida Wisdom Createdlindstry Development Co., Ltd. ("Changsha Yida WCD") (長沙億達創智置業發展有限公司)*#Ω	PRC/Mainland China	RMB48,000,000	–	51	Property development
Dalian BEST City Taifeng Development Company Limited (大連科技城泰楓開發有限公司) *#	PRC/Mainland China	RMB22,000,000	–	100	Property investment
Dalian BEST City Xintong Development Company Limited (大連科技城欣同開發有限公司)*#	PRC/Mainland China	RMB10,000,000	–	100	Property investment
Dalian Jiadao Information Co., Ltd. (大連嘉道科技發展有限公司)*#	PRC/Mainland China	RMB300,000,000	–	100	Property investment
Dalian Software Park Rongyuan Development Co., Ltd. (大連軟件園榮源開發有限公司)*#	PRC/Mainland China	RMB350,000,000	–	100	Property investment
Dalian Shenghe Property Development Company Limited (大連聖和房地產開發有限公司)*#	PRC/Mainland China	RMB10,000,000	–	100	Property development
Dalian Yida Property Company Limited (大連億達房地產股份有限公司)*#	PRC/Mainland China	RMB150,000,000	–	100	Property development
Dalian Changhe Property Development Company Limited (大連昌和房地產開發有限公司)*#	PRC/Mainland China	RMB10,000,000	–	100	Property development
Dalian Software Park Development Company Limited (大連軟件園發展有限公司)*#	PRC/Mainland China	RMB200,000,000	–	100	Property development

1. Corporate and group information (continued)

Information about subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct (%)	Indirect (%)	Principal activities
Yida Landscaping Engineering Company Limited (億達園林綠化工程有限公司)*#	PRC/Mainland China	RMB20,000,000	–	100	Property development
Sichuan Yixing Real Estate Development Company Limited (四川億興置業發展有限公司)*#	PRC/Mainland China	RMB30,000,000	–	100	Property development
Dalian Ruanjing Property Development Company Limited (大連軟景房地產開發有限公司)*#	PRC/Mainland China	RMB30,000,000	–	100	Property development
Yida Tech Town Development Co., Ltd. (億達科技新城管理有限公司)*#	PRC/Mainland China	RMB10,000,000	–	30	Business park investment and management
Liaoning Jiaye Real Estate Development Company Limited (遼寧佳業地產開發有限公司)*#	PRC/Mainland China	RMB20,000,000	–	100	Property development
Yifeng Tech Development Co., Ltd. (北京億鋒科技發展有限公司) #*	PRC/Mainland China	RMB10,000,000	–	30	Property investment
Hefei Yida Smart Technology City Development Co., Ltd. (合肥億達智慧科技城發展有限公司)*#	PRC/Mainland China	RMB262,575,000	–	65	Property development
Zhengzhou Yida Technology New City Development Co., Ltd. (鄭州億達科技新城發展有限公司)*#	PRC/Mainland China	RMB100,000,000	–	100	Property development
Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd. (長沙億達智造產業小鎮發展有限公司)*#	PRC/Mainland China	RMB100,000,000	–	70	Property development
King Equity Holdings Limited△	Hong Kong	HK$2	–	100	Investment holding

* Registered as domestic limited liability companies under PRC law.

@ Registered as sino-foreign equity entities under PRC law.

△ Registered as domestic limited liability company under HK law.

\# The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as they did not register any official English names.

& The name of this company was changed from Yida Property Management Company Limited to Yida Property Service Group Co., Ltd. in 2018.

^ The Group considers that it controls Wuhan NSP even though it owns less than 50% of the equity interests in Wuhan NSP. A joint venture partner of Wuhan NSP confirmed that it will follow the Group on any decision regarding operational and financial activities of Wuhan NSP. As such, management considers that the Group is in a position to exercise control over the relevant activities of Wuhan NSP.

Ω The Group considers that it controls Changsha Yida WCD. A joint venture partner of Changsha Yida WCD confirmed that it will follow the Group on any decision regarding operational and financial activities of Changsha Yida WCD. As such, management considers that the Group is in a position to exercise control over the relevant activities of Changsha Yida WCD.

1. Corporate and group information (continued)

Information about subsidiaries (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. Summary of Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presents, unless otherwise stated.

2.1 Basis of Preparation

(a) Compliance with HKFRs and HKCO

The consolidated financial statements of the Company for the year ended 31 December 2019 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree if judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

(b) Historical cost convention

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

(c) Going concern basis

As at 31 December 2019, the Group's current liabilities exceeded its current assets by RMB9,029,332,000. At the same date, its current borrowings amounted to RMB13,869,059,000 while its cash and cash equivalents amounted to RMB1,032,666,000 only. 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 loan agreements. This resulted in certain of the Group's borrowings amounted to RMB8,187,719,000 in total as at 31 December 2019 becoming immediately repayable if requested by the lenders, of which RMB5,053,108,000 represented loans or corporate bond with scheduled repayment dates within one year, while RMB3,134,611,000 represented non-current loans with original maturity dates beyond 31 December 2020 that were reclassified as current liabilities. Subsequent to 31 December 2019, among the above-mentioned borrowings of RMB8,187,719,000, certain terms specified in the loan agreements with total borrowings of RMB4,855,951,000 were further triggered by the detention of Mr. Chen Donghui, an executive director of the Company, by the relevant authorities in the PRC as publicly announced by the Company on 20 February 2020 ("Mr. Chen Detention Matter"), and thus resulted in these borrowings becoming immediately repayable (if requested by the lenders) as at the date of approval of these consolidated financial statements. In addition, subsequent to 31 December 2019, the Group failed to repay US$52,854,000 of the senior notes due on 20 April 2020 and subsequently repaid in full on 24 April 2020, which also constituted an event of default after 31 December 2019 ("Senior Notes Default"). This event resulted in certain of the Group's borrowings amounted to RMB9,084,748,000 in total as at 31 December 2019 becoming immediately repayable (if requested by the lenders) as at the date of approval of these consolidated financial statements, out of which RMB7,613,217,000 was also included in the above-mentioned borrowings of RMB8,187,719,000. Such conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

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 and to improve the financial position of the Group:

(i) Although the lenders has not requested the Group to repay the relevant loan and corporate bond immediately, the Group has constantly maintained active communication with relevant banks and financial institutions to explain changes in the financial conditions of China Minsheng, Mr. Chen Detention Matter and Senior Notes Default. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the bank loans and corporate bond prior to their scheduled contractual repayment dates.

(ii) The Group is also actively negotiating with several existing and financial institutions on the renewal of and extension for repayments of certain borrowings. Subsequent to 31 December 2019, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. In this connection, the Group was able to renew or obtain new borrowings of RMB1,296 million from existing and new lenders, out of which RMB912 million borrowings are attributable to agreements that do not contain any restrictions relating to the financial conditions of China Minsheng or Mr. Chen Detention Matter or Senior Notes Default (although the loan agreements for the remaining new borrowings of RMB384 million contain terms that cause such borrowings to be subject to immediate repayment if requested by the lenders). The Directors believe that, given the Group's good credit history and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew existing borrowings and obtain new borrowings when necessary.

(iii) 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 outstanding sales proceeds and other receivables.

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

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2019. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2019. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

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

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

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

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

(iv) the successful 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 outstanding sales proceeds and other receivables, and control costs and contain capital expenditure so as to generate adequate net cash inflows.

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

(d) New standards, amendments and interpretations of HKFRSs adopted by the Group in 2019

The Group has applied the following new standards and amendments for the first time for its annual reporting period commencing 1 January 2019:

- *HKFRS 16 Leases ("HKFRS 16")*
- *Prepayment Features with Negative Compensation – Amendments to HKFRS 9*
- *Long-term Interests in Associates and Joint Ventures – Amendments to HKAS 28*
- *Annual Improvements to HKFRS Standards 2015 – 2017 Cycle*
- *Plan Amendment, Curtailment or Settlement-Amendments to HKAS 19*
- *Interpretation 23 Uncertainty over Income Tax Treatments.*

The impact of the adoption of HKFRS 16 is disclosed in note 2.2 below. The other newly effective standards, amendments and interpretation to existing standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Summary of Significant Accounting Policies (continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 on the Group's financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019. The new accounting policies are disclosed in note 2.32.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.87%.

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying HKAS 17 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease.

(b) Measurement of lease liabilities

	2019 RMB'000
Operating lease commitments disclosed as at 31 December 2018	810,360
Less: Short-term leases to be recognised on a straight-line basis as expenses	(39,746)
	770,614
Discounted using the lessee's incremental borrowing rate at the date of initial application, representing additional lease liabilities recognised as at 1 January 2019	454,065
Of which are:	
Current lease liabilities	54,442
Non-current lease liabilities	399,623
	454,065

2. Summary of Significant Accounting Policies (continued)

2.2 Changes in accounting policies (continued)

(c) Measurement of right-of-use assets

As a lessee, the Group mainly leases offices and business parks. The right-of-use assets (recognised under the same caption of assets they are being used for) were measured at the amount equal to the respective lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

(d) Adjustments recognised in statement of financial position on 1 January 2019

The change in accounting policy affected the following items in the statement of financial position on 1 January 2019:

	31 December 2018 (As originally presented)	HKFRS 16	1 January 2019 (Restated)
Non-current assets			
Property, plant and equipment	93,868	15,718	109,586
Investment properties	18,604,066	438,347	19,042,413
Non-current liabilties			
Lease liabilities	–	399,623	399,623
Current liabilties			
Lease liabilities	–	54,442	54,442

2.3 Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2. Summary of Significant Accounting Policies (continued)

2.3 Principles of consolidation and equity accounting (continued)

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii. Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. All the Group's joint arrangements are classified as joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.11.

v. Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2. Summary of Significant Accounting Policies (continued)

2.3 Principles of consolidation and equity accounting (continued)

v. Changes in ownership interests (continued)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred.
- liabilities incurred to the former owners of the acquired business.
- equity interests issued by the Group.
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2. Summary of Significant Accounting Policies (continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as executive directors that make strategic decisions.

2.7 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2. Summary of Significant Accounting Policies (continued)

2.7 Foreign currency translation (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.8 Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2. Summary of Significant Accounting Policies (continued)

2.8 Property, plant and equipment and depreciation (continued)

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements the shorter lease term as follows:

Building and leasehold improvements	Over the shorter of lease terms and 20 years
Plant and machinery	5 to 10 years
Vehicles	3 to 10 years
Furniture, fixtures and office equipment	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.9 Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Property under construction or development for future use as an investment property is classified as investment property under construction. If the fair value cannot be reliably determined, the investment property under construction will be measured at cost until such time as fair value can be determined or construction is completed.

When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at the completion date and its previous carrying amount is recognised in the statement of profit or loss.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

2. Summary of Significant Accounting Policies (continued)

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Licences

Purchased licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

2.11 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.12 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

2. Summary of Significant Accounting Policies (continued)

2.12 Investments and other financial assets (continued)

(i) Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is net included in finance costs using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are included in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2. Summary of Significant Accounting Policies (continued)

2.12 Investments and other financial assets (continued)

(iv) Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables (including lease receivables) and contract assets, the Group applies the simplified approach permitted by HKFRS 9 Financial Instruments ("HKFRS 9"), which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, the Group applies general approach for expected credit loss prescribed by HKFRS9. Since credit risk has not significantly increased after initial recognition, the loss allowance recognised was therefore limited to 12 months expected losses.

2.13 Financial liabilities

(a) Initial recognition and measurement

The Group's financial liabilities include trade and other payables, interest-bearing bank and other borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

(b) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account andy discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the statement of profit or loss.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2. Summary of Significant Accounting Policies (continued)

2.14 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately. Further details of derivative financial instruments are disclosed in note 33.

2.15 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of;

- the amount determined in accordance with the expected credit loss model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.17 Land held for development for sale

The land held for future development represents parcels of land owned by the Group for the purpose of development of properties for sale. The land is initially stated at cost less any impairment losses and is not depreciated. It is transferred to properties under development upon commencement of the related construction work in the property development project.

2.18 Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

2. Summary of Significant Accounting Policies (continued)

2.19 Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value.

Cost of completed properties held for sale is determined by an apportionment of total land and building costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on the prevailing market conditions.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.21 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 25 for further information about the Group's accounting for trade receivables and note 2.12(iv) for a description of the Group's impairment policies.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are included in current assets, except for those mature more than twelve months after the year (or out of the normal operating cycle of the business if longer) which are classified as non-current assets.

2.22 Cash and cash equivalents

For the purpose of consolidated statement of cash flow, cash and cash equivalents comprised of cash on hand and demand deposits, and short term highly liquid investments that are readily known amounts of cash, are subject to an insignificant risk of change in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash, which are not restricted as to use.

2.23 Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2. Summary of Significant Accounting Policies (continued)

2.24 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.25 Employee benefits

Liabilities for wages and salaries, including non-monetary benefits after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the statement of financial position.

2. Summary of Significant Accounting Policies (continued)

2.25 Employee benefits (continued)

Pension scheme

The employees of the Group's subsidiaries in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.26 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.27 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.28 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred.

2. Summary of Significant Accounting Policies (continued)

2.29 Revenue recognition

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the relevant group entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a client. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(a) Sales of properties

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

In determing the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers the properties to the customer and when the customer pays for that properties will be one year or less.

The Group recognised as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

2. Summary of Significant Accounting Policies (continued)

2.29 Revenue recognition (continued)

(b) Construction service

For construction service, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognised revenue over time, by reference to the progress of certified value of work performance to date.

(c) Property management services

Revenue arising from property management services is recognised when the services are rendered.

(d) Business park operation and management services

Revenue arising from business park operation and management services is recognised when the services are rendered.

(e) Rental income

Rental income is recognised on a straight line basis over the lease term.

2.30 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.31 Dividend income

Dividends are recognized as other income in profit or loss when the right to receive payment is established.

2. Summary of Significant Accounting Policies (continued)

2.32 Leases

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2. Summary of Significant Accounting Policies (continued)

2.32 Leases (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.33 Dividends distribution

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2. Summary of Significant Accounting Policies (continued)

2.34 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to other payables and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.35 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognized in the statement of profit or loss.

Interest income is presented as other income where it is earned from bank deposits that are held for cash management purposes. Any other interest income is included in finance income.

3 Critical Accounting Judgements and Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

3.1 Critical Accounting Judgments

Consolidation of entities in which the Group holds less than a majority of equity interests or voting rights

The Group considers that it is in a position to exercise control over the relevant activities of Wuhan NSP even though it owns less than 50% of the equity interests in Wuhan NSP, having considered that a joint venture partner of Wuhan NSP confirmed by entering into an agreement with a subsidiary of the Group that it will follow the Group on any decision regarding operational and financial activities of Wuhan NSP. As such, Wuhan NSP was accounted for as a subsidiary of the Group.

The Group considers that it is in a position to exercise control over the relevant activities of Changsha Yida WCD, having considered that a joint venture partner of Changsha Yida WCD confirmed by entering into an agreement with a subsidiary of the Group that it will follow the Group on any decision regarding operational and financial activities of Changsha Yida WCD. As such, Changsha Yida WCD was accounted for as a subsidiary of the Group.

Impairment review of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information. The Group has engaged an external valuer to perform a valuation of the Group's properties under development and completed properties held for sale as at 31 December 2019 to assess if the net realisable values of these assets are lower than their carrying amounts.

Allocation of construction costs on properties under development

When developing properties, the Group typically divides the development projects into phases. Costs directly related to the development of a phase are recorded as the costs of such phase. Costs that are common to each phase are allocated to each phase based on the saleable floor area of each phase as a percentage of the total saleable floor area of the entire project. The cost of the unit sold is determined by the floor area in square metres sold during the year multiplied by the average cost per square metre of that particular phase of the project.

3. Critical Accounting Judgements and Estimates (continued)

3.1 Critical Accounting Judgments (continued)

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the PRC. As a result of the fact that certain matters relating to income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

PRC land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences realise.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair value of investment properties

Investment properties including completed investment properties and investment properties under construction are revalued at the end of the reporting period on a market value, existing use basis by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, information from current prices in an active market for similar properties is considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used.

Fair values of derivative financial instruments

The fair values of derivative financial instruments that are not traded in an active market are estimated by management based on the valuation performed by an independent professional valuer using the Binomial Model. This valuation requires the Group to make estimates on dividend yield, net asset value volatility, risk-free interest rate, and stock volatility of comparable companies, and hence they are subject to uncertainty. The fair values of the derivative financial instruments at 31 December 2019 were RMB769,496,000 (2018: RMB746,708,000). Further details are included in note 33 to the financial statements.

Recoverability of other receivables for primary land development

The Group has entered into certain cooperation agreements with the local government authorities under which the Group provides funding to the local government authorities for the primary land development of certain land parcels. Management estimates the expected repayment schedule and amounts and considers the discounting impact of the receivables. The provision for impairment of other receivables for primary land development of the Group is based on the evaluation of collectability and ageing analysis of these receivables and on management's estimation. Significant estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the local government authorities. If the financial conditions of the local government authorities were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of other receivables for primary land development at 31 December 2019 was RMB1,923,979,000 (2018: RMB2,053,998,000). Further details are set out in note 26 to the financial statements.

4. Operating Segment Information

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

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

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

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

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

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

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

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

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

Segment liabilities exclude derivative financial liabilities, 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 year ended 31 December 2019, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

4. Operating Segment Information (continued)

Year ended 31 December 2019

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	4,519,947	558,556	201,291	898,006	711,114	–	6,888,914
Inter-segment revenue	(56,427)	(3,934)	(159,142)	(513,683)	(78,328)	–	(811,514)
Sales to external customers	4,463,520	554,622	42,149	384,323	632,786	–	6,077,400
Segment results	1,494,207	507,719	(41,038)	14,875	58,684	(109,411)	1,925,036
Reconciliation:							
Interest income							38,870
Dividend income and unallocated gains							49,389
Corporate and other unallocated expenses							(22,788)
Finance costs							(683,098)
Profit before income tax							1,307,409
Income tax expenses							(669,306)
Profit for the year							638,103
Segment assets	51,252,861	27,457,182	211,113	3,502,466	557,929	15,513,527	98,495,078
Reconciliation:							
Elimination of intersegment receivables							(57,638,757)
Corporate and other unallocated assets							3,017,142
Total assets							43,873,463
Segment liabilities	39,014,149	9,708,852	162,149	3,151,502	483,153	15,737,400	68,257,205
Reconciliation:							
Elimination of intersegment payables							(57,638,757)
Corporate and other unallocated liabilities							20,719,494
Total liabilities							31,337,942
Other segment information:							
Depreciation and amortisation	17,293	6,627	10,537	8,038	5,422	2,379	50,296
Capital expenditure*	139,882	187,860	42,705	5,319	13,343	9,044	398,153
Fair value gains on investment properties	–	147,396	–	–	–	–	147,396
Share of profits and losses of joint ventures and associates	48,799	12,893	2,492	(13,110)	107	(373)	50,808
Investments in joint ventures	990,777	825,409	10,802	2,643	4,142	19,736	1,853,509
Investments in associates	–	–	10,000	–	290	3,884	14,174

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

4. Operating Segment Information (continued)

Year ended 31 December 2018

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	5,959,854	482,580	279,786	635,799	619,486	–	7,977,505
Inter-segment revenue	(2,073)	(3,982)	(216,944)	(317,200)	(80,348)	–	(620,547)
Sales to external customers	5,957,781	478,598	62,842	318,599	539,138	–	7,356,958
Segment results	1,205,905	342,745	(34,810)	(10,746)	16,049	2,264	1,521,407
Reconciliation:							
Interest income							33,339
Dividend income and unallocated gains							790,959
Corporate and other unallocated expenses							(200,714)
Finance costs							(659,853)
Profit before income tax							1,485,138
Income tax expenses							(681,552)
Profit for the year							803,586
Segment assets	50,013,463	26,004,152	211,200	6,908,659	440,659	14,188,326	97,766,459
Reconciliation:							
Elimination of intersegment receivables							(57,180,310)
Corporate and other unallocated assets							2,500,213
‘							
Total assets							43,086,362
Segment liabilities	41,054,705	12,325,139	227,135	6,602,612	386,154	17,484,399	78,080,144
Reconciliation:							
Elimination of intersegment payables							(57,180,310)
Corporate and other unallocated liabilities							10,347,969
Total liabilities							31,247,803
Other segment information:							
Depreciation and amortisation	9,804	5,501	3,262	6,669	3,084	260	28,580
Capital expenditure*	29,980	181,262	23,850	3,378	10,582	8	249,060
Fair value gains on investment properties	–	6,586	–	–	–	–	6,586
Share of profits and losses of joint ventures and associates	(7,795)	31,924	198	(9,841)	391	(6,067)	8,810
Investments in joint ventures	941,979	791,858	7,289	16,600	2,925	20,109	1,780,760
Investments in associates	–	–	16,817	–	600	3,883	21,300

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

4. Operating Segment Information (continued)

Geographical information

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

5. Revenue

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

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

	Notes	2019 RMB'000	2018 RMB'000
Revenue from contracts with customers recognised at a point in time			
Sale of properties	(a)	**4,463,520**	5,957,781
Revenue from contracts with customers recognised over time			
Business park operation and management service income		**42,149**	62,842
Construction, decoration and landscaping income		**384,323**	318,599
Property management income		**632,786**	539,138
		1,059,258	920,579
Revenue from contracts with customers		**5,522,778**	6,878,360
Revenue from other sources			
Rental income		**554,622**	478,598
		6,077,400	7,356,958

5. Revenue (continued)

Note:

(a) Revenue recognised in relation to contract liabilities:

	31 December 2019 RMB'000	1 January 2019 RMB'000
Contract liabilities	**4,733,967**	3,046,881

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2019 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**2,785,820**

6. Other Income

	Notes	2019 RMB'000	2018 RMB'000
Interest income		**38,870**	33,339
Dividend income		**–**	3,928
Government subsidies		**13,863**	14,660
		52,733	51,927

7. Other gains

	Notes	2019 RMB'000	2018 RMB'000
Net foreign exchange (losses)/gains		**(28,786)**	69,065
Gain arising from disposal of a subsidiary	(a)	**330,407**	–
Gain arising from disposal of an associate	(b)	**3,184**	–
Gains arising from disposal of financial assets		**–**	6,984
Gains arising from acquisition of subsidiaries	(c)	**49,389**	790,959
Net fair value losses on derivatives		**(22,788)**	(155,643)
Net losses on disposal of property, plant and equipment		**(223)**	(1,103)
Other items		**15,849**	35,639
Total		**347,032**	745,901

7. Other gains (continued)

(a) On 24 October 2019, the Group entered into a disposal agreement with a third party, pursuant to which the Group sold its 100% equity interests in Wuhan Springfield Real Estate Development Co., Ltd., ("Wuhan Springfield") together with the outstanding liabilities at the consideration of RMB870,000,000. A gain of RMB330,407,000 arising from the disposal was recognized during 2019.

Information related to the disposal of the subsidiary in the period are summarised below:

	RMB'000
Consideration in cash	870,000
Less: Receivables from Wuhan Springfield	(525,039)
Share of net assets disposed	(14,554)
Gain recognised in consolidated statement of profit or loss	330,407
Non-controlling interests	(165,204)
	165,203

(b) In March 2019, the Group disposed its 10% equity interests in an associate, Hunan Jinke Yida Estate Development Company Limited ("Hunan Jinke"), to a third party at a consideration of RMB10,000,000. A gain of approximately RMB3,184,000 arising from the disposal was recognized during 2019.

(c) The Group held 49% equity interests in Panasonic Yida Decoration Co., Ltd. ("Panasonic Yida"), which was accounted for as a joint venture. In March 2019, the Group acquired the remaining 51% equity interests of Panasonic Yida from the joint venture partner at a total consideration of RMB1,000,000. Since then, Panasonic Yida became a wholly owned subsidiary of the Group and a gain arising from the acquisition of approximately RMB49,389,000 was recognized during 2019.

On 14 May 2018, the Group completed the acquisition of the remaining 61.54% equity interests in Richcoast Group Limited ("Richcoast Group"). A gain of approximately RMB160,521,000 on remeasurement of the fair value of pre-existing interests in a joint venture to the fair value of obtaining control and a gain of approximately RMB630,438,000 on bargain purchase were recognized during 2018 (note 37).

8. Expenses by Nature

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

	Notes	2019 RMB'000	2018 RMB'000
Cost of properties sold		**2,829,106**	4,107,662
Cost of services provided		**875,259**	777,071
Impairment of properties under development and completed properties held for sale		**74,686**	214,463
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**167,750**	206,550
Employee benefit expenses	9	**338,482**	310,756
Office lease expenses		**11,595**	32,402
Depreciation	15	**37,387**	17,330
Amortisation of intangible assets	18	**12,909**	11,250
Auditor's remuneration			
– Audit services		**5,180**	5,180
– Non-audit services		**1,000**	2,165
Other costs and expenses		**322,334**	316,501
Total cost of sales, selling and marketing expenses and administrative expenses		**4,675,688**	6,001,330

9. Employee Benefit Expenses (including directors' emoluments)

	2019 RMB'000	2018 RMB'000
Wages, salaries and other benefit expenses	**291,709**	264,397
Pension scheme contributions	**46,773**	46,359
Total	**338,482**	310,756

(a) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2019 include three (2018: four) directors whose emoluments are reflected in the analysis presented in note 10. The emoluments of the remaining two individuals were between HKD2,500,000 to HKD3,000,000.

10. Directors' and Chief Executives' Remuneration

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2019 RMB'000	2018 RMB'000
Fees	**1,200**	1,200
Other emoluments:		
Salaries, allowances and benefits in kind	**5,216**	5,150
Discretionary bonuses	**6,720**	5,841
Pension scheme contributions	**401**	383
	12,337	11,374
	13,537	12,574

10. Directors' and Chief Executives' Remuneration (continued)

The remuneration of each of the Directors and chief executives' for the year ended 31 December 2019 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	1,755	3,097	125	4,977
Mr. Chen Donghui	–	54	–	–	54
Ms. Ma Lan^	–	495	–	27	522
Mr. Yu Shiping	–	978	1,494	83	2,555
Ms. Zheng Xiaohua	–	780	1,818	83	2,681
Mr. Xu Beinan▲	–	992	311	83	1,386
	–	5,054	6,720	401	12,175
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Mr. Chen Chao@	–	45	–	–	45
Mr. Zhao Xiaodong@	–	45	–	–	45
Mr. Zhou Yaogen#	–	9	–	–	9
Mr. Zong Shihua#	–	9	–	–	9
	–	162	–	–	162
Independent non-executive directors:					
Mr. Yip Wai Ming	300	–	–	–	300
Mr. Guo Shaomu	300	–	–	–	300
Mr. Wang Yinping	300	–	–	–	300
Mr. Han Gensheng	300	–	–	–	300
	1,200	–	–	–	1,200
	1,200	5,216	6,720	401	13,537

@ Resigned as non-executive director on 24 October 2019.

Appointed as non-executive director on 24 October 2019.

^ Resigned as executive director on 29 March 2019.

▲ Appointed as executive director on 29 March 2019 and resigned as executive director on 1 April 2020.

10. Directors' and Chief Executives' Remuneration (continued)

The remuneration of each of the Directors and chief executives' for the year ended 31 December 2018 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	1,783	2,067	118	3,968
Mr. Zhang Zhichao*	–	14	–	–	14
Mr. Chen Donghui	–	54	–	–	54
Ms. Ma Lan^	–	1,699	1,051	112	2,862
Mr. Yu Shiping	–	957	1,673	97	2,727
Ms. Zheng Xiaohua&	–	480	1,050	56	1,586
Mr. Xu Beinan▲	–	–	–	–	–
	–	4,987	5,841	383	11,211
Non-executive directors:					
Mr. Wang Gang#	–	41	–	–	41
Mr. Chen Chao%	–	54	–	–	54
Mr. Zhao Xiaodong%	–	54	–	–	54
Mr. Gao Wei@	–	14	–	–	14
	–	163	–	–	163
Independent non-executive directors:					
Mr. Yip Wai Ming	300	–	–	–	300
Mr. Guo Shaomu	300	–	–	–	300
Mr. Wang Yinping	300	–	–	–	300
Mr. Han Gensheng	300	–	–	–	300
	1,200	–	–	–	1,200
	1,200	5,150	5,841	383	12,574

@ Resigned as non-executive director on 26 March 2018.
# Appointed as non-executive director on 26 March 2018.
* Resigned as executive director on 22 June 2018.
& Appointed as executive director on 22 June 2018.
^ Resigned as executive director on 29 March 2019.
▲ Appointed as executive director on 29 March 2019 and resigned as executive director on 1 April 2020.
% Resigned as non-executive director on 24 October 2019.

11. Finance Costs – net

An analysis of finance income and costs is as follows:

	2019 RMB'000	2018 RMB'000
Finance costs		
Interest on bank loans and other loans	**1,475,544**	1,470,484
Interest on lease liabilities	**34,330**	–
Less: Interest capitalised	**(768,530)**	(675,848)
	741,344	794,636
Interest income	**(58,246)**	(134,783)
Finance costs – net	**683,098**	659,853

12. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2018: Nil). The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on their taxable profits for the year.

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

	2019 RMB'000	2018 RMB'000
Current – PRC		
Corporate income tax charge for the year	**339,223**	105,971
Land appreciation tax charge for the year (note 31)	**442,965**	409,417
	782,188	515,388
Deferred (note 32):		
Current year	**(112,882)**	166,164
Total tax charge for the year	**669,306**	681,552

12. Income Tax Expenses (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the majority of the Company's subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate for the year, are as follows:

	2019 **RMB'000**	2018 RMB'000
Profit before tax	**1,307,409**	1,485,138
At the statutory income tax rate (25%)	**326,852**	371,285
Tax losses utilised from previous periods	**(98,610)**	(136,898)
Losses attributable to joint ventures and associates	**(12,702)**	(2,202)
Income not subject to tax	**(12,347)**	(222,224)
Expenses not deductible for tax	**24,870**	113,735
Tax losses and temporary differences not recognised	**109,019**	250,793
LAT	**442,965**	409,417
Tax effect of LAT	**(110,741)**	(102,354)
Tax charge at the Group's effective rate	**669,306**	681,552

The share of tax attributable to joint ventures and associates amounting to RMB7,494,000 (2018: RMB14,624,000) and RMB2,939,000 (2018: Nil) are included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss, respectively.

13. Dividend

	2019 **RMB'000**	2018 RMB'000
Proposed no final dividend (2018: Nil) per ordinary share	**–**	–

In addition, no interim dividend has been declared during the year (2018: Nil).

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

The calculation of the basic earnings per share is based on the consolidated profit for the year attributable to the ordinary equity holders of the Company of RMB450,164,000 (2018: RMB833,919,000), and the weighted average number of ordinary shares of 2,583,970,000 (2018: 2,583,970,000) in issue during the year.

Diluted earnings per share is same as basic earnings per share for the years ended 31 December 2019 and 2018 as the Group had no potentially dilutive ordinary shares in issue during those years.

15. Property, Plant and Equipment

	Right-of-use Assets RMB'000	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
31 December 2019							
At 31 December 2018:							
Cost	–	148,125	42,722	20,935	47,734	129	259,645
Accumulated depreciation	–	(81,902)	(34,445)	(15,438)	(33,992)	–	(165,777)
Net carrying amount	–	66,223	8,277	5,497	13,742	129	93,868
At 1 January 2019 (Restated):							
Cost	15,718	148,125	42,722	20,935	47,734	129	275,363
Accumulated depreciation	–	(81,902)	(34,445)	(15,438)	(33,992)	–	(165,777)
Net carrying amount	15,718	66,223	8,277	5,497	13,742	129	109,586
At 1 January 2019, net of accumulated depreciation	15,718	66,223	8,277	5,497	13,742	129	109,586
Additions	30,129	19,010	1,201	710	3,962	–	55,012
Depreciation provided during the year	(17,280)	(12,650)	(2,275)	(1,274)	(3,908)	–	(37,387)
Transfers	–	129	–	–	–	(129)	–
Write-off/disposal	–	–	(158)	(540)	(685)	–	(1,383)
Disposal of a subsidiary	–	–	–	–	(67)	–	(67)
At 31 December 2019, net of accumulated depreciation	28,567	72,712	7,045	4,393	13,044	–	125,761
At 31 December 2019:							
Cost	45,847	167,264	40,901	15,711	42,347	–	312,070
Accumulated depreciation	(17,280)	(94,552)	(33,856)	(11,318)	(29,303)	–	(186,309)
Net carrying amount	28,567	72,712	7,045	4,393	13,044	–	125,761

At 31 December 2018, a building of the Group with a carrying value of RMB45,308,000 was pledged to a financial institution to secure the loans granted to the Group (note 30).

15. Property, Plant and Equipment (continued)

	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
At 31 December 2017 and at 1 January 2018:						
Cost	134,403	48,357	20,036	48,626	–	251,422
Accumulated depreciation	(72,579)	(36,946)	(16,250)	(37,603)	–	(163,378)
Net carrying amount	61,824	11,411	3,786	11,023	–	88,044
At 1 January 2018, net of accumulated depreciation	61,824	11,411	3,786	11,023	–	88,044
Additions	13,712	213	3,060	5,501	129	22,615
Acquisition of subsidiaries (note 36)	141	–	381	983	–	1,505
Depreciation provided during the year	(9,323)	(3,034)	(1,596)	(3,377)	–	(17,330)
Write-off/disposal	(131)	(313)	(134)	(388)	–	(966)
At 31 December 2018, net of accumulated depreciation	66,223	8,277	5,497	13,742	129	93,868
At 31 December 2018:						
Cost	148,125	42,722	20,935	47,734	129	259,645
Accumulated depreciation	(81,902)	(34,445)	(15,438)	(33,992)	–	(165,777)
Net carrying amount	66,223	8,277	5,497	13,742	129	93,868

15. Property, Plant and Equipment (continued)

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2019 RMB'000	1 January 2019* RMB'000
Right-of-use assets		
– Buildings	**28,567**	15,718
Investment properties (note 16)	**497,000**	438,347
	525,567	454,065
Lease liabilities		
Current	**61,071**	54,442
Non-current	**399,255**	399,623
	460,326	454,065

* For adjustments recognised on adoption of HKFRS 16 on 1 January 2019, please refer to note 2.2.

(b) Amounts recognised in the statement of profit or loss

	31 December 2019 RMB'000	1 January 2019 RMB'000
Depreciation charge of right-of-use assets		
– Buildings	**(17,280)**	–
Interest expense (included in finance costs – note 11)	**(34,330)**	–

The total cash outflow for leases in 2019 was RMB58,198,000.

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings. Rental contracts are typically made for fixed periods of 1 to 12 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

16. Investment Properties

	Right-of-use Assets RMB'000	Completed RMB'000	Under construction RMB'000	Total RMB'000
Carrying amount at 31 December 2017 and 1 January 2018	–	10,531,950	1,712,672	12,244,622
Additions arising from acquisition of subsidiaries (note 37)	–	1,896,450	4,947,100	6,843,550
Other additions	–	40,818	156,488	197,306
Disposals	–	(80,898)	–	(80,898)
Transfer out to properties under development	–	–	(607,100)	(607,100)
Net gains from fair value adjustments	–	6,330	256	6,586
Carrying amount at 31 December 2018	–	12,394,650	6,209,416	18,604,066
Impact of HKFRS 16 (note 2.2)	438,347	–	–	438,347
Carrying amount at 1 January 2019 (Restated)	**438,347**	**12,394,650**	**6,209,416**	**19,042,413**
Transfer from completed properties for sale	**–**	**263,096**	**–**	**263,096**
Other additions	**–**	**88,849**	**241,745**	**330,594**
Disposals	**–**	**–**	**(37,667)**	**(37,667)**
Completion of under construction	**–**	**199,411**	**(199,411)**	**–**
Net gains from fair value adjustments	**58,653**	**31,344**	**57,399**	**147,396**
Carrying amount at 31 December 2019	**497,000**	**12,977,350**	**6,271,482**	**19,745,832**

At 31 December 2019, certain of the Group's investment properties of RMB14,547,558,000 (2018: RMB13,869,213,000) were pledged to banks to secure the loans granted to the Group (note 30).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 40 to the financial statements.

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

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

For investment properties under construction which were stated at fair value at 31 December 2019 and 2018, valuations were based on the residual and market approach and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

16. Investment Properties (continued)

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain completed investment properties and investment properties under construction measured at fair value in the aggregate carrying amount of RMB1,531,000,000 as at 31 December 2019 (2018: RMB1,530,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and development and outsourcing services.

	Valuation technique	Significant unobservable inputs	Range (weighted average) 2019	2018
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	**300-2,016**	720-2,016
Office		Estimated yearly rental value per square metre (RMB)	**360-876**	420-864
Car park		Estimated yearly rental value per lot (RMB)	**3,528-8,208**	3,528-8,208
Retail		Capitalisation rate	**5.25%**	5.25%
Office		Capitalisation rate	**4.25%-4.75%**	4.25%-4.75%
Car park		Capitalisation rate	**3.75%**	3.75%
Under construction	Residual and market approach			
Retail		Estimated yearly rental value per square metre (RMB)	**848-1,046**	848-1,031
Office		Estimated yearly rental value per square metre (RMB)	**444-828**	420-708
Car park		Estimated yearly rental value per lot (RMB)	**3,960-5,004**	3,732-7,068
Retail		Capitalisation rate	**5.25%**	5.25%
Office		Capitalisation rate	**4.75%**	4.75%
Car park		Capitalisation rate	**3.75%**	3.75%
Office and car park		Development profit	**3%-29%**	3%-29%

A significant increase/(decrease) in the estimated yearly rental value per square metre or per lot in isolation would result in a significantly higher/(lower) fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

Generally, a change in the assumption made for the estimated yearly rental value per square metre or per lot is accompanied by a directionally similar change in the development profit and an opposite change in the capitalisation rate.

17. Land Held for Development for Sale

	2019 **RMB'000**	2018 RMB'000
Carrying amount at beginning of year	**1,111,781**	1,108,846
Additions	**118,507**	2,935
Transfer to properties under development	**(462,280)**	–
Carrying amount at end of year	**768,008**	1,111,781
Current portion	**(768,008)**	(1,111,781)
Non-current portion	**–**	–

At 31 December 2019, certain of the Group's land held for development for sale of RMB464,607,000(2018: RMB833,898,000) were pledged to banks to secure the bank and other loans granted to the Group (note 30).

18 Intangible Assets

	Licenses and software RMB'000
At 1 January 2018	14,992
Additions during the year	29,139
Acquisition of subsidiaries (note 37)	78
Amortisation during the year	(11,250)
At 31 December 2018 and 1 January 2019	32,959
Additions during the year	12,547
Amortisation during the year	(12,909)
At 31 December 2019	32,597

19. Investments in Joint Ventures

	2019 RMB'000	2018 RMB'000
Share of net assets	**1,853,509**	1,780,760

The Group's other receivable balances due from joint ventures are disclosed in note 26 to the financial statements. The Group's other payable balances due to joint ventures are disclosed in note 29 to the financial statements. Particulars of the joint ventures, all of which are unlisted corporate entities, are as follows:

Company name	Paid-up capital	Place of registration/ business	Percentage of ownership interest (%) 2019	2018	Principal activities
Dalian Software Park Ascendas Development Company Limited (大連軟件園騰飛發展有限公司)@@#^	US$80,180,000	PRC/Mainland China	**50**	50	Property investment
Dalian Yida Deji Decoration Engineering Company Limited (大連億達德基裝飾工程有限公司)@@#	RMB10,800,000	PRC/Mainland China	**50**	50	Interior decoration
Dalian Yize Property Development Company Limited (大連億澤房地產開發有限公司)@@#	RMB314,770,000	PRC/Mainland China	**52.57**	52.57	Property development
Dalian Yihong Property Development Company Limited (大連億鴻房地產開發有限公司)@@#	RMB347,200,000	PRC/Mainland China	**52.57**	52.57	Property development
Dalian Qingyun Sky Realty and Development Company Limited (大連青雲天下房地產開發有限公司)@@^#	RMB2,963,280,000	PRC/Mainland China	**25**	25	Property development
Panasonic Yida Decoration Co., Ltd. (松下億達裝飾工程有限公司) ("Panasonic Yida")@# (Note)	RMB86,000,000	PRC/Mainland China	**N/A**	49	Decoration
Shenzhen Shenlong Yida BEST City Development Company Limited(深圳市深龍億達科技園發展有限公司)@#	RMB5,000,000	PRC/Mainland China	**55**	55	Business park investment and management
Dalian Qingyun Sky Property Service Company Limited (大連青雲天下物業服務有限公司)@@#^	RMB5,000,000	PRC/Mainland China	**50**	50	Property management

19. Investments in Joint Ventures (continued)

Company name	Paid-up capital	Place of registration/ business	Percentage of ownership interest (%) 2019	2018	Principal activities
Chengdu Yida Chuangzhi Park Zone Operation Management Company Limited (成都億達創智園區運營管理有限公司) @#	RMB2,000,000	PRC/Mainland China	**51**	51	Business park investment and management
Beijing Shichuang Yida Technology Service Co., Ltd. (北京實創億達科技服務有限公司) @#	RMB1,000,000	PRC/Mainland China	**51**	51	Consulting service
Eagle Fit Limited ("Eagle Fit")	US$200	BVI	**35**	35	Dormant
Shenzhen Yida Hesheng Industrial Operation Management Co., Ltd. (深圳億達和盛產業運營管理有限公司) @#	RMB10,000,000	PRC/Mainland China	**51**	–	Property management
Hefei Yiyun Intelligent Industry Service Co., Ltd. (合肥億雲智慧產業服務有限公司) @#	RMB2,000,000	PRC/Mainland China	**40**	–	Consulting service

@ Registered as domestic limited liability companies under PRC law.

@@ Registered as sino-foreign joint ventures under PRC law.

\# The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as these companies did not register any official English names.

^ Material joint venture

Note: Panasonic Yida became a subsidiary of the Group since March 2019.

19. Investments in Joint Ventures (continued)

(i) Summarized financial information for joint ventures

The following tables illustrate the summarised financial information in respect of material joint ventures, namely Dalian Qingyun Sky Realty and Development Company Limited and Dalian Software Park Ascendas Development Company Limited, adjusted for any differences in accounting policies:

Dalian Qingyun Sky Realty and Development Company Limited:

	2019	2018
	RMB'000	RMB'000
Current assets	**3,229,126**	3,317,442
Non-current assets	**494**	2,217
Current liabilities	**(310,588)**	(504,029)
	2,919,032	2,815,630

	2019	2018
	RMB'000	RMB'000
Revenue	**370,894**	589,454
Cost of sales and operating expenses	**(193,763)**	(483,629)
Profit before income tax	**145,538**	55,717
Income tax expense	**(46,279)**	(23,620)
Profit for the year and total comprehensive income for the year	**99,259**	32,097
The above profit for the year includes the following:		
Depreciation and amortisation	**(310)**	(1,523)
Interest income	**9,476**	12,057
Interest expense	**(17,430)**	(25)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated statement of financial position:

	2019	2018
	RMB'000	RMB'000
Net assets of the joint venture	**2,919,032**	2,815,630
Group's effective interest	**25%**	25%
Carrying amount of the Group's interest in the joint venture	**729,758**	703,907

19. Investments in Joint Ventures (continued)

Dalian Software Park Ascendas Development Company Limited:

	2019 RMB'000	2018 RMB'000
Current assets	**115,413**	182,750
Non-current assets	**2,681,679**	2,650,875
Current liabilities	**(233,541)**	(246,776)
Non-current liabilities	**(912,733)**	(1,008,003)
	1,650,818	1,578,846

	2019 RMB'000	2018 RMB'000
Revenue	**150,894**	143,376
Cost of sales and operating expenses	**(72,897)**	(65,628)
Profit before income tax	**29,976**	77,748
Income tax expense	**(4,190)**	(13,901)
Profit for the year and total comprehensive income for the year	**25,786**	63,847
The above profit for the year includes the following:		
Interest expenses – net	**(27,666)**	(24,188)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognized in the consolidated statement of financial position:

	2019 RMB'000	2018 RMB'000
Net assets of the joint venture	**1,650,818**	1,578,846
Group's effective interest	**50%**	50%
Carrying amount of the Group's interest in the joint venture	**825,409**	789,423
Dividends received from joint venture entities	**5,000**	–

19. Investments in Joint Ventures (continued)

Aggregate information of joint ventures that are not individually material:

	2019 RMB'000	2018 RMB'000
The Group's share of profit/(loss)	**21,778**	(31,138)
The Group's share of total comprehensive income/(loss)	**21,778**	(31,138)
Aggregate carrying amount of the Group's interests in these joint ventures	**298,342**	287,430

The joint ventures had the following contingent liabilities at the end of the reporting period:

	2019 RMB'000	2018 RMB'000
Guarantees in respect of the mortgage facilities provided to certain purchasers of a joint venture's properties	**45,852**	59,063

(ii) Commitments in respect of joint ventures

	2019 RMB'000	2018 RMB'000
Commitments of capital injection into a joint venture	**74,205**	–

20. Investments in Associates

	2019 RMB'000	2018 RMB'000
Share of net assets	**14,174**	21,300

Particulars of the associates, which are unlisted corporate entities, are as follows:

Company name	Paid-up capital	Place of registration/ business	Percentage of ownership interest(%) 2019	2018	Principal activities
Hunan Jinke Yida Estate Development Company Limited (湖南金科億達產業發展有限公司) #(Note)	RMB100,000,000	PRC/Mainland China	–	10	Business park investment and management
Chongqing Jinke Kejian Real Estate Company Limited (重慶金科科健置業有限公司) #	RMB100,000,000	PRC/Mainland China	**10**	10	Property management
Crown Speed Investments Limited	HK$10,000	Hong Kong	**21.22**	21.22	Investment holding
Capital Chain Holdings Limited	HK$10,000	Hong Kong	**7**	7	Investment holding
Better Chance Investments Limited	HK$10,000	Hong Kong	**7**	7	Investment holding
Dalian Port Business Service Company Limited (大連航港商務服務有限公司) #	RMB2,000,000	PRC/Mainland China	**30**	30	Management service

\# The English names of these companies represent the best effort made by management of the Company to directly translate their Chinese names as these companies did not register any official English names.

Note: The Group disposed its equity interests in Hunan Jinke Yida Estate Development Company Limited in March 2019.

The Group did not have any material associates for the year.

21. Properties Under Development

	2019 RMB'000	2018 RMB'000
Properties under development expected to be completed:		
Within normal operating cycle included under current assets	**6,729,612**	5,332,092
Less: Provisions for impairment loss	**(235,001)**	(211,010)
	6,494,611	5,121,082
Properties under development expected to be completed within normal operating cycle and recoverable:		
– Within one year	**3,612,805**	2,579,724
– After one year	**2,881,806**	2,541,358
	6,494,611	5,121,082

At 31 December 2019, certain of the Group's properties under development of RMB3,490,862,000 (2018: RMB1,760,467,000) were pledged to banks to secure the loans granted to the Group (note 30).

22. Completed Properties Held for Sale

The completed properties held for sale are stated at the lower of cost and net realisable value.

	2019 RMB'000	2018 RMB'000
Completed properties held for sale	**4,864,006**	5,512,791
Less: Provisions for impairment loss	**(72,492)**	(59,075)
	4,791,514	5,453,716

23. Contract Assets

	2019 RMB'000	2018 RMB'000
Contract assets	**138,583**	140,388
Less: Allowances for impairment of contract assets	**(144)**	(146)
	138,439	140,242

24. Inventories

	2019 RMB'000	2018 RMB'000
Construction materials	**7,920**	14,658

25. Trade Receivables

	2019 RMB'000	2018 RMB'000
Trade receivables – gross amount	**964,562**	1,225,429
Less: Allowances for impairment of trade receivables	**(52,146)**	(38,810)
	912,416	1,186,619

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

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

	2019 RMB'000	2018 RMB'000
Within 1 year	**717,970**	908,533
1 to 2 years	**157,412**	259,626
Over 2 years	**89,180**	57,270
	964,562	1,225,429

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2019, a provision of RMB52,146,000 (1 January 2019: RMB 38,810,000) was made against the gross amount of trade receivables (note 46).

As at 31 December 2019, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB181,579,000(2018: RMB145,456,000) and no amounts due from the Group's associates (2018: RMB20,981,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

26. Prepayments, Deposits and Other Receivables

	2019 RMB'000	2018 RMB'000
Prepayments	**588,999**	639,101
Deposits and other receivables – gross amount	**2,417,008**	2,866,395
Less: Allowances for impairment of deposits and other receivables	**(15,763)**	(19,459)
Carrying amount at end of year	**2,990,244**	3,486,037
Current portion	**(2,197,831)**	(3,463,103)
Non-current portion	**792,413**	22,934

The Group applies the general approach to provide for expected credit losses prescribed by HKFRS 9.

As at 31 December 2019, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB31,361,000 (2018: RMB30,853,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2019, included in the Group's prepayments, deposits and other receivables are amounts due from joint ventures of RMB2,400,000 (2018: RMB6,584,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2019, included in the Group's prepayments, deposits and other receivables are amounts due from joint ventures of RMB2,012,000, among which RMB150,000 are unsecured, bear interest of a rate of 5.655% per annum and are repayable in 2020. As at 31 December 2018, included in the Group's prepayments, deposits and other receivables are amounts due from joint ventures of RMB12,822,000, among which RMB10,960,000 are unsecured, bear interest at a rate of 5.655% per annum.

As at 31 December 2019, included in the Group's other receivables are advances of RMB1,923,979,000 (2018: RMB2,053,998,000) to certain local government authorities in Dalian, the PRC, in connection with the primary land development of certain land parcels in Dalian, the PRC.

27. Cash and Cash Equivalents and Restricted Cash

	2019 **RMB'000**	2018 RMB'000
Cash and bank balances	**2,039,523**	1,806,261
Less: Restricted cash	**(1,006,857)**	(728,486)
Cash and cash equivalents	**1,032,666**	1,077,775

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

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB1,999,742,000 (2018: RMB1,803,429,000). 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 authorized to conduct foreign exchange business.

Notes:

- According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. At 31 December 2019, such guarantee deposits amounted to RMB206,452,000 by certain subsidiaries of the Group (2018: RMB134,632,000).

- At 31 December 2019, the deposits of the Group amounted to RMB105,405,000 (2018: RMB51,854,000), which was the deposits placed at designated bank accounts by certain subsidiaries of the Group for potential industrial accidents during construction work and training talents, according to the relevant regulation implemented by the local government and contracts.

- At 31 December 2019, certain of the Group's time deposits of RMB695,000,000(2018: RMB542,000,000) were pledged to banks to secure the bank and other loans granted to the Group (note 30).

28. 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:

	2019 **RMB'000**	2018 RMB'000
Due within 1 year or on demand	**2,038,170**	1,615,470
Due within 1 to 2 years	**1,340,471**	1,100,836
	3,378,641	2,716,306

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

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

29. Other Payables and Accruals

	2019 RMB'000	2018 RMB'000
Employee benefits payable	**156,416**	156,536
Dividend payable	**226,838**	255,493
Accruals	**447,125**	441,572
Other payables	**2,086,840**	3,284,482
Carrying amount at end of the year	**2,917,219**	4,138,083
Current portion	**(2,917,219)**	(4,138,083)
Non-current portion	**–**	–

The dividend payable as at 31 December 2019 of HKD253,229,060 for 2017 final dividends has been paid in February 2020.

As at 31 December 2019, included in the Group's other payables are amounts due to joint ventures of RMB193,399,000 (2018: RMB184,180,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2019, included in the Group's other payables are amounts due to associates of RMB616,000 (2018: Nil), which are unsecured, interest-free and repayable on demand.

As at 31 December 2019, included in the Group's other payables are amounts due to Main Zone Limited and Innovate Zone Group Limited of RMB38,314,000 (2018: RMB342,556,000) and RMB273,648,000 (2018: RMB1,681,256,000) respectively, as part of the consideration for the acquisition of 28.1% and 61.54% equity interests in Richcoast Group. The payables due to Main Zone Group Limited and Innovate Zone Group Limited carry a late payment interest at a rate of 5% per annum, and it has been further adjusted to a rate of 15% per annum from 30 June 2019.

30. Interest-Bearing Bank and Other Borrowings

	2019			2018		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans – secured	**4.35-9.50**	**2020**	**6,875,981**	4.35-10.60	2019	6,316,447
Other loans – secured	**5.70-15.00**	**2020**	**4,705,286**	5.70-18.00	2019	4,089,128
Other loans – unsecured	**1.20-15.00**	**2020**	**2,287,792**	1.20-7.00	2019	2,245,630
			13,869,059			12,651,205
Non-current						
Bank loans – secured	**6.00**	**2021**	**362,880**	3.58-6.18	2020-2021	1,554,508
Other loans – secured	**10.00**	**2021**	**112,360**	8.50-15.00	2020	761,057
Other loans – unsecured	**10.00**	**2021**	**671,426**	6.95	2020	2,059,955
			1,146,666			4,375,520
			15,015,725			17,026,725

	2019 RMB'000	2018 RMB'000
Analysed into:		
Bank loans repayable:		
– Within one year or on demand	**6,875,981**	6,316,447
– In the second year	**362,880**	1,188,320
– In the third to fifth years, inclusive	**–**	366,188
	7,238,861	7,870,955
Other loans repayable:		
– Within one year or on demand	**6,993,078**	6,334,758
– In the second year	**783,786**	2,821,012
	7,776,864	9,155,770
	15,015,725	17,026,725

30. Interest-Bearing Bank and Other Borrowings (continued)

As at 31 December 2019, included in bank loans of the Group is an amount of RMB2,151,000,000 (2018: RMB1,742,480,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank borrowings included borrowings with principal amounts of RMB3,134,611,000 (2018: RMB5,005,474,000) with original maturity beyond 31 December 2020 which have been reclassified as current liabilities as at 31 December 2019 as a result of the matters described in note 2.1(c).

(a) Included in other loans of the Group are corporate bonds in an aggregate principal amount of RMB1,426,772,000 (31 December 2018: RMB2,801,748,000). The first tranche of RMB1,000,000,000 and the second tranche of RMB2,000,000,000 of the corporate bonds were issued by Yida Development Company Limited ("Yida Development"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively. At the end of third year, Yida Development shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to Yida Development. A principal amount of RMB198,252,000 of the first tranche has been redeemed during 2018 and the remaining principal amount of RMB801,748,000 of the first tranche was extended and recorded into current interested bearing bank and other borrowings. Besides, a principal amount of RMB1,374,976,000 of the second tranche has been redeemed on 7 March 2019 as scheduled and the maturity date of the remaining principal amount of RMB625,024,000 of the second tranche has been extended to 9 March 2021.

(b) Included in other loans of the Group are senior notes with principal amounts of USD300,000,000 (approximately RMB2,092,860,000) issued in April 2017 (31 December 2018: USD300,000,000, approximately RMB2,058,960,000) (the "Existing Notes"). The net proceeds after deducting the issuance costs, amounted to approximately USD289,819,000 (approximately RMB2,021,835,000). The Existing Notes are unsecured, have a term of three years and bear interest at a rate of 6.95% per annum. The original maturity date was 19 April 2020.

    On 27 March 2020, the exchange offer and consent solicitation for the existing senior notes issued in 2017 was completed. USD247,146,000 of the existing senior notes validly tendered for exchange and accepted pursuant to the exchange offer and consent solicitation, the consideration of which settled on the same day was comprised of the issuance of USD224,899,000 of the new senior notes, USD22,243,140 as cash consideration, USD7,538,639.68 as accrued interests and USD3,860 in lieu of any fractional amount of the new senior notes. The new senior notes will mature in March 2022, while the Company shall, at the option of any new senior notes holders, repurchases the outstanding new senior notes in March 2021.

    Both of the Existing Notes and the new senior notes of the Company are denominated in United States dollars ("USD") and are guaranteed by certain subsidiaries of the Group.

    The remaining outstanding principal amount of the Existing Notes USD52,854,000 has been repaid by the group on 24 April 2020. The amount shall be due on 19 April 2020, and, as 19 April 2020 is a Sunday, such amount shall be paid on 20 April 2020, the immediate next business day.

30. Interest-Bearing Bank and Other Borrowings (continued)

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

(i) mortgages over the Group's properties under development with an aggregate carrying value at 31 December 2019 of approximately RMB3,490,862,000 (2018: RMB1,760,467,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2019 of approximately RMB14,547,558,000 (2018: RMB13,869,213,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2019 of approximately RMB464,607,000 (2018: RMB833,898,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2019 of approximately RMB2,626,371,000 (2018: RMB3,899,419,000);

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

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB8,794,814,000 (2018: RMB9,027,509,000) as at 31 December 2019;

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

(viii) pledges of certain of the Group's time deposits with an aggregate carrying value at 31 December 2019 of approximately RMB695,000,000 (2018: RMB542,000,000);

(ix) pledges of certain of the Group's guarantee deposits with an aggregate carrying value at 31 December 2019 of approximately RMB52,100,000 (2018: Nil); and

(x) pledges of other receivables of the Group with a carrying value at 31 December 2018 of approximately RMB254,400,000.

(d) Other than certain other loans with a carrying amount of RMB2,112,149,000 (2018: RMB2,059,955,000) denominated in USD as at 31 December 2019 and RMB496,349,000 (2018: RMB245,836,000) denominated in HKD as at 31 December 2019, all bank and other loans of the Group are denominated in RMB as at 31 December 2019 and 2018.

(e) As at 31 December 2018, included in other loans of the Group were loans from joint ventures with principal amounts of RMB21,000,000, which was unsecured, bore interest at 4.75% per annum and was repayable on demand, and RMB13,480,000, which was unsecured, bore interest at 3% per annum and was repayable on demand, respectively. All of them were paid repaid in 2019.

(f) As at 31 December 2019, included in other loans of the Group were loans from a related party (Shanghai Jiayu Medical Investment Management Co., Ltd.) controlled by the same ultimate holding company with principal amounts of RMB58,500,000, which were unsecured, bore interest at 15% per annum and were repayable within one year.

31. Provision for Land Appreciation Tax

	RMB'000
At 1 January 2018	382,116
Charged to the consolidated statement of profit or loss during the year (note 12)	409,417
Payments for the year	(204,095)
At 31 December 2018 and 1 January 2019	587,438
Charged to the consolidated statement of profit or loss during the year (note 12)	442,965
Payments for the year	(154,890)
At 31 December 2019	875,513

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

32. Deferred Tax

	2019 **RMB'000**	2018 RMB'000
Deferred tax assets	**253,446**	150,820
Deferred tax liabilities	**(2,505,589)**	(2,516,583)
	(2,252,143)	(2,365,763)

32. Deferred Tax (continued)

The gross movement on the deferred income tax account is as follows:

	2019 **RMB'000**	2018 RMB'000
Opening balance	**(2,365,763)**	(1,753,456)
Accrual of financial and contract assets impairment from adoption of HKFRS9 on 1 January 2018	**–**	3,821
Credit/(charged) to profit or loss	**112,882**	(166,164)
Additions arising from acquisition of subsidiaries	**738**	(449,964)
	(2,252,143)	(2,365,763)

As at 31 December 2019, deferred income tax assets and deferred income tax liabilities amounting to RMB80,160,000 (2018: RMB80,160,000) were offset.

The movements in deferred income tax assets and liabilities for both years ended 31 December 2019 and 2018 without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(a) Deferred tax assets

The movements in deferred tax assets before offsetting are as follows:

Movements	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Unrealised profits from intra-group transactions RMB'000	Provision for LAT RMB'000	Impairment provision on financial and contract assets RMB'000	Others RMB'000	Total RMB'000
At 31 December 2017	–	13,175	111,717	–	–	124,892
Impact of HKFRS 9	–	–	–	3,821	–	3,821
At 1 January 2018 (Restated)	–	13,175	111,717	3,821	–	128,713
(Charged)/credited to profit or loss	(201,857)	13,357	4,293	3,597	860	(179,750)
Acquisition of subsidiaries (note 37)	282,017	–	–	–	–	282,017
At 31 December 2018	80,160	26,532	116,010	7,418	860	230,980
(Charged)/credited to profit or loss	–	1,913	100,934	(99)	(860)	101,888
Acquisition of subsidiaries	–	–	–	738	–	738
At 31 December 2019	80,160	28,445	216,944	8,057	–	333,606

32. Deferred Tax (continued)

(b) Deferred tax liabilities

The movements in deferred tax liabilities before offsetting are as follows:

Movements	Provision for LAT RMB'000	Revaluation of investment properties RMB'000	Lease expenses RMB'000	Fair value adjustments of subsidiaries RMB'000	Total RMB'000
At 31 December 2017 and at 1 January 2018	(31,281)	(1,767,605)	–	(79,462)	(1,878,348)
(Charged)/credited to profit or loss	18,267	(31,626)	–	26,945	13,586
Acquisition of subsidiaries (note 37)	–	–	–	(731,981)	(731,981)
At 31 December 2018	(13,014)	(1,799,231)	–	(784,498)	(2,596,743)
At 1 January 2019	(13,014)	(1,799,231)	–	(784,498)	(2,596,743)
(Charged)/credited to profit or loss	1,997	(66,051)	(1,647)	76,695	10,994
At 31 December 2019	(11,017)	(1,865,282)	(1,647)	(707,803)	(2,585,749)

The Group had unutilised tax losses of approximately RMB1,829,946,000 (2018: RMB1,912,393,000) as at 31 December 2019, that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the tax entities in which the losses arose. Deferred tax assets are recognised for tax losses carried forward only to the extent that the realisation of the related benefits through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of such unutilised tax losses as the realisation of the related benefits is uncertain.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be levied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2019 and 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, these subsidiaries will not distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB3,948,870,000 as at 31 December 2019 (2018: RMB3,642,501,000).

33. Derivative Financial Instruments

	2019 RMB'000	2018 RMB'000
Liabilities		
Current		
– Put options	**769,496**	746,708

In November 2011, the Group granted put options to certain joint venture partners to sell their equity interest in certain joint venture to the Group, which were further modified according to the supplementary agreements signed in December 2013. The put options can be exercised at any time after the expiry of the first 54 months after the date of initial investments or after the pre-sale of a certain percentage of saleable construction area and a certain percentage of saleable construction area is delivered, whichever is earlier.

In June 2016, the Group received notices from certain joint venture partners in respect of the exercise of the put options at the price formula stipulated in the supplementary agreements signed in December 2013. On 23 October 2017, the Group received an arbitration notice in respect of the submission of arbitration applications by the joint venture partners, requesting the Group to pay the price of the put option and the relevant interest and compensation in accordance with the price formula stipulated in the above supplementary agreement. The Group submitted a response to the arbitration notice in 2017 and no further notice was received up to date.

Description of valuation techniques used and key inputs to valuation on put options:

		Range/weighted average	
Valuation technique	**Significant unobservable inputs**	**31 December 2019**	31 December 2018
Binomial model	Dividend yield	**0%**	0%
	Net asset value volatility	**24.46%**	26.30%
	Risk-free interest rate	**2.26%**	2.65%
	Stock volatility of comparable companies	**35.28%**	41.69%

Generally, a change in the assumption made for the net asset value volatility is accompanied by a directionally similar change in the risk-free interest rate and an opposite change in the dividend yield and stock volatility.

33. Derivative Financial Instruments (continued)

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in combined net effect of the dividend yield, net asset value volatility, risk-free interest rate and stock volatility of comparable companies (collectively the "Combined factors").

	Increase/ (decrease) in basis points	Combined net effect on profit before income tax RMB'000
Year ended 31 December 2019		
Combined factors	100	(7,764)
Combined factors	(100)	8,491
Year ended 31 December 2018		
Combined factors	100	(11,408)
Combined factors	(100)	12,414

34. Share Capital

	2019 RMB'000	2018 RMB'000
Authorised:		
50,000,000,000 shares of US$0.01 each	**3,124,300**	3,124,300
Issued and fully paid:		
2,583,970,000 ordinary shares of US$0.01 each	**159,418**	159,418

35. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2019	1,288,734	552,046	352,979	(6,598)	81,000	8,947,365	11,215,526
Comprehensive income							
Profit for the year	–	–	–	–	–	450,164	450,164
Other comprehensive income for the year	–	–	–	–	–	–	–
Total comprehensive income for the year	1,288,734	552,046	352,979	(6,598)	81,000	9,397,529	11,665,690
Transactions with owners							
Appropriation to surplus reserve	–	68,156	–	–	–	(68,156)	–
Disposal of equity interests in subsidiaries without loss of control (Note)	–	–	–	31,890	–	–	31,890
Balance at 31 December 2019	1,288,734	620,202	352,979	25,292	81,000	9,329,373	11,697,580

Note: In April 2019, the Group and other three third parties jointly established Yida Future Technology (China) Limited ("Yida Future"), in which the Group held 30% equity interests. According to the agreement, the board of directors of Yida Future composed of 7 directors, of which the Group appointed 4 directors. The Group can control Yida Future, for which Yida Future was recognized as a subsidiary.

Meanwhile, the Group transferred 100% equity interests in certain wholly-owned subsidiaries to Yida Future, which had an effective dilution of the Group's interests in these subsidiaries. After the transaction, the Group indirectly owned equity interests of these subsidiaries as to 30% and the Group still controls these subsidiaries. The Group recognized a decrease in non-controlling interests of approximately RMB31.89 million.

35. Reserves (continued)

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 31 December 2017	1,495,452	512,580	352,979	(6,598)	81,000	(21,027)	8,164,375	10,578,761
Changes in accounting policies	–	–	–	–	–	–	(11,463)	(11,463)
Restated balance at 1 January 2018	1,495,452	512,580	352,979	(6,598)	81,000	(21,027)	8,152,912	10,567,298
Comprehensive income								
Profit for the year	–	–	–	–	–	–	833,919	833,919
Other comprehensive income for the year:								
Exchange differences	–	–	–	–	–	21,027	–	21,027
Total comprehensive income for the year	–	–	–	–	–	21,027	833,919	854,946
Transactions with owners								
Appropriation to surplus reserve	–	39,466	–	–	–	–	(39,466)	–
2017 final dividend	(206,718)	–	–	–	–	–	–	(206,718)
Balance at 31 December 2018	1,288,734	552,046	352,979	(6,598)	81,000	–	8,947,365	11,215,526

- ### Statutory surplus reserve

  Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

- ### Merger reserve

  The merger reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013.

- ### Share-based payment reserve

  The share-based payment reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013. The amount of RMB 81,000,000 represents the difference between the estimated fair value of the shares at the date of issue and the consideration paid by the companies owned by certain employees of the Group.

36. Partly-Owned Subsidiary with Material Non-controlling Interests

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2019	2018
Percentage of equity interest held by non-controlling interests: Wuhan NSP	**56%**	56%

	2019	2018
Profit/(loss) for the year allocated to non-controlling interests: Wuhan NSP	**208,920**	(12,452)
Balance of non-controlling interests at reporting date: Wuhan NSP	**456,244**	269,149

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2019 **RMB'000**	2018 RMB'000
Revenue	**276,782**	418,798
Total expenses	**141,058**	(443,702)
Profit/(loss) for the year	**417,840**	(24,904)
Total comprehensive income/(loss) for the year	**417,840**	(24,904)
Current assets	**1,576,146**	2,510,928
Non-current assets	**473,094**	11,458
Current liabilities	**(519,209)**	(1,100,097)
Non-current liabilities	**(615,374)**	(881,824)
Net cash flows used in operating activities	**57,727**	(193,051)
Net cash flows from/(used in) investing activities	**761,836**	(486)
Net cash flows used in financing activities	**(645,262)**	(86,583)
Net increase/(decrease) in cash and cash equivalents	**174,301**	(280,120)

37. Business Combinations

(a) Summary of acquisitions in 2018

As at 31 December 2016, the Group held 10.26% equity interests in Richcoast Group, which held 78% equity interests in a real estate project known as Project Dalian Tiandi through certain project companies, while the remaining 22% equity interests in Project Dalian Tiandi was held by the Group directly. As a result, the Group held approximately 30% effective equity interests in Propject Dalian Tiandi. Richcoast Group and those certain project companies of Project Dalian Tiandi were recognised as associates to the Group until 14 November 2017.

On 14 November 2017, the Group entered into acquisition agreements with the other two shareholders of Richcoast Group respectively, to acquire the entire remaining equity interests in Richcoast Group. As at 31 December 2017, the acquisition of additional 28.20% equity interests of Richcoast Group from Main Zone Group Limited was completed by the Group, and therefore the Group increased the equity interests in Richcoast Group from 10.26% to 38.46% and held approximately 52% effective equity interests in Propject Dalian Tiandi. Since then, Richcoast Group became a joint venture of the Group until 14 May 2018.

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

37. Business Combinations (continued)

(a) Summary of acquisitions in 2018 (continued)

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

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

37. Business Combinations (continued)

(a) Summary of acquisitions in 2018 (continued)

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

The gain on re-measurement of pre-existing interests in the Richcoast Group to the fair value as of the acquisition date amounting to RMB160,521,000 upon obtaining control of Richcoast Group was included in "other gains" in the consolidated statement of profit or loss for the year ended 31 December 2018.

(b) Summary of acquisitions in 2019

The Group held 49% equity interests in Panasonic Yida, which was accounted for as a joint venture.

In March 2019, the Group acquired the remaining 51% equity interests of Panasonic Yida from the joint venture partner at a total consideration of RMB1,000,000. Since then, Panasonic Yida became a wholly owned subsidiary of the Group and a gain arising from the acquisition of approximately RMB49,389,000 was recognized during 2019.

(c) Purchase consideration – cash outflow

	2019 **RMB'000**	2018 RMB'000
Outflow of cash to acquire subsidiaries, net of cash acquired		
Cash consideration paid	**(1,408,608)**	(1,140,412)
Less: Cash and bank balances acquired	**20,885**	461,316
Net outflow of cash – investing activities	**(1,387,723)**	(679,096)

38. Financial Guarantees

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

As at 31 December 2019, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB275,193,000 (2018: RMB324,054,000).

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.

38. Financial Guarantees (continued)

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.

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

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

39. Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other loans are included in note 30 to the financial statements.

40. Operating Lease Arrangements As A Lessor

The Group leases its investment properties (note 16) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and to provide for periodic rent adjustments according to the then prevailing market conditions. Certain contingent rent receivables are determined based on the turnover of the lessees.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2019 **RMB'000**	2018 RMB'000
Within one year	**442,529**	331,174
In the second to fifth years, inclusive	**708,276**	532,734
After five years	**185,839**	102,067
	1,336,644	965,975

41. Commitments

In addition to the operating lease commitments, the Group had the following capital commitments at the end of the reporting period:

	2019 RMB'000	2018 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**3,909,367**	2,977,815
Capital contribution to a joint venture	**74,205**	–
	3,983,572	2,977,815

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	2019 RMB'000	2018 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**126,644**	125,543

42. Notes to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000
At 1 January 2019	**17,026,725**
Changes from financing cash flows	**(2,168,217)**
Foreign exchange movements	**28,786**
Changes in interest accruals	**22,595**
Other movements – net (Note)	**105,836**
At 31 December 2019	**15,015,725**
At 1 January 2018	16,985,732
Additions arising from obtaining control/acquisition of subsidiaries (note 37)	1,279,941
Changes from financing cash flows	(1,378,190)
Foreign exchange movements	105,029
Changes in interest accruals	34,213
At 31 December 2018	17,026,725

Note: During the year ended 31 December 2019, other movements included non-cash offsetting of certain borrowings of RMB98,545,000.

43. Related Party Transactions

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2019 RMB'000	2018 RMB'000
Service fees from joint ventures	(i)	**154,075**	134,205
Service fees to a joint venture	(i)	–	423
Service fees from associates	(i)	**2,330**	30,488
Rental income from a joint venture	(ii)	**4,191**	5,627
Interest income from joint ventures	(iii)	–	14,002
Interest expenses to a joint venture	(iii)	**275**	1,402

Notes:

(i) The service fees were related to the construction services, landscaping services and property management services provided by the Group and related to decoration provided to the Group by a joint venture at rates determined in accordance with the terms and conditions set out in the contracts entered into with the related parties.

(ii) The rentals were determined at rates mutually agreed with the related parties.

(iii) The interest income was related to advances made by the Group to joint ventures. The interest expenses were related to loans from a joint venture to the Group. The interest rates were mutually agreed with the related parties.

In the opinion of the Directors, the above transactions were entered into in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group

In the opinion of the Directors, the Directors represent the key management personnel of the Group and details of the compensation are set out in note 10 to the financial statements.

44. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

At 31 December 2019

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	912,416
Deposits and other receivables (note 26)	2,401,245
Restricted cash (note 27)	1,006,857
Cash and cash equivalents (note 27)	1,032,666
	5,353,184

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Derivative financial instruments (note 33)	769,496	–	769,496
Trade payables (note 28)	–	3,378,641	3,378,641
Other payables and accruals (note 29)	–	2,331,000	2,331,000
Interest-bearing bank and other borrowings (note 30)	–	15,015,725	15,015,725
	769,496	20,725,366	21,494,862

44. Financial Instruments by Category (continued)

At 31 December 2018

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	1,186,619
Deposits and other receivables (note 26)	2,846,936
Restricted cash (note 27)	728,486
Cash and cash equivalents (note 27)	1,077,775
	5,839,816

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Derivative financial instruments (note 33)	746,708	–	746,708
Trade payables (note 28)	–	2,716,306	2,716,306
Other payables and accruals (note 29)	–	3,650,633	3,650,633
Interest-bearing bank and other borrowings (note 30)	–	17,026,725	17,026,725
	746,708	23,393,664	24,140,372

45. Fair Value and Fair Value Hierarchy of Financial Instruments

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2019 and 2018 respectively.

Fair value hierarchy as at 31 December 2019

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	–	–	**19,234,750**	**19,234,750**
Liabilities measured at fair value:				
Derivative financial instruments (note 33)	–	–	**769,496**	**769,496**

Fair value hierarchy as at 31 December 2018

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	–	–	18,056,950	18,056,950
Liabilities measured at fair value:				
Derivative financial instruments (note 33)	–	–	746,708	746,708

The fair values of the non-current portion of other receivables and interest-bearing bank and other borrowings are approximate to their carrying amounts as at 31 December 2019 and 2018.

The details of the valuation technique and inputs used in the fair value measurement of investment properties and derivative financial instruments have been disclosed in note 16 and note 33 to the financial statements, respectively.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

The Group's finance department determines the policies and procedures for recurring fair value measurement, such as investment properties and derivative financial instruments. The finance department comprises the head of the investment properties segment, head of the Group's investment team, chief financial officer and the managers of each property.

45. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

External valuers are involved for the valuation of significant assets, such as investment properties and significant liabilities, such as derivative financial liabilities. Involvement of external valuers is decided upon annually by the finance department. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The finance department decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the finance department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the finance department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The finance department, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

46. Financial risk management objectives and policies

The Group's principal financial instruments comprise bank and other borrowings and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

46.1 Financial risk factors

(a) Market risk

The Group's assets are predominantly in the form of land held for development for sale, investment properties, properties under development and completed properties held for sale. In the event of a severe downturn in the property market, these assets may not be readily realised.

The sensitivity analyses of fair value measurement of investment properties and derivative financial instruments are disclosed in note 16 and note 33 to the financial statements, respectively.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Other than deposits held at banks, the Group does not have significant interest-bearing assets. Restricted deposits were held at banks in Mainland China at the same savings rate of unrestricted deposits throughout the year. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. Since the Group has mainly entered into floating interest rate loans, there is no significant fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in basic points	Effect on profit before tax RMB'000
31 December 2019		
RMB	**50**	**(25,899)**
RMB	**(50)**	**25,899**
31 December 2018		
RMB	50	(24,000)
RMB	(50)	24,000

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(c) Foreign currency risk

All of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank and other borrowings denominated in foreign currencies.

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration of Foreign Exchange, this could affect the Group's subsidiaries' ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Company.

The Group's financial assets and liabilities including certain short term deposits and borrowing denominated in United States dollars and Hong Kong dollars are subject to foreign currency risk. Therefore, the fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risk. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

As at 31 December 2019, if RMB had weakened/strengthened by 10% (2018: 10%) against the United States dollar, which was considered reasonably possible by management, the Group's profit before tax for the year would have been decreased/increased by RMB253,858,000 (2018: RMB200,857,000) and there would be no material impact on other components of the Group's equity.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(d) Credit risk

It is the Group's policy that all customers are required to pay deposits in advance of the purchase of properties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. There is no significant concentration of credit risk within the Group.

Trade receivables mainly represent receivables for contract works. Other receivables mainly comprise amounts due from related parties and advances to local government authorities in connection with primary land development. The Group closely monitors these trade receivables and other receivables to ensure actions are taken to recover these balances in case of any risk of default.

On top of the credit risk arising from the financial guarantees provided by the Group as detailed in Note 38, the credit risk of the Group's other financial assets, which mainly comprise cash and short term deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(d) Credit risk (continued)

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for trade receivables and contract assets.

As at 31 December 2019, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

31 December 2019	Current RMB'000	More than 180 days past due RMB'000	More than 1 year past due RMB'000	More than 2 year past due RMB'000	Total RMB'000
Expected loss rate	**0.95%**	**13.74%**	**84.99%**	**100.00%**	
Gross carrying amount	**919,416**	**–**	**11,260**	**33,886**	**964,562**
Loss allowance	**8,690**	**–**	**9,570**	**33,886**	**52,146**

As at 31 December 2018, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

31 December 2018	Current RMB'000	More than 180 days past due RMB'000	More than 1 year past due RMB'000	More than 2 year past due RMB'000	Total RMB'000
Expected loss rate	0.93%	12.18%	58.01%	100.00%	
Gross carrying amount	1,191,543	–	14,616	19,270	1,225,429
Loss allowance	11,060	–	8,480	19,270	38,810

For contract assets, the expected credit losses, RMB144,000 as at 31 December 2019 and RMB146,000 as at 31 December 2018, were determined based on carrying amounts of RMB138,583,000 and RMB140,388,000 respectively at expected loss rate of 0.1%.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(d) Credit risk (continued)

(ii) Other receivables (excluding prepayments)

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses	Gross carrying amount
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(d) Credit risk (continued)

(ii) Other receivables (excluding prepayments) (continued)

As at 31 December 2019, the Group provides for loss allowance for other receivables as follows:

	Category	Expected credit loss rate	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
Amounts due from related parties	Stage one	**1.70%**	**35,109**	**(597)**	**34,512**
Receivables for primary land development	Stage one	**0.10%**	**1,923,979**	**(1,924)**	**1,922,055**
Others	Stage one	**2.89%**	**457,920**	**(13,242)**	**444,678**
			2,417,008	**(15,763)**	**2,401,245**

As at 31 December 2018, the Group provides for loss allowance for other receivables as follows:

	Category	Expected credit loss rate	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
Amounts due from related parties	Stage one	1.70%	47,767	(813)	46,954
Receivables for primary land development	Stage one	0.10%	2,053,998	(2,054)	2,051,944
Others	Stage one	2.17%	764,630	(16,592)	748,038
			2,866,395	(19,459)	2,846,936

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(e) Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents (note 27) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities are available for contingency purposes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	At 31 December 2019				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 year RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 30)	**14,958,731**	**1,246,817**	**–**	**–**	**16,205,548**
Trade payables (note 28)	**3,378,641**	**–**	**–**	**–**	**3,378,641**
Other payables and accruals (note 29)	**2,331,000**	**–**	**–**	**–**	**2,331,000**
Lease liabilities	**67,916**	**59,087**	**160,391**	**391,868**	**679,262**
	20,736,288	**1,305,904**	**160,391**	**391,868**	**22,594,451**
Financial guarantees issued: Maximum amount guaranteed (note 38)	**275,193**	**–**	**–**	**–**	**275,193**

	At 31 December 2018				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 year RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 30)	13,546,250	4,311,316	388,160	–	18,245,726
Trade payables (note 28)	2,716,306	–	–	–	2,716,306
Other payables and accruals (note 29)	3,650,633	–	–	–	3,650,633
	19,913,189	4,311,316	388,160	–	24,612,665
Financial guarantees issued: Maximum amount guaranteed (note 38)	324,054	–	–	–	324,054

Note: The amounts of interest-bearing bank and other borrowings include future interest payments computed using contractual rates.

46. Financial risk management objectives and policies (continued)

46.1 Financial risk factors (continued)

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is subject to financial covenants attached to the interest-bearing bank and other borrowings that define capital structure requirements. The financial institutions have the right to call the bank and other borrowings immediately for breach of the relevant financial covenants. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt ratio, which is net debt divided by the capital. Net debt includes interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash. Capital represents total equity. The net debt ratios as at the end of the reporting periods were as follows:

	31 December 2019 RMB'000	31 December 2018 RMB'000
Interest-bearing bank and other borrowings (note 30)	**15,015,725**	17,026,725
Less: Cash and cash equivalents (note 27)	**(1,032,666)**	(1,077,775)
Less: Restricted cash (note 27)	**(1,006,857)**	(728,486)
Net debt	**12,976,202**	15,220,464
Total equity	**12,535,521**	11,838,559
Net debt ratio	**103.5%**	128.6%

47. Statement of Financial Position and Reserve Movements of the Company

	2019 RMB'000	2018 RMB'000
Non-Current Asset		
Investment in a subsidiary	–*	–*
Current Assets		
Other receivables	–	–
Due from subsidiaries	**4,280,346**	4,110,395
Cash and cash equivalents	**2,337**	365
Total current assets	**4,282,683**	4,110,760
Current Liabilities		
Interest-bearing bank and other borrowings	**2,608,498**	–
Other payables and accruals	**226,838**	206,718
Due to subsidiaries	**686,160**	326,958
Total current liabilities	**3,521,496**	533,676
Net Current Assets	**761,187**	3,577,084
Non-Current Liabilities		
Interest-bearing bank and other borrowings	–	2,524,342
Net assets	**761,187**	1,052,742
Equity		
Issued capital	**159,418**	159,418
Reserves (note)	**601,769**	893,324
Total equity	**761,187**	1,052,742

* Less than RMB1,000

Jiang Xiuwen
Director

Yu Shiping
Director

47. Statement of Financial Position and Reserve Movements of the Company (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total reserves RMB'000
As at 1 January 2018	1,495,452	81,000	(222,058)	1,354,394
2017 final dividend	(206,718)	–	–	(206,718)
Loss for the year and total comprehensive loss for the year	–	–	(254,352)	(254,352)
As at 31 December 2018 and 1 January 2019	1,288,734	81,000	(476,410)	893,324
Loss for the year and total comprehensive loss for the year	–	–	(291,555)	(291,555)
As at 31 December 2019	1,288,734	81,000	(767,965)	601,769

48. Subsequent Event

Following the outbreak of Coronavirus Disease 2019 ("the COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been implemented across the PRC, including home quarantines, travel restrictions and postponement of work resumption. It has affected the business and economic activities of the Group to certain extent. Although most of the Group's construction of properties projects and operation of business parks have been resuming, the COVID-19 outbreak would possibly affect sales of properties and signing of new contracts for the rental. In addition, the fair value of investment properties may also be affected in the future. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group.

49. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 15 May 2020.

商務園區運營專家
www.yidachina.com

億達中國控股有限公司
Yida China Holdings Limited

中華人民共和國（「中國」）總部
Headquarter In The People's Republic Of China ("PRC")
中國上海市黃浦區福佑路8號中國人保大廈5樓
5/F, People's Insurance Mansion, No. 8, Fuyou Road,
Huangpu District, Shanghai, PRC

香港主要營業地點
Principal Place Of Business In Hong Kong
香港金鐘金鐘道88號太古廣場二座12樓1215室
Suite 1215, Two Pacific Place, 88 Queensway,
Admiralty, Hong Kong