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

Annual Report
年度報告
2020

Contents

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 and construction, decoration and landscaping services. 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 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 (removed on 15 June 2020)
Mr. Yu Shiping (resigned on 31 March 2021)
Ms. Zheng Xiaohua (resigned on 31 March 2021)
Mr. Xu Beinan (resigned on 1 April 2020)

Non-executive Directors

Mr. Wang Gang
Mr. Zong Shihua (resigned on 4 June 2020)
Mr. Zhou Yaogen (resigned on 15 September 2020)
Mr. Zhang Xiufeng (appointed on 15 September 2020)
Mr. Cheng Xuezhi (appointed on 31 March 2021)
Mr. Ni Jie (appointed on 31 March 2021)

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
Ms. Wang Huiting

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
Two 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				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**5,204,224**	6,077,400	7,356,958	7,317,619	7,004,548
Cost of sales	**(3,959,448)**	(3,946,801)	(5,305,746)	(5,551,155)	(5,460,083)
Gross profit	**1,244,776**	2,130,599	2,051,212	1,766,464	1,544,465
Other income	**37,917**	52,733	51,927	70,491	72,949
Gains arising from acquisition of subsidiaries	**454,889**	49,389	790,959	–	583,113
Fair value gains on investment properties	**81,073**	147,396	6,586	341,216	201,219
Net impairment losses on financial and contract assets	**2,635**	(9,174)	(23,861)	–	(19,270)
Other (losses)/gains – net	**81,055**	297,643	(45,058)	19,998	(342,839)
Selling and marketing expenses	**(169,350)**	(208,086)	(192,886)	(236,083)	(215,505)
Administrative expenses	**(451,296)**	(520,801)	(502,698)	(478,585)	(434,358)
Finance costs – net	**(832,091)**	(683,098)	(659,853)	(334,461)	(278,346)
Share of profits and losses of joint ventures and associates	**86,876**	50,808	8,810	449,702	(80,676)
Profit before income tax	**536,484**	1,307,409	1,485,138	1,598,742	1,030,752
Income tax expenses	**(339,645)**	(669,306)	(681,552)	(504,480)	(456,599)
Profit for the year	**196,839**	638,103	803,586	1,094,262	574,153
Owners of the Company	**172,576**	450,164	833,919	984,302	564,000
Non-controlling interests	**24,263**	187,939	(30,333)	109,960	10,153
	196,839	638,103	803,586	1,094,262	574,153

	As at 31 December				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**45,466,485**	43,873,463	43,086,362	37,097,484	35,959,502
TOTAL LIABILITIES	**(33,154,703)**	(31,337,942)	(31,247,803)	(25,954,578)	(25,812,973)
NON-CONTROLLING INTERESTS	**(282,208)**	(678,523)	(463,615)	(404,727)	(274,189)
	12,029,574	11,856,998	11,374,944	10,738,179	9,872,340

Chairman's Statement

Jiang Xiuwen
Chairman and Chief Executive Officer
Yida China Holdings Limited

Dear shareholders,

I am pleased to present you the annual results of the Group for the year ended 31 December 2020 (the "**Year**").

Results

During the Year, the Group recorded revenue of RMB5,204 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB3,555 million. Rental income from business parks was RMB538 million; business park operation and management income was RMB63.07 million; construction, decoration and landscaping income was RMB419 million; and property management income was RMB630 million. Gross profit decreased by 41.6% to RMB1,245 million compared to the corresponding period of the previous year, with a gross profit margin of 23.9%. Net profit attributable to equity owners was RMB173 million.

Review of 2020

In 2020, amid the global COVID-19 pandemic, China's economy showed great resilience and its recovery exceeded expectations. In the face of considerable downward pressure on the economy at the beginning of the year, property market regulatory policies remained unchanged, adhering to "housing is for living in, not for speculation". At the same time, in pursuing economic growth, China will continue to prioritize the development of the real economy, upgrade the industrial base, modernize industrial chains, transform and upgrade traditional industries, and strengthen strategic emerging industries.

Despite facing multiple uncertainties, the Group remains committed to the direction of "strengthening the core competitiveness of business park operation", the implementation of the strategy of "developing asset-light and asset-heavy businesses simultaneously, leading the development of asset-light business to actuate asset-heavy business, supporting asset-light business with asset-heavy business", and refined the development model of "city-industry integration". The Group also adjusted its product structure, accelerated the destocking, and overcame a variety of challenges to ensure the sustainable and steady execution of all its business lines.

I. Concentrating on city-industry projects, exploring multiple cooperation models, in order to improve operational efficiency

The Group continued to emphasise the development of its business under the "city-industry integration" model. By establishing professional partnerships with multiple financial institutions and maintaining cooperation in project expansion, industry resource sharing, and the establishment of investment and financing platforms, the Group achieved complementary advantages, risk sharing, and benefit sharing. During the Year, the Group's city-industry integration projects gradually advanced, acquiring JV projects totalling approximately 280,000 sq.m. in Changsha and Shenyang. The Group is also seeking new project resources and partners in Chengdu, Chongqing, Xinxiang and other regions.

II. Facilitating the resumption of work and production, fulfilling social responsibilities, in order to effectively counter the pandemic

During the Year, the Group quickly responded to the outbreak of COVID-19 by protecting enterprises within business parks and the well-being of residential property owners. Its protective measures extended over 4,164 enterprises in the parks, 74 residentials projects, covering more than 320,000 people. Following government directives and support, the Group fulfilled its social responsibilities in Wuhan, which was highly affected, and in Dalian, which suffered from multiple recurrance of the virus, winning praise for the professional services and extensive caring. Each business park was able to gradually and safely resume work and production, and lives have fully returned to normal.

Wuhan First City was in the first group of zero-epidemic business parks in Wuhan to resume work, and was awarded the title of "Pioneering Group of the Battle against the Epidemic" of the Wuhan Donghu High-tech Zone. In 2020, Wuhan First City achieved the introduction of 13 digital economy and intelligent health industry enterprises, commenced the construction of "Industry Phase 5.1" and was named as one of the "Top 10 Iconic Projects of China's Industry New City in 2020".

III. Establishing a solid foundation for development, driving digital transformation and upgrade, in order to enable high-quality development of business parks

During the Year, "Huiyun, Zhiyun, Xiangyun and Xingyun" (慧雲、智雲、享雲、星雲), the Group's four major intelligent park management product systems, enabled the Group to research and develop online platforms of park management and to establish and deliver offline operation service systems to our customers. Using Zhengzhou Creation City as a pilot zone, the Group accelerated its exploration of integrated operation and maintenance service systems for intelligent business parks, adopted innovative technologies to guide industry planning, engineering, construction, asset operation and implementation, and realised various functions, including equipment and facility management and control, park operational services scheduling, and park exhibition hall smart display. The Group explored all-scenario applications for intelligent business parks which integrate consulting, design, construction, industry agglomeration and platformization. The Group effectively controlled the cost input on the property and equipment management segments of business parks, improved service efficiency and shortened the response time. By the end of the Year, a total of 27 projects with an area of over five million sq.m. were launched online, and thousands of corporate clients were introduced to the business parks, with more than 12,000 in reserve.

Outlook for 2021

The state will continue to vigorously build new infrastructure, create new foundations for industry development, attract industries and talent, drive industry upgrading, and bring new momentum to high-quality economic development. The Group will closely focus on the country's new industry development goals and assist regional economic development by adhering to the corporate operational principles of "market-oriented and customer-centric". All Yida employees will continue to work hard to overcome difficulties and ensure the stable operation of the enterprise.

I. Refining asset-light business and strengthening the industry value chain

In the future, the Group will consolidate its core competitiveness of business park operations, concentrate on the eight major industry directions, and seek strategic cooperation with leading companies to broaden the industrial dimension. Relying on over two decades of experience in serving corporate clients, the Group's business park management and operation business has been fully established in economically active regions such as the Beijing-Tianjin-Hebei, Yangtze River Delta, the Greater Bay Area, as well as midwestern China. It will integrate high-quality resources, accumulate corporate clients, cultivate tenant recruitment teams, and lay further foundations for the steady step into the strategic cities.

II. Optimising asset structure and managing financial risks

While ensuring the stable development of the principal businesses, the Group will work to revitalize other businesses and existing assets, speed up the cash inflows, control financial risks, and ensure short-term liquidity as well as invest in more efficient businesses to improve asset utilisation, maintain a stable loan balance, control cost of capitals, and seek new financing.

III. Introducing strategic business partners and implementing diversified cooperation

The Group will continue the introduction of strategic partners, strengthen cooperative opportunities with shareholders and partners, release partners' advantages in capital and resources, and overcome financing difficulties. The Group will strengthen its presence in strategic regions, explore and implement the "fund + foundation" tenant recruitment model, establish investment funds with local government platforms. The Company will be able to realize profits from joint venture projects and achieve lightweight operation.

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

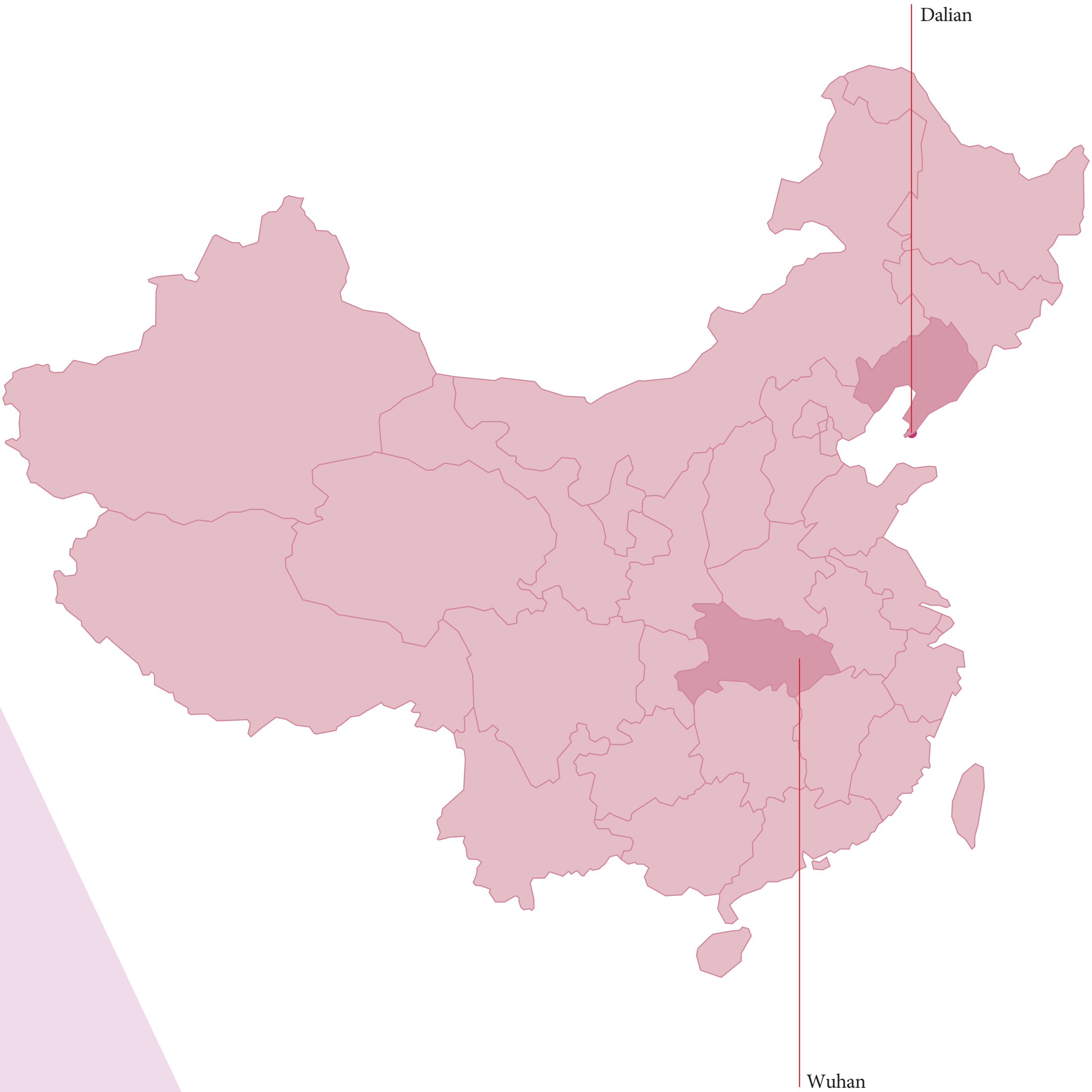
Yida China Holdings Limited
Jiang Xiuwen
Chairman and Chief Executive Officer

Hong Kong, 31 March 2021

Management Discussion and Analysis – Business Review
I. Operation of Business Parks Owned by the Group

Dalian BEST City

Management Discussion and Analysis – Business Review (continued)
I. Operation of Business Parks Owned by the Group (continued)



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1 Dalian Yida Information Software Park

2 Dalian Tiandi

I. Operation of Business Parks Owned by the Group (continued)

During the Year, the Group wholly owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City and Dalian Ascendas IT Park, respectively. The total completed gross floor area of the above business parks was approximately 2,088 million sq.m., with a leasable area of approximately 1.945 million sq.m. During the Year, the Group recorded a rental income of approximately RMB538 million, representing a 3.1% decrease over the previous year, mainly due to the decrease in occupancy rate due to COVID-19 during the Year.

An overview of business parks owned by the Group:

(Unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area				Occupancy Rate at the End of the Year
			Office Buildings	Apartments	Shops	Parking Spaces	
Dalian Software Park	100%	637	391	181	33	42	91%
Dalian BEST City	100%	223	99	–	7	41	73%
Yida Information Software Park	100%	156	131	–	4	20	65%
Dalian Tiandi	100%	451	329	37	41	44	50%
Wuhan First City	50%	272	109	40	22	101	37%
Dalian Ascendas IT Park	50%	349	206	–	3	64	85%
Total		**2,088**		**1,945**			

Note:

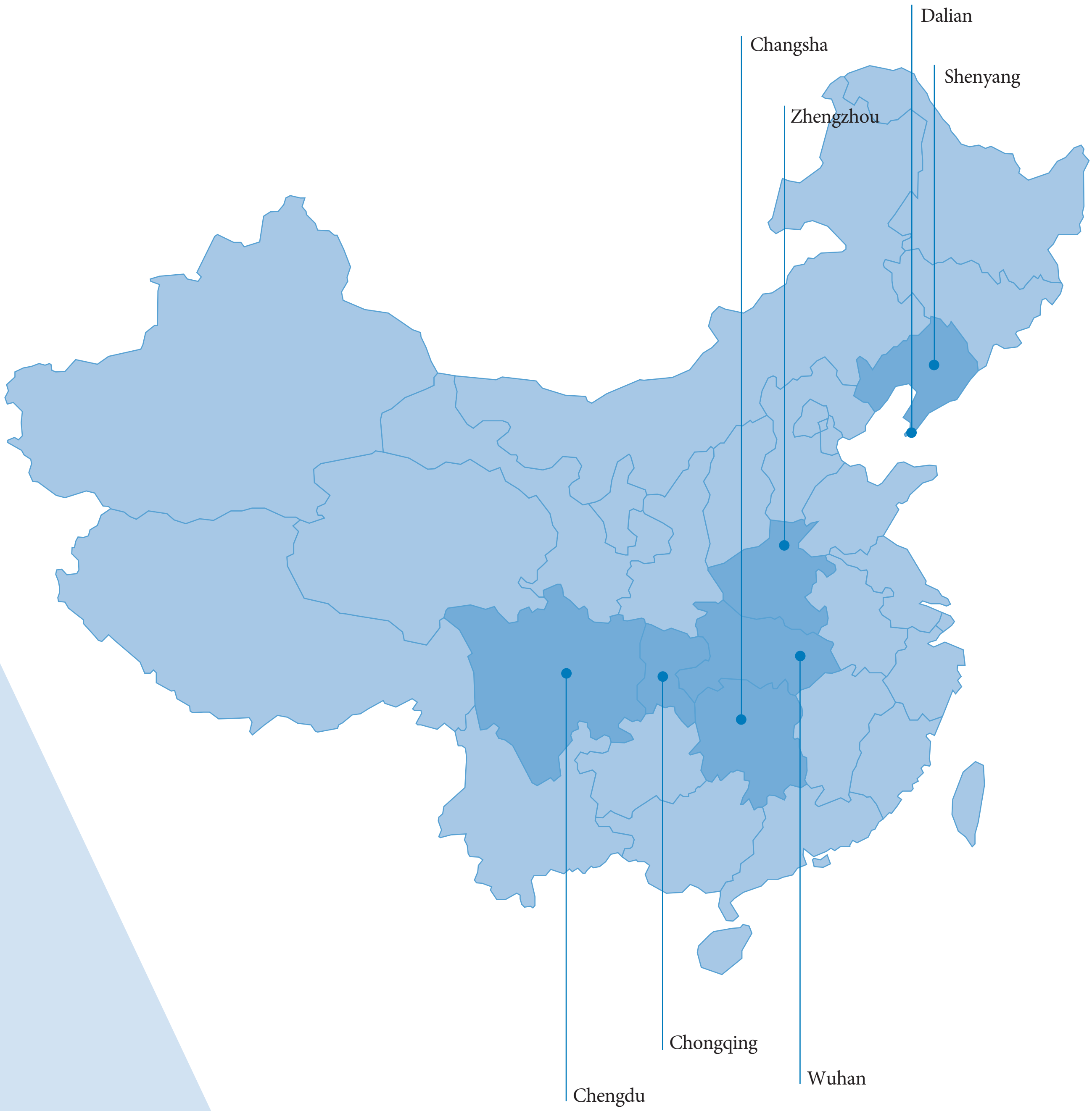
1. The financial statement of Dalian Ascendas IT Park is not consolidated, therefore the rental income of the Group excludes the rental income from such park.

The Group continued to deepen the implementation of the infrastructure concept of "Digital Intelligent Parks". By collecting professional data in real time for analysis and monitoring, the Group realized intelligentization of park management and provided an effective basis for future industrial and urban development. At the same time, the Group utilized its advantages of enterprise and technology agglomeration to build a digital technology innovation highland and a digital economy integration application highland, as well as to create a favorable innovation ecology and atmosphere. By connecting both the industrial chain upstream and downstream, and stimulating the collaboration and inter-industry integration, the Group made positive contributions to the revitalization and take-off of the regional digital economy.

During the Year, a number of new economy enterprises settled in the business parks of the Group. Enterprises including ThunderSoft (a leading intelligent products and technologies provider), Orion (a French engineering technology consulting service company), China Tower (a large state-owned telecommunications infrastructure and 5G base station service company) settled in Dalian Tiandi; while Dalian Dinghong Technology Co., Ltd., a one-stop equipment supplier in industrial transmission field, settled in Dalian BEST City.

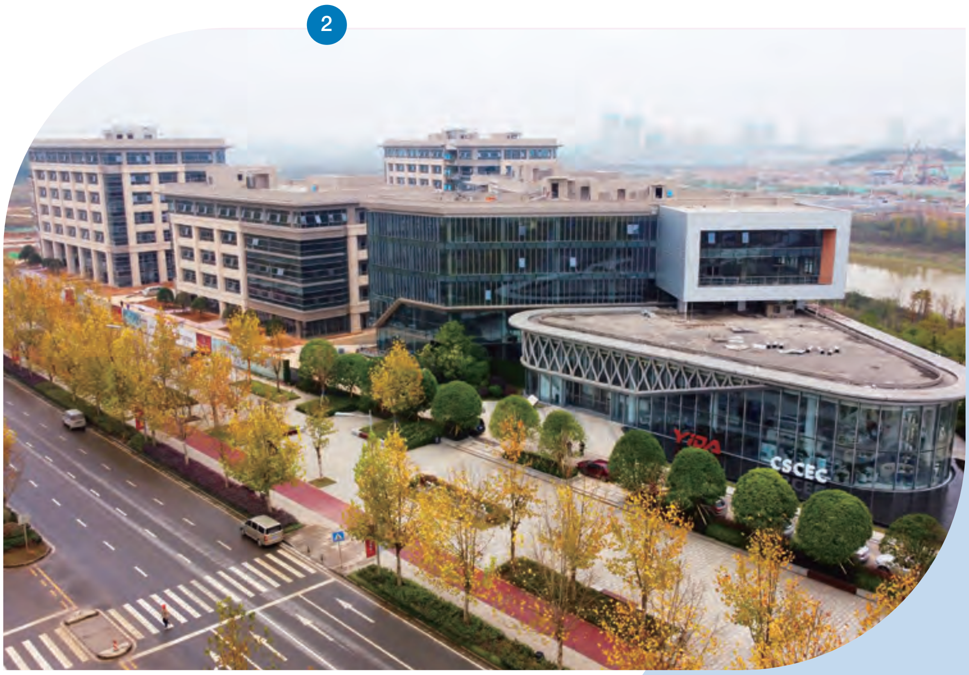
In July, Panasonic Software Development Centre Dalian Co., Ltd. relocated for expansion. The new office premises is located in Zone B of Dalian Information Software Park, a brand new business office area integrating office, residence, service and leisure. Equipped with comprehensive office facilities, Dalian Information Software Park provides tenants with ample space of professional and comfortable platform support. Since settling in the Group's Dalian Software Park in 2004, Panasonic has continually been expanding its business coverage from focusing on software outsourcing at that time, to the provision of one-stop software solutions for all business segments of the Panasonic Group now.

Dalian Glory of the City


Dalian
Changsha
Shenyang
Zhengzhou
Chongqing
Wuhan
Chengdu

1

2



1 Zhengzhou Yida Creation City

2 Changsha Yida & CSCEC Intelligent Technology Centre

During the Year, the Group achieved contracted sales of RMB5,601 million, and the contracted sales area was 528.1 thousand sq.m.. The average contracted sales price was RMB10,607 per sq.m., mainly due to delay in commencement and shortened sales period as a result of the sustained epidemic outbreak during the Year. The majority of projects sold were located in Dalian (59.5% of total contracted sales) and Changsha (21.0% of total contracted sales) of which residential property sales accounted for 73.9% of total contracted sales.

During the Year, the property sales segment recorded revenue of RMB3,555 million, representing a year-on-year decrease of 20.4%, which was mainly due to decrease in delivered projects as the impact of COVID-19 pandemic during the Year. The average sales price was RMB9,351 per sq.m., representing a year-on-year decrease of 18.8%, which was mainly attributable to different products recognised during the Year and the decrease in corresponding average price of each product recognised as compared to the same period last year. Projects recognised during the Year were mainly residential properties. Revenue-contributing projects were mainly located in Dalian (62.1% of revenue), Changsha (30.4% of revenue) and Wuhan (7.1% of revenue).

The Group firmly upheld the development strategy of "city-industry integration" and strove to build landmark projects in key regions such as Dalian, Changsha and Zhengzhou. Leveraging on its 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. During the Year, the development of Changsha Yida & CSCEC Intelligent Technology Centre, Changsha Yida Intelligent Manufacturing Industrial Village, Zhengzhou Yida Creation City and other projects steadily advanced, and office buildings and residences achieved good sales performance.

Sales performance and analysis of each city are as follows:

Dalian

In 2020, the real estate market in Dalian was repeatedly affected by the epidemic. Online marketing was mainly adopted during the first half of the year, and transaction volume improved in the second half of the year. For the whole year, price was up yet volume declined, average sales price has increased further, supply and demand more or less achieved equilibrium while were basically stable. Keeping "steady" was still the main tone of the real estate market in Dalian, which aimed at maintaining market stability and to comprehensively implement policies such as residence settlement and talent attraction. The new policies for residence settlement since May have further lowered the rigid demand threshold and attracted new residents' demand for home ownership from Northeast and Northern China.

Affected by the three rounds of epidemic outbreak, even though the government responded in a timely manner and restored normal social order within a short period of time, new supply suspended intermittently and the pace of construction and marketing of projects by real estate enterprises were severely disrupted, resulting in a strong "wait-and-see" sentiment for certain rigid demand and customers seeking for upgrade, and the demand for home ownership was significantly suppressed, and such demand is expected to be fully released in the next two years. During the Year, the Group completed the acquisition of the equity of Dalian Qingyun Sky, and together with key projects such as Dalian Tiandi Hekou Bay, which were offered to meet the demand for housing purchases suppressed by the epidemic, and provided stable performance support for the Group.

Changsha

Affected by the epidemic at the beginning of 2020, Changsha implemented favorable policies on talents and housing to accelerate economic recovery. As the market slowly resumed, the policy environment was gradually tightening, and Changsha continued to adhere to the keynote message of "housing is for living in, not for speculation" and city-specific measures, the overall environment was stable yet slightly tight. During the Year, the aggregate transaction volume of residential properties in Changsha amounted to 11.58 million sq.m., representing a year-on-year increase of 12.1%. The average price was RMB11,502 per sq.m., showing a steady upward trend in general. The proportions of first-time buyers, middle-aged and youngsters buying houses were relatively high, and rigid demand has become the main force in the market. Changsha will focus on creating an "industrial highland" and a "talent highland", strengthen the real economy, vigorously support the development of new manufacturing industries, and attract high-tech talents.

Changsha Yida Intelligent Manufacturing Industrial Village of the Group located in Wangcheng District enjoys externalities of Wangcheng Economic Development Zone and Xiangjiang New District, and creates the first "livable, business-friendly, and tourists-welcoming" intelligent village by fully utilizing its location advantages and enjoying favorable policies and mature supporting facilities. It is expected that after the completion of construction of High Speed Rail West City, the value of the regional sector will increase significantly.

Yida & CSCEC Intelligent Technology Centre is located in the core area of Phase II, Meixihu International New City. With the new "5O" business office system, it is planned to build products such as courtyard-style single-tower corporate headquarters, low-density multi-storey offices, mid- and high-rise intelligent business office buildings, commercial blocks , as well as elite business apartments, while establishing a leading domestic smart industry cluster covering three major functional areas: intelligent health zone, research and development headquarters zone, and financial business zone by combining with a full intelligent and healthy industry chain, green and low-carbon all-rounded ecosystem, and diversified full life cycle service system.

Zhengzhou

In April 2020, the Zhengzhou Municipal Government issued the "Implementation Plan for Zhengzhou City's High Quality Stimulation of Urban Construction in 2020", proposing that Zhengzhou City would revolve around the urban development pattern of "strong East, dynamic South, breathtaking West, tranquil North, excellent Centre, and outreaching" to persist in the implementation of the project-driven development strategy. Currently, Zhengzhou has formed seven leading industries represented by electronic information, new materials, biomedicine, food manufacturing, household and brand apparel manufacturing, automobile equipment manufacturing, as well as aluminum and aluminum deep processing. Zhengzhou Creation City of the Group will emphasize on the industrial development strategy of the High-tech Zone and build an innovative and smart industrial cluster of approximately 700,000 sq.m. in the core area of the high-tech zone. During the Year, Zhengzhou Creation City was rated as the "Most Dynamic Science and Technology Park in Software Service Industry of Henan Province in 2020".

Contracted Sales Details

City	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Dalian	216,186	333,606	15,431	59.5%
Changsha	166,333	117,589	7,070	21.0%
Wuhan	83,695	58,038	6,934	10.3%
Zhengzhou	39,675	34,629	8,728	6.2%
Chongqing	20,192	15,716	7,783	2.8%
Shenyang	384	365	9,505	0.1%
Chengdu	1,611	199	1,235	0.1%
Total	**528,076**	**560,142**	**10,607**	**100.0%**

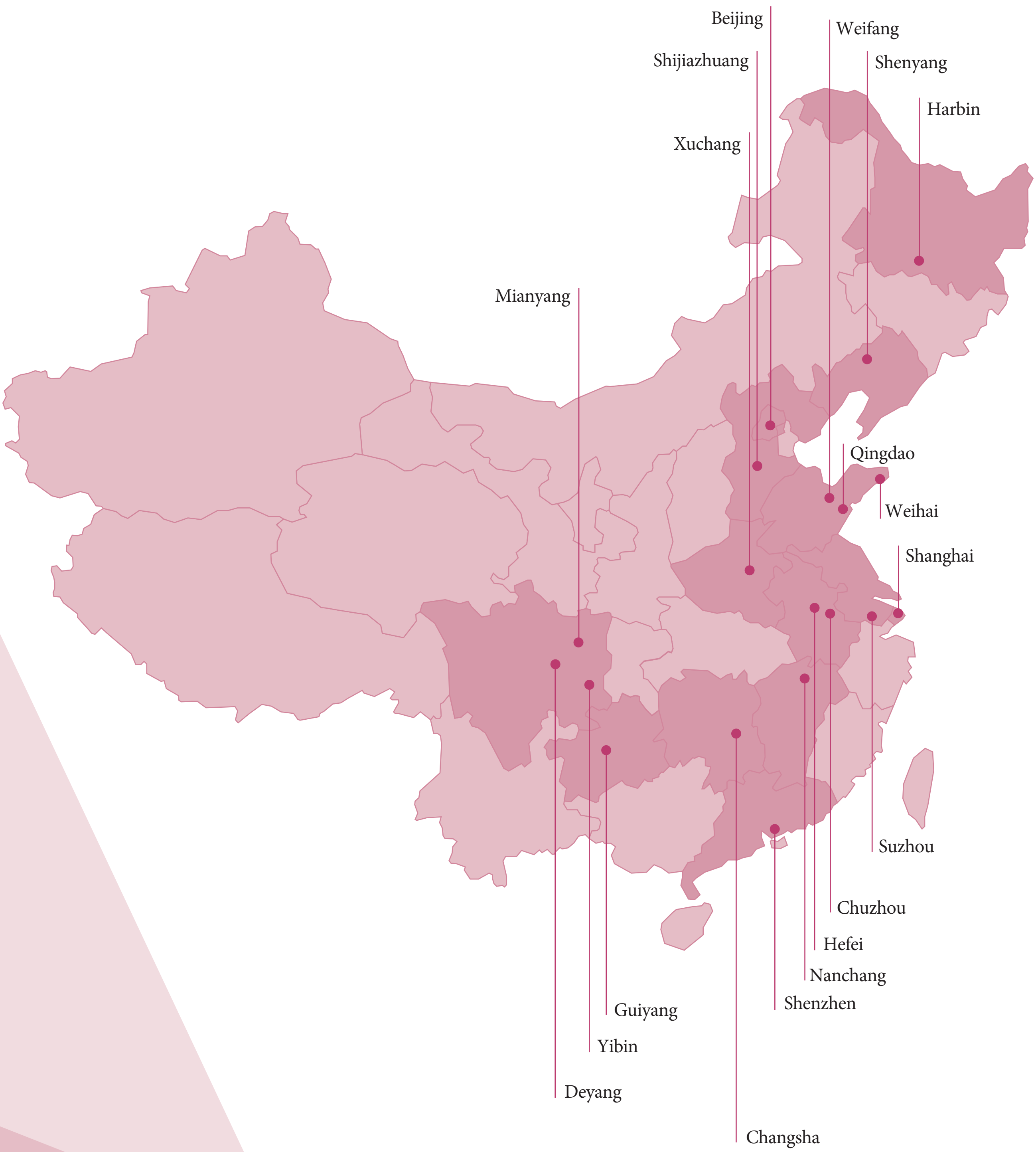
Business Park	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Dalian Software Park	6,116	6,142	10,043	1.1%
Dalian BEST City	7,895	6,078	7,699	1.1%
Yida Information Software Park	36,963	36,533	9,884	6.5%
Dalian Tiandi	64,837	101,997	15,731	18.2%
Wuhan First City	83,695	58,038	6,934	10.3%
Changsha Yida & CSCEC Intelligent Technology Centre	15,091	16,203	10,737	2.9%
Changsha Yida Intelligent Manufacturing Industrial Village	151,242	101,386	6,704	18.1%
Zhengzhou Yida Creation City	39,675	34,629	8,728	6.2%
Chongqing Yida Innovation Plaza	20,192	15,716	7,783	2.9%
Residential Properties outside Business Parks	102,370	183,420	17,917	32.7%
Total	**528,076**	**560,142**	**10,607**	**100.0%**

Type	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Residential Properties	332,093	413,838	12,462	73.9%
Office Properties	195,983	146,304	7,465	26.1%
Total	**528,076**	**560,142**	**10,607**	**100.0%**

Location	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Business Parks	425,706	376,722	8,849	67.3%
Residential Properties outside Business Parks	102,370	183,420	17,917	32.7%
Total	**528,076**	**560,142**	**10,607**	**100.0%**

III. Business Park Operation and Management

Harbin Venture Capital Intelligent Valley


Beijing
Weifang
Shijiazhuang
Shenyang
Harbin
Xuchang
Mianyang
Qingdao
Weihai
Shanghai
Suzhou
Chuzhou
Hefei
Nanchang
Shenzhen
Guiyang
Yibin
Deyang
Changsha

1 Suzhou Taicang Port Gangcheng Square

2 The Entering into of the Group's Tenant Recruitment Project

As at the end of the Year, the Group had a total of 25 business parks under its entrusted operation and management, and the total area was approximately 3.48 million sq.m.. During the Year, 10 new business park were signed. Revenue generated amounted to RMB63.07 million, representing a year-on-year increase of 49.6%, mainly due to the revenue from newly added projects has been recognised.

As a leading business park operator, the Group established an online and offline integrated platform based on modern technology applications such as the Internet, big data, and intelligentization, as well as relying on the accumulation of more than 20 years of business park operation. By actively integrating industrial resources, improving the operation and service system, the Group introduces international high-quality resources for the projects under management, creates a platform for industry innovation and development, builds a regional demonstration park, and realizes the development of industrial clusters. During the Year, the Group signed service agreements with Tencent Shuangchuang Town, Yida Airport Zone Technology Valley, Shu'anhui Big Data Safety Technology Park, Pingdu Biomedicine Industrial Park, Shenzhen Huaqiang Creative Industrial Park and other projects.

Adhering to the basic business principles of "expanding scale, upholding efficiency, focusing on investment promotion, providing services, and strengthening management", the Group enhances its five aspects of "industry research, tenant recruitment and management, value-added services, intelligent business parks, and technical services", and explores the core advantages of "aggregating industries, serving enterprises, and managing business parks" to deepen its presence in first-tier cities, new first-tier cities, and municipalities. The Group provides tenants with comprehensive solutions for the entire industry chain by relying on the eight core industry directions of biomedicine, digital cultural and creative, artificial intelligence, energy saving and environmental protection, high-end equipment, intelligent manufacturing, technology finance and information technology, as well as eight business cooperation modes of strategic cooperation, brand output, entrusted operation, industry resource import, BOT, integrated services, joint venture operation and project expansion.

With the rapid development of digital technology in the new era, business parks are facing the pressure of digital transformation. In order to achieve cost reduction, efficiency enhancement and innovation, it is necessary to grasp the opportunity of gathering digital economy enterprises and utilize digital technologies to provide innovative services. With the technologies of Yida Yuntu, a wholly-owned subsidiary, the Group has set up its digital management system. Through advocating the creation of a digital economic ecology, the Group establishes and creates a digital urban ecology under three levels of city operation, industry operation and park operation. Meanwhile, various digital services launched in business parks through data flow control and cloud platform construction, empowering different working scenarios.

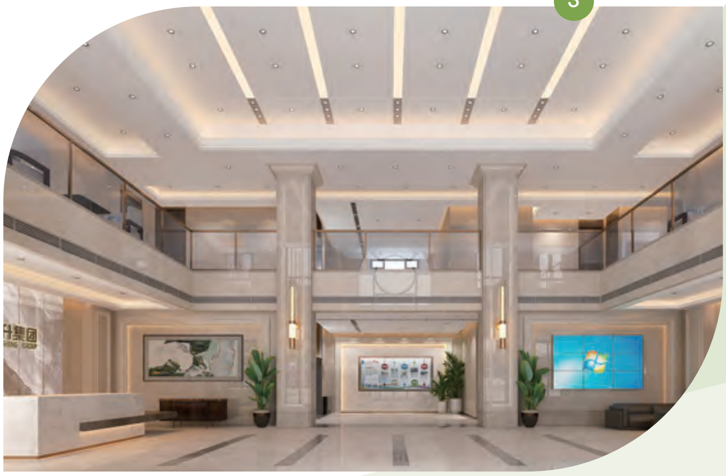
Beijing Zhongguancun No.1

Landscape Maintenance Project


Dalian
Zhengzhou
Chengdu
Qingdao
Hefei
Chongqing
Wuhan
Guangzhou
Changsha

1


2


3


1 Construction Sites in Guangzhou

2 Changsha Landscaping Project

3 Office Decoration Project Undertaken in Dalian

IV. Construction, Decoration and Landscaping (continued)

During the Year, the construction, decoration and landscaping businesses recorded revenue of RMB419 million, representing an increase of 8.9% 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. The Group created a standardized product line, and realized the standardization of the model room, landscape, decoration and other processes.

The Group's business team continued to strengthen its quality improvement and cost control. While continuing to provide strong support for internal project construction in Dalian, Zhengzhou, Changsha, Chongqing, Chengdu and other regions, the Group actively explored external markets and strengthens in-depth cooperation with leading real estate companies to contract external projects. During the Year, the quality of the projects undertaken by the Group was widely recognized and won numerous awards such as the National Outstanding Construction Enterprise and the National Top 200 Construction Industry. Meanwhile, the Group made every effort to expand its office building decoration business, and has successfully entered into a series of high-quality projects such as the Cisco Global Advanced Service Centre and the headquarters of Dalian Zhongsheng Group. The Group's core business capabilities of design and construction integration have been significantly improved. Its major projects of landscaping business are progressing rapidly, of which the Qingyun Sky Genting Demonstration Zone won the Excellence Award of the 3rd LIA Gardeners Cup International Tournament (第三屆LIA園匠杯國際大賽).

V. Property Management

Distribution of Daily Necessities during the Pandemic

During the Year, the Group's property management business recorded revenue of RMB630 million, remaining substantially at the same level as that of the corresponding period of last year.

As at the end of the Year, the Group's property management business covered 11 key cities across China, operating 74 residential property projects with a total GFA under operation of 14.90 million sq.m. and 40 office property projects. During the Year, the Group was awarded as "China's Top 100 Property Service Enterprises in 2020" and "Top 10 Operation Performance in China's Top 100 Property Service Companies in 2020" and "Leading Enterprise of Industrial Parks and Property Service Enterprises in 2020".

Management Discussion and Analysis – Business Review (continued)
VI. Land Reserves

Dalian BEST City

As of 31 December 2020, the total floor area of the Group's land reserves was approximately 9.02 million sq.m., while the floor area of land reserves attributable to the Group was approximately 7.89 million sq.m.. The land reserves in Dalian accounted for 65.7%, and the Group continued its business planning in Changsha, Zhengzhou, Shenyang, Chengdu, Chongqing and other key cities to implement its nationwide development strategy.

The Group adhered to the strategy of developing city-industry integration projects in key cities. In May 2020, the phase two plot of the Intelligent Manufacturing Industrial Village in Changsha Wangcheng Economic and Technological Development Zone was successfully acquired, with a total area of the project and estimated gross floor area of approximately 82,000 sq.m. and 192,000 sq.m., respectively. In June, the acquisition of equity interest in Qingyun Sky, a benchmark project located in Zhongshan District, Dalian, was successfully completed. The project will be wholly-owned and operated by the Group. Covering an area of approximately 96,000 sq.m. and a total gross floor building area of approximately 501,000 sq.m., the project will effectively replenish the Group's high-quality land resources in Dalian. In August, the Group successfully obtained the phase one land of Shenyang Sino-German Yida Intelligent Technology City, with an estimated gross floor area of approximately 89,000 sq.m..

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 to replenish saleable resources, including but not limited to business parks, standalone office and residential properties, and urban complex projects.

The following table outlines the Group's land reserve breakdown as of 31 December 2020:

By City	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Dalian	6,101,496	67.7%	5,879,526	74.5%
Wuhan	711,620	7.9%	355,810	4.5%
Chengdu	117,795	1.3%	80,089	1.0%
Shenyang	88,535	1.0%	45,153	0.6%
Changsha	1,159,121	12.9%	784,371	9.9%
Zhengzhou	462,243	5.1%	462,243	5.9%
Chongqing	103,241	1.1%	103,241	1.3%
Hefei	274,882	3.0%	178,673	2.3%
Total	9,018,933	100.0%	7,889,106	100.0%

By Location	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Business Parks	7,286,538	80.8%	6,252,920	79.3%
Residential Properties outside Business Parks	1,732,395	19.2%	1,636,186	20.7%
Total	9,018,933	100.0%	7,889,106	100.0%

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Business Parks				
Dalian Software Park				
Office	100%	594,938	–	–
Residential	100%	88,688	–	–
Subtotal	100%	683,626	–	–
Dalian BEST City				
Office	100%	222,117	73,820	515,172
Residential	100%	179,725	5,935	–
Subtotal	100%	401,842	79,755	515,172
Wuhan First City				
Office	50%	243,290	83,649	366,358
Residential	50%	18,323	–	–
Subtotal	50%	261,613	83,649	366,358
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	114,505	125,898	–
Subtotal	100%	266,644	125,898	118,798
Dalian Ascendas IT Park				
Office	50%	279,000	61,000	103,652
Subtotal	50%	279,000	61,000	103,652
Dalian Tiandi				
Office	100%	335,677	166,369	1,169,179
Residential	100%	83,542	277,660	–
Subtotal	100%	419,219	444,029	1,169,179

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Chengdu Tianfu Intelligent Science and Technology City				
Office	60%	42,064	52,200	–
Subtotal	60%	42,064	52,200	–
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	–	144,396	72,494
Subtotal	51%	–	144,396	72,494
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	76,370	61,315	304,924
Residential	70%	130,385	132,304	236,933
Subtotal	70%	206,755	193,619	541,857
Zhengzhou Yida Creation City				
Office	100%	–	244,624	217,619
Subtotal	100%	–	244,624	217,619
Chongqing Yida Innovation Plaza				
Office	100%	–	103,241	–
Subtotal	100%	–	103,241	–
Sino-German Yida Intelligent Technology City				
Office	51%	–	–	88,535
Subtotal	51%	–	–	88,535

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Projects Within Business Parks Subtotal		2,560,763	1,532,111	3,193,664
Projects Outside Business Parks				
Dalian	100%	389,753	448,920	595,309
Chengdu	100%	23,531	–	–
Hefei	65%	–	–	274,882
Projects Outside Business Parks Subtotal		413,284	448,920	870,191
Total		2,974,047	1,981,031	4,063,855

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 RMB5,204.22 million, representing a decrease of 14.4% 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			
	2020		2019	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Sales of properties	**3,554,914**	**68.3%**	4,463,520	73.4%
Rental income	**537,506**	**10.3%**	554,622	9.1%
Business park operation and management service income	**63,070**	**1.2%**	42,149	0.7%
Construction, decoration and landscaping income	**418,647**	**8.1%**	384,323	6.3%
Property management income	**630,087**	**12.1%**	632,786	10.5%
Total	**5,204,224**	**100.0%**	6,077,400	100.0%

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB3,554.91 million, representing a decrease of 20.4% from the corresponding period of last year, which was mainly due to the decrease in projects delivered as a result of COVID-19 epidemic 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 RMB537.51 million, representing a decrease of 3.1% from the corresponding period of last year, which was mainly attributable to the decrease in occupancy rate due to COVID-19 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 RMB63.07 million, representing an increase of 49.6% from the corresponding period of last year, which was mainly attributable to the income from newly added projects being recognised.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB418.65 million, representing an increase of 8.9% 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 RMB630.09 million, which was more or less at the same level in the last year.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,959.45 million, which was more or less at the same level in the last year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Year amounted to RMB1,244.78 million, representing a decrease of 41.6% from the corresponding period of last year, the gross profit margin decreased to 23.9% during the Year from 35.1% in the corresponding period of 2019, which was mainly attributable to different products carried forward during the Year and the decrease 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 decreased by 18.6% to RMB169.35 million for the Year from RMB208.09 million in the corresponding period of 2019, which was mainly due to the decrease in advertising costs during the Year.

Administrative Expenses

The administrative expenses of the Group decreased by 13.3% to RMB451.30 million for the Year from RMB520.80 million in the corresponding period of 2019, which was mainly due to the adoption of active measures to control office costs by the Company during the Year.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased to RMB81.07 million during the Year from RMB147.40 million in the corresponding period of 2019, which was mainly due to decrease in newly completed investment properties during the Year compared with the same period last year.

Finance Costs – net

The net finance costs of the Group increased to RMB832.09 million during the Year from RMB683.10 million in the corresponding period of 2019, 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 RMB86.88 million, increased by approximately RMB36.07 million as compared to the corresponding period of 2019, which was mainly attributable to the increase in share profit in Dalian Software Park Ascendas Development Company Limited 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 RMB339.65 million, representing a decrease of 49.3% as compared to the corresponding period of last year, mainly due to the decrease in land VAT expenses and corporate income tax for projects carried over during the Year.

Gains Arising from Acquisition of Subsidiaries

Gains arising from acquisition of subsidiaries by the Group amounted to RMB454.89 million, which was mainly attributable to the acquisition of equity interests in Dalian Qingyun Sky Realty and Development Company Limited and Dalian Qingyun Sky Property Service Company Limited during the Year.

Profit for the Year

As a result of the foregoing, the pre-tax profit of the Group decreased by 59.0% to RMB536.48 million during the Year from RMB1,307.41 million in the corresponding period of 2019.

The net profit of the Group decreased by 69.2% to RMB196.84 million during the Year from RMB638.10 million in the corresponding period of 2019.

The net profit attributable to equity owners decreased by 61.7% to RMB172.58 million during the Year from RMB450.16 million in the corresponding period of 2019.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) decreased to RMB111.77 million during the Year from RMB339.62 million in the corresponding period of 2019.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2020, the Group had cash and bank balances of approximately RMB1,574.79 million (including restricted cash of approximately RMB1,002.55 million) (2019: cash and bank balances of approximately RMB2,039.52 million, including restricted cash of approximately RMB1,006.86 million).

Debts

As at 31 December 2020, the Group had bank and other borrowings of approximately RMB15,279.36 million (2019: approximately RMB15,015.73 million), of which:

(1) By Loan Type

	31 December 2020 RMB'000	31 December 2019 RMB'000
Secured bank loans	**5,866,626**	7,238,861
Unsecured bank loans	**3,000**	–
Secured other borrowings	**6,820,397**	4,817,646
Unsecured other borrowings	**2,589,336**	2,959,218
	15,279,359	15,015,725

(2) By Maturity Date

	31 December 2020 RMB'000	31 December 2019 RMB'000
Within one year or on demand	**11,869,159**	13,869,059
In the second year	**775,200**	1,146,666
In the third to fifth year	**2,635,000**	–
	15,279,359	15,015,725

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 111.3% as at 31 December 2020, which increased by 7.8 percentage points as compared to 103.5% as at 31 December 2019.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2020, the Group had cash and bank balances (including restricted cash) of approximately RMB7.35 million and approximately RMB3.41 million denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,519.26 million and RMB523.08 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management continues to monitor foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (I) registration of mortgage interest to the bank, or (II) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2020, the Group provided a guarantee of approximately RMB504.77 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (2019: approximately RMB275.19 million). Besides, the Group provided guarantees to the extent of RMB524.48 million (2019: nil) as at 31 December 2020 in respect of bank loans granted to a joint venture.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 1,848 full-time employees (2019: 2,018). 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.

Environmental, Social and Governance Report

1. Environmental, Social and Governance Report Overview

1.1 Reporting Standards

This section comprises the fifth 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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and the "Recommended Disclosures". Unless otherwise stated, the reporting period of the Report is consistent with the annual report, and its content covers 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 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 to guide the healthy development of the industry and market, and it strives to create long-term value for stakeholders and shareholders.

1.3 Fulfilling our corporate responsibility to fight against the COVID-19 pandemic

In response to the outbreak of the COVID-19 pandemic, the Group has promptly adopted various contingency and preventive measures. The Group has adopted different countermeasures and provided services for its employees, operations and communities to fight against the pandemic. At the beginning of the pandemic, the Group immediately issued notices to set out various prevention and control measures to allow employees to work remotely and flexibly. Meanwhile, the Group educated employees to maintain personal hygiene and created a safe working environment for them. The Group also set up a customer contingency team to establish pandemic prevention standards and initiate various measures to ensure a steady supply of resources for its customers' properties. The Group was aware of the pandemic's impact on the community, so the Group also arranged donations of supplies, and adopted a new mode of purchasing daily necessities online and provided offline delivery service to receiving points in order to protect people's livelihood.

2. Environment

The Group regards environmental management as an important part of park construction and commits building of green and low carbon business parks. The Group's integrated property development model enables it to effectively manage the environmental impacts of each stage of project development, from planning and design to construction and post-construction, so as to achieve the objective of improving environmental protection performance.

The Group operates in full compliance with the environmental laws and regulations related to environmental protection, including the Environmental Protection Law of the PRC and the Law of Prevention and Treatment of Water Pollution of the PRC and local discharge standards. Meanwhile, to minimise the environmental impact of the Group's project development and operation, the Group has formulated and strictly implemented its own "Identification of Environmental Factors and Assessment of Control Procedures", "Environmental Operation Control Procedures" and "Environmental Monitoring and Testing Control Procedures" at corporate level. During the Year, no violations or cases of non-compliance with environmental laws, nor cases of excessive or irregular discharge, were reported by the Group. The Group commits to enhancing environmental management, some of its park landscaping projects and related management activities are certified and qualified for environmental management systems under the requirements of ISO 14001 standard.

2.1 Saving resources and reducing emissions

The Group has actively responded to China's advocacy of energy conservation, emission reduction and low-carbon economic development. It is committed to reducing energy consumption, improving energy efficiency and minimising greenhouse gas emissions. The Group strictly follows the Energy Conservation Law of the People's Republic of China by integrating measures for environmental protection, saving energy, and carbon emission reduction into its industrial chain of design, construction, operation and management of parks and properties, in order to reduce energy consumption and carbon emissions.

The Group strives to minimise the energy consumption of business park's energy consumption at the beginning of design phase by specifying efficient materials for architectural features such as exterior walls and rooftops, and efficient ligting and heating infrastructures. Construction facilities are also designed to maximise energy efficiency and minimise environmental impacts. 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 the 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 comply with its policy and procedure to take proper measures in reducing their environmental impacts. Contractors are required to strictly 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 impacts. In addition, contractors must reduce construction site dust by either regularly spraying water or properly covering materials stored on site. Moreover, contractors are required to control construction noise by dividing high noise operations into different phases.

In respect of operation, we continue to monitor parks' energy performance according to the "Environmental Monitoring and Testing Control Procedures". In order to monitor the energy consumption accurately, we have installed automatic systems to 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 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 data of the Year are shown below:

	Unit	2019 Performance	2020 Performance[2]
Electricity consumption[3]	kWh	113,042,244	108,324,310
Petrol consumption[3]	Litre	8,979	42,269
Diesel consumption[3]	Litre	3,683	25,582
Energy intensity	kWh/m^2	5.07	3.34
Direct greenhouse gas emissions (Scope 1)	Metric tons of carbon dioxide equivalent	30.02	162.85
Indirect greenhouse gas emissions (Scope 2)[4]	Metric tons of carbon dioxide equivalent	86,394.47	82,602.48
Total greenhouse gas emissions intensity (Scope 1 and Scope 2)	Metric tons of carbon dioxide equivalent/m^2	0.004	0.003

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 2020, 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 32 to 45. The Group's data collection includes six primary business segments: property development, business park operation and management, construction, decoration and landscaping, and property management. The statistical scope of petrol and diesel data collected has expanded as compared with 2019, while the consumption data of three companies were newly included, which the companies mainly provide property management services. At the same time, the direct greenhouse gas emissions (Scope 1) data of the Group has also increased due to the expansion of the above-mentioned statistical data.

3 The data was generated from the Group's operating data statistics, such as expense receipts.

4 The indirect greenhouse gas emission data was calculated 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

The intensifying impact of climate change and extreme weather has confronted China with the issue of acute water scarcity, 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 to minimise the risk of water shortage. The Group did not encounter any issue in sourcing water for daily operations during the Year.

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 tap-water 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 Year is shown below:

	Unit	2019 Performance	2020 Performance[2]
Water consumption[3]	m^3	1,638,004	1,095,367
Water consumption intensity	m^3/m^2	0.073	0.034

In addition to water saving, the Group also understands the importance of waste water treatment. Therefore, 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 adopted to ensure the sewage discharged from municipal sewage conduits meets government standards for water quality.

2.3 Effective use of resources

As the Group's business nature of developing business parks and residential properties, consumption of resources is inevitable. Hence, the Group minimises its consumption by maximising efficiency of building materials, following waste reduction principles at source, and recycling and reusing materials whenever possible.

The Group outsourced purchasing, design and construction processes to the same contractor so that their resource usage performance can be managed in a comprehensive and uniform way. To minimise waste of building materials, the Group encourages contractors to enhance construction efficiency and the effective use of construction materials through the general construction contract mode. Compared with traditional subcontracting method, the general construction contract mode reduces the problem of unclear communication and costs of cross construction. Furthermore, the Group closely monitored the use of building materials during construction. Contractors are required to comply with local environmental laws and regulations, and together with the strict ban on use of the prohibited buildings. Storage of building materials should also be effectively managed in order to avoid causing environmental damage. In terms of recycling building materials, 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.

2.4 Effective 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 to properly handle waste. For business parks and residential building projects, the Group requires contractors to prioritise the recycling of reusable construction waste, while non-reusable waste is earmarked for treatment by a qualified third-party removal company which is certified by a local environmental hygiene department. On the other hand, a personnel is assigned during the operation of business parks to ensure that rubbish is collected at a central place designated by the environmental hygiene department, in order to carry out waste management prudently.

The Group recognises the need to carefully collect and handle hazardous wastes such as fluorescent tubes, toner cartridges, batteries, film and automotive air filters, to mitigate the adverse effect on environment. 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 has not yet established a dedicated department for waste statistics during the Year, the amount of non-hazardous waste disposed during the Year is not disclosed, in order to avoid interruptions on the data's integrity and accuracy. Moreover, in light of its business nature, the Group generated relatively less hazardous waste and material, thus the corresponding data is not disclosed. In addition, the consumption of packaging materials is irrelevant to the Group'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 understands the importance of minimising the environmental impacts, thus, it is necessary to include its stakeholders for cooperation and participation to protect the environment and promote green building. As a member of the Dalian Green Building Council, the Company will leverage its influence to connect the industry, strengthen industry cooperation and work with the Council to transform Dalian into a green city.

Building Green and Healthy Buildings, Constructing a Gorgeous and Smart Dalian City

Dalian Green Building Council, in conjunction with other institutions and organisations of the city, held the 51st Earth Day/5th Dalian Green Building Public Welfare Week under the theme of "Building Green and Healthy Buildings, Constructing a Gorgeous and Smart Dalian City". The event promoted the development of green campus and green community, and provided a platform for government officials to communicate with representatives from various associations and industry professionals, allowing them to exchange views on future green building trends. The Company will continue to advise the industry on developing 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 different stakeholders such as employees, residents and tenants. In the Group's offices and canteens, staff members are encouraged to reduce printing, switch off superfluous lights, and minimise food waste, thereby improving their environmental awareness and reducing the environmental footprints 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 ecosystem and environment. Therefore, the Group incorporated ecosystems into the parks themselves and make necessary amendments in keeping with its "integration of industry into the city" development model. After the completion of park construction, 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 in order to ensure that the planned results are achieved for a more beautiful greening environment.

In its early years, the Group created an innovative "Muchengyi Index" to evaluate whether different park projects' development processes were consistent with ecological indicators, and engage the Group fully into ecological protection. Looking ahead, the Group will participate in more development projects that fulfill 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. Simutaneously, the Group has applied for a rating for critical projects to ensure external recognition of the Group's construction projects.

Caring for China's Future Yida Decoration in action for its Green and Healthy School Resumption Public Welfare Programme

As the leader of green decoration unit of the Dalian Green Building Council, Yida Decoration collaborates with green campus committee to kick-off the safe school resumption initiative, which is a part of the healthy public welfare teaching program carried out in response to the call of the government. Yida Decoration selects 4 schools as pilot locations for its Green and Healthy School Resumption Public Welfare Programme. Classrooms are renovated with painted ecological wall films. All the efforts and contributions aim to enhance children's safety, health and environmental awareness who will soon return to school.

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 treatment, 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, working hours, holidays, equal opportunities, diversity and anti-discrimination. 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 a vital asset to its development, it is committed to providing comprehensive training programs and career opportunities. The Group implements comprehensive construction and service management policies and measures for its employees' occupational safety and health and minimises risks.

During the Year, 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, the Labour Contract Law of the People's of China, Protection of Women's Rights and Interests Law of the People's Republic of China, and the Provisions on Prohibition of Child Labour, and uses information technologies to accurately examine the identity information of the persons to be employed to ensure employee benefits, treatment and basic rights, prohibits the employment of child or forced labour. The Group did not report any labour disputes or violations of employment rules in 2020.

3.1 Creating a fair and harmonious working environment

Employee benefits

The Group offers market-competitive remuneration and employee benefits in accordance with national and industry standards. The Group also regularly reviews employees' basic security and compensation in relation to updated national and local laws and regulations. To ensure the employees' benefits, the Group regularly makes salary adjustments and pay performance and year-end bonuses based on employee performance. 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 pays for employees' social insurance and housing reserve.

Staff recruitment and opportunities for promotion

Adhere to its principle of treating all equally, 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 continuously advocates for fairness in recruitment and promotion policies to create a working environment of diverse culture, background and skills.

For talent development, the Group is committed to providing employment opportunities to young people to gather and cultivate dynamic and creative talents and promote social mobility and development. The Group organises campus recruitment programs in key business areas to attract young talent to join the team as trainees. The Group also provides long-term and-short-term internship opportunities for undergraduate students to increase their understanding of the Company and the industry. A total of 66 interns joined the Group's internship program during the Year. The Group's "Yida China 2021 Campus Recruitment Conference" held during September-October 2020 presented a range of employment opportunities for undergraduate students from various universities to join the Yida team.

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

During the year, the Group's total number of employees was approximately 1,848. The following is an overview of employees by category:

Percentage of total employees		2019	2020
By gender	Male	68.9%	69.1%
	Female	31.1%	30.9%
By age	<30	18.0%	16.0%
	30-50	64.7%	68.0%
	>50	17.3%	16.0%
By position	Management staff	12.7%	15.0%
	Ordinary employee	87.3%	85.0%
By type	Regular employee	100.0%	100.0%
	Non-regular employee	0.0%	0.0%

Employee communication

The Group firmly believes that the opinions of employees are critical to the Group's development. Therefore, the Group strives to listen and respond to its employees' ideas and feedback with openness and respect. To encourage employees to express their opinions, the Group has established a number of communication channels to foster 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 to provide opinions and report any incidents related to company management or any suspected actions damaging to personal interests or in violation of the Company's code.

Leisure activities with employees

The Group regularly organises staff activities to foster team spirit and encourage work-life balance. During the Year, the Group held the "Mid-autumn Festival Mooncake and Rabbit Lantern DIY" event at Chengdu Yida Tianfu Intelligent Science and Technology City. During the event, employees get to enjoy the joyful spirit of the festival and foster communications among employees. The Group also takes this opportunity to express its gratitude to employees' endeavor and contributions over the past year. On the other hand, the "'Yi' Qi Feng Fa, Just the Right Time" Team Building Campaign organised by Yida Chengdu Company stimulates employees' passion through development activities and enhance cohesion of the team.

Employees making their own mooncakes and rabbit lanterns at the "Mid-autumn Festival Mooncake and Rabbit Lantern DIY" event.

On the "'Yi' Qi Feng Fa, Just the Right Time – 2020 Themed Team Building Campaign of Yida Chengdu Company", employees participated in team expanding activities.

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 monitored to reduce risks and avoid accidents. During the Year, we organised fire safety training for employees to enhance their awareness of health and safety. The Group also provides safety education and training for new employees 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.

Under the COVID-19 pandemic, the Group has implemented comprehensive preventive measures to ensure the health of all employees and provide a clean and safe working environment. COVID-19 tests are carried out to safeguard the health of the Group's employees. The Group sets up a total of 20 COVID-19 testing stations within the Dalian Software Park. Meanwhile, the Group formulates standards for employees to maintain personal hygiene, such as regulations on dining, commuting, disinfection and fire-safety. All employees must wear masks when entering the office area as well as measure body temperature and declare health status on every working day. The Group has practiced work from home with flexible working hours and stopped organising events to prevent people from contacting viruses as a result of gathering.

Construction management

The Group deeply concerns about the potential safety risks arose during the project construction process. Therefore, it has 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 the construction process.

During the construction phase, the Group's 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 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 internal safety procedures and government standards.

The Group is committed to strict compliance with the "Safety Production Law of the People's Republic of China" and other regulations to ensure the full implementation of the aforementioned occupational health and safety management policies and measures at all places of operation. During the Year, 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.

For employees on the management level, the Group provided training on systems, workflows and industry knowledge. Leadership training is offered for middle and senior management, while training for occupational skills and talent is available to general employees. The Group also provides trainings based on internal sharing, with the aim to inspire the professional and individual development of employees. The Group provides on-the-job training and examination to each new employee. Each employee is required to read the staff handbook to gain familiarity with the management structure, understand the business and working conditions of the Group, and the requirements for their own job.

The Group allocates 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 and ensures they receive necessary instructions and assistance. The Group will also arrange training for internal transferred staff on the knowledge and skills required for their new positions.

Yida Management College

Yida Management College ("Yida College") is established on the vision of "Making learning a habit." Since 2017, Yida College provides professional training courses for internal employees and external students. The content of these courses cover the requirements of the industry and internal training seminars. Yida College offers project manager training camps, academic education and study exchange programmes to enable enterprises and individuals to foster talent development and help to improve service quality.

Establishing "Yida e-school" online learning platform

By logging into "Yida e-school", an online training system, via computer or mobile phone, employees can browse learning courses online and share knowledge in the school's question zone. To encourage employee's 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. During the Year, "Yida e-school" combined online and offline training, providing a total of nearly 3,000 courses, with over 500 offline training session throughout the year and an average training time of 152 hours per person.

Internal trainer management system

The Group maintains a system to encourage employees to become internal trainers, with the aim to share knowledge. 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 internal trainers with book vouchers in different amounts upon satisfaction of their performance and the number of training hours completed. The book vouchers can also be used as a funding subsidy for attending 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, 132 internal trainers are awarded as "Best Staff in Sharing" and "Internal Lecturer of the Year" in the headquarters' human resources centre to encourage them to continue to train talents for the Group.

The start of a learning journey for new managers

To nurture an enterprise that encourages improvement and growth, the Group provides outstanding employees with the opportunity to be promoted to management positions. To sharpen newly appointed managers' leadership skill and enable them to utilise their professional skills in new positions, the Group arranges a two-month "Yida New Manager Apprenticeship Learning Tour" for its new managers.

With the theme of the Group's 2020 new manager excellency training camp, each participant earned their place by passing a competency test covering their abilities of self-discipline, managing others 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. A total of 54 new managers participated in the training in the Year.

It is expected that the new managers will apply what they have learned in the course to lead the Group's employees to achieve better results and improve constantly.

During the Year, the Group held 510 employee training sessions, with an average of 152 training hours for each employee and an annual learning rate of 98.3%. The following is an overview of employee training by category:

		2019		2020	
Training statistics		**Percentage of trained employees**	**Average training hours**	**Percentage of trained employees**	**Average training hours**
Employee by gender	Male	94.0%	54	77.0%	126
	Female	91.1%	83	77.0%	114
Employee by position	Management staff	86.8%	94	64.0%	118
	Ordinary employees	94.0%	58	79.0%	121

"Award for Digital Learning Creativity" and "Award for Good Learning Project Design"

To enhance the understanding and communication between employees, the Group provides employees with various communication and information exchange opportunities. In addition to online and in-classroom programmes, the Group's employees also participated in industry exchange meetings, forums and external training activities. 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 2020, the Group won the "Award for Digital Learning Creativity" and "Award for Good Learning Project Design" in recognition of its efforts and contributions in talent cultivation over the past year.

Career exploration with Yida Talent

The Group increased its cultivation of new talent by implementing a "Yida Talent" training programme for 13 newly recruited graduates. The Group hopes the programme would act as the bridge for graduates to step into their careers. "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 teach and provide guidance to recruits, as well as answering questions arising from their work and study. The Group also arranges the recruits to showcase the results of their learning during a special "Job Sharing Session". The Session also served as a communication platform for "Yida Talent" to exchange knowledge and express their personal visions for future works. The Group also organised book sharing sessions, communication workshops and sports activities for recruits, with the aim to strengthen their capabilities and create a sense of unity.

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

Career exploration with Yida Talent

4. Our value chain

The Group believes that customers are the foundation of the development of the Group's business. Through comprehensively and continuously improving the procurement of materials, park development, project construction, operation and property management, the Group's products and services are optimised. In order to grasp future opportunities, the Group accordingly upholds a service philosophy of "Quality first, Customer first", taking full responsibility of its product and services, and working to strengthen its supply chain management and ensure efficient handling of customer complaints and protection of customer privacy. As a component of its risk management system, the Group maintains codes of conduct for both employees and suppliers, requiring employees and suppliers to thoroughly comply to Group policies and jointly pursue compliant business practices and environmental performance, for the sake of fulfilling the Group's corporate social responsibilities.

4.1 Supply chain management

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

The Company's Tendering Committee is responsible for decision making, approval and supervision work related to tendering, and through implementing and regulating the comprehensive evaluation guidelines to ensure that only suitable and quality suppliers are selected. The Group performs a screening process, including a preliminary qualification examination to choose suppliers. Candidate suppliers are subjected to a rigorous on-site inspection by the Group, enabling the Group 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. During their contractual period, the Group continues to monitor and evaluate the performance of suppliers to keep an eye on whether they comply with the Company's operational requirements. The Group also unified various procedures and tools used for managing and evaluating suppliers which include the database, qualification assessments, performance evaluations (including process, summary and warranty evaluations), annual appraisals and comprehensive grading.

To further reduce potential supply chain risks, the Group has adopted centralised procurement and strategic cooperation procurement models. 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 Group adopts a strategic cooperation model for large-scale projects which involve a large amount of high risks in terms of the overall contracting of construction work, interior decoration and landscape engineering. Stricter reviews and screening 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 lower potential risks, the Group has already established long-term strategic cooperative relationships with several well-known and reliable suppliers. In order to improve the efficiency of procurement and approval, the Group has also adjusted the approval authority for tendering and procurement, so that projects with less dollar amounts are approved under direct entrustment.

4.2 Product and service responsibility

As a leading integrated business park developer in China, the Group is committed to enhancing service quality and providing quality customer services. Through continuously improving the management of construction and service project, the Group maintains its brand reputation and business advantage. Widely recognised in the industry in these respects.

With more than 20 years of expertise in industrial park operation and management as well as achievements in industry-city integration in China, the Company earned the title "Outstanding Operator for Intelligent City-industry Integration" at the 17th China Blue Chip Real Estate Selection sponsored by The Economic Observer this year. The selection uses three dimensions, "diligence, excellence and exquisite", 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.

To ensure the quality of the Group's products and services, the Group issued the internal guidelines for "construction project quality objective management" and "construction quality management" systems. Outlining the duties and obligations of employees at all levels, the project construction workflows can be performed under strict control. Furthermore, 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. Effective corporate governance and surveillance rely on good internal management in order 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, at the same time, setting management goals. In addition, the Group equips its construction projects with the most advanced facilities and outstanding technical staff members through trainings in order to add strength to the enterprise when constructing high-rise commercial and residential buildings and large-scale factory buildings. For 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, striving for the best along the way. In the field of property sales and leasing, the Group has adopted advanced domestic and international safety standards and specifications to continuously optimise the design and function of its properties, with the aim to ensure the safety of customers and tenants.

With the continuous advancement of technology towards the digital economy, big data, artificial intelligence and the Internet of Things, the Company successfully introduced the latest technology into its projects and developed, constructed

In respect of financial information, development model and operation year, the Company made outstanding achievements in 2020 and ranked 6th among the "Top 30 National Industry and City Development Operators" at the 2020 CRIC Annual Summit of Industry and City & 2020 National Industry and City development White Paper and Top 30 National Industry and City Development Operator Conference sponsored by E-House CRIC. The Company has placed in the top 10 for five consecutive years.

and operated several 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. During the Year, Dalian Software Park, Chengdu Tianfu Science and Technology City (成都天府科技新城) and Yida Yuntu participated in the China International Digital Trading and Cloud Exhibition Conference (中國國際數交會雲展大會), the 2020 Chengdu Jingrong Lake TBD Urban Value Press Conference and the China Hi-tech Fair respectively, while other software parks also participated in the conference such as China International Fair for Trade in Services. The Group leverages its advantage of superb ability and rich experience in business park operation and management and promotes the development of intelligent parks, so as to bring in innovative ideas in the community and development of hi-tech industries and foster the development of digital economy in the city. The Group hopes to present its development concept of "promoting the city with industry, achieving city-industry integration, accomplishing coordinative development, and creating values together" through its effort and perseverance.

The Company is committed to the innovative business model, with the aim to gather leading scientific and creative high-end businesses and create values for the community, cities, customers, investors and cooperative partners. As such, the Company won the "2020 Best 5 China Real Estate Listed Companies with Strongest Innovation Capability" at the "2020 Chinese Real Estate Listed Companies Assessment Results Press Conference* (中國房地產上市公司測評成果發佈會)" jointly held by China Real Estate Association, Shanghai E-house China R&D Institute* (上海易居房地產研究院) and China Real Estate Appraisal Centre* (中國房地產測評中心).

The Group highly values its communications and relations with customers and tenants. To understand their needs, the Group has revised its "Guidelines for Visiting Homes" and "Guidelines for Visiting Customers, "both of which stipulate regular visits and conduct in-depth customer interviews between March and June every year, with a 100% timely response rate on the issues raised. Identified in the "Accounts of Key Owner", the Group's customer service managers, comprehensive supervisors and project managers pay quarterly, semi-annual and annual visits to elderly and other special groups who required specific care to learn about their living conditions and needs. Moreover, the Group employs a third-party research organisation to conduct customer satisfaction surveys by telephone and interviews from September to October each year, further analysing 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, selectively pay household visits to properly handle feedback, and discuss and implement ongoing rectification measures. For issues of initial ancillary facilities, design defects and project quality, 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.

The Group implemented a series of measures amid the pandemic to protect the safety and health of its working environment, as a result, maintaining the Group's excellent product and service quality. The Group established a pandemic emergency team to oversee the general performance in fighting the pandemic and formulate infection prevention standards. Body temperature inspection points were installed at the lobby of each building, together with regular comprehensive disinfection works at public areas of each building, which includes the lobby, lifts, washrooms and staircases. The Group also demonstrated its technological and intelligent service capabilities during the pandemic, examples include the setting up of intelligent access control, the introduction of infrared thermal imaging systems for automatic temperature measurement and contactless lift service, ultraviolet disinfection, cleaning operations carried out by robots and disinfection operations carried out by drones. All of these enable owners to travel in a contactless and disinfected manner.

4.3 Customer complaints

To handle complaints with maximum efficiency and effectiveness, the Group implemented "Customer Complaint Handling Guidelines", "Procedures for Handling Customer Demands/Complaints" and other internal guidelines and procedures. Depending on their seriousness and nature, complaints are classified into different levels such as general complaints, significant complaints and crisis incidents, and other categories such as housing equipment, safety, environment and supporting facilities. All of the different categories 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, statistics analysis and complaint handling, as well as outlining the related duties and working processes for each department, so as to handle the complaints of customers effectively.

Customers can lodge complaints and provide feedbacks through various channels such as in-person, by telephone, mobile phone apps and of other means. Complaints and opinions are submitted to a handling officer who then facilitates an initial response in the hope that customers will be satisfied with the Group's 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

Customer data and information related to the Group's operations are obtained from formal and legal channels and the Group has implemented an "Administrative Management System" to protect such 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. Measures such as assigning specific personnel to manage the database,

As a representative of a leading enterprise in the industry, the Company was invited to participate in Chengdu Jingrong Lake TBD Urban Value Press Conference. Wang Jian, the representative of the Company's Chengdu branch, was among the guests to share thoughts on innovative economic models and new ideas such as expediting the development of "techno-chips (科創芯)" as well as giving an in-depth analysis on the strength, opportunities and prospects of Jingrong Lake TBD. The Company, as an expert of operating business park, would integrate technology into the park, with the aim to ignite innovative and high-tech enterprises within the park while encouraging the development of the urban digital economy. By upholding the operation philosophy of "city development through industry integration while creating value together through coordinated development", the Group will seize new opportunities to contribute to the high-quality development of Chengdu.

and allowing operations only in restricted areas, and saving confidential and client information electronically are also established to further ensure high-level clients' privacy protection. All these 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 cornerstone for the Group's sustainable development. A solid internal control system has been developed to detect incidents of corruption in the industry and maintain a culture of fairness, transparency and integrity in the Group. The Group has formulated various systems and rules to regulate staff, including "Management system for Internal Audit", "Management System for Term-end Accountability Audit" and other systems and regulations, to ensure that all staff are law-abiding during the course of day-to-day operations. The Group also disseminates relevant information to employees through emails and intranets regularly to update employees' information on combating corruption. Meanwhile, the Group has incorporated "responsibility to prohibit commercial bribery" in its employment contracts, requiring employees to commit to preventing all forms of bribery. Apart from staff members, the Group also requests each of its suppliers to sign a "clean cooperation agreement" to ensure their full compliance with anti-corruption requirements, preventing them from committing corruption. Suppliers are required 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.

To fight against corruption, the Group has formulated the "Reporting Management System" to provide clear and standard procedures for identifying and reporting any instances of corruption or fraud in the Company's operations or employees' work. If employees are aware of any suspicious violations, they can directly appeal to the Group's vice president or chairman in person or in written form. The Group encourages the reporting of any corruption and fraud related to suppliers, which can be reported in real name or anonymously through the mailbox or telephone number through the "clean cooperation" agreement. We promise to protect the rights and interests of whistleblowers and keep all information confidential. The Audit Department of the Group will exercise its internal audit authority and be in charge of all reported cases independently. Corruption and fraud related cases will be investigated jointly with other relevant departments and relevant details will be 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 fairness and integrity through the implementation of numerous policies and management measures. It complies fully with all laws and regulations related 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, there were no cases of violations of laws and regulations related to the aforementioned laws in the Group, and no corruption cases against the Group or its employees were reported.

5. Our society

With the vision of "enterprises survive for the sake of society", the Group devotes considerable effort to fulfilling social responsibilities. 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 public welfare and cultural life.

Over the past 26 years, the Group has closely cooperated with the Publicity Department of Dalian Municipal Committee of the CPC and Dalian Bureau of Cultural Radio, Film 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 Year, the Group invested RMB1.24 million in "Sound of Yida" of cultural and charitable projects while donating approximately RMB1.72 million in aggregate toward poverty alleviation and other charitable causes.

5.1 Sound of Yida 2021 New Year Concert

Founded in 1994, the "Sound of Yida" series cultural and charitable activities have showcased a variety of cultural and community activities over the past 27 years. To enrich the cultural life of citizens, the Company 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 the New Year concert every year to provide the opportunity for the general public to watch world class music performance, members from all walks of life including volunteers, teachers, policemen, and children from remote mountainous areas who love art are welcomed. In November 2020, the Group invited Tan Lihua, a renowned conductor from the Hubei Symphony Orchestra, to perform in cities such as Dalian and Wuhan, which helped to enhance the spiritual and cultural construction of the cities, improving cultural qualities and enriching the cultural life of citizens.

Sound of Yida 2021 New Year Concert

To show the Group's gratitude to the people who contributed to fighting against the pandemic, the Group invited over 1,000 medical staff, community workers, public security officers and volunteers to attend the Sound of Yida 2021 New Year Concert at Wuhan and marked the occasion by paying tribute to 10 individuals whose contribution is recognised by the state and provincial authorities.

Under the pandemic, the Sound of Yida 2021 New Year Concert adopted a new mode and was primarily performed online to the audience for the first time. The two shows in Wuhan and Dalian were live-streamed entirely online, paying musical tribute to the individuals who made a contribution to the fight against the pandemic. The live concert was attended by more than 3 million people online, with the number of audiences exceeded 6 million in the subsequent 3 days. Not only did the online live-stream of the concert maximise its audience reach under the pandemic, it was also well-received and supported by society.

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

5.2 Sound of Yida Love Music Classroom Project

Through organizing the art education campaign of "Love Music Classroom Project", the Group brings music to underprivileged areas in Mainland China. We uphold the concept of using music as a medium to spread love and care, and contribute to students in remote and impoverished areas. Since April 2011, the Group has brought music to the under privileged communities of Mainland China through its "Love Music Classroom Project" (the "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.

The Project has extended beyond building music classrooms to cultivating art appreciation among rural children and aiding teacher training through developing the "Assistance, Study, Research and Utilisation" platform. Currently, the Project has covered 12 cities in 6 provinces. It has donated music classrooms to over 170 rural primary schools, benefiting more than 70,000 children.

5.3 Yida Service's Education-aid Program

Founded on 17 April 2020, "Sunflower Foundation" is a foundation jointly sponsored by Yida Service Group Co., Ltd. and first secretaries of villages primarily providing education-aid to rural students from a less privileged background. The foundation organised a series of education-aid initiatives, visiting various rural primary schools to deliver gifts to children from poor families. On 10 July 2020, representatives of the foundation visited a number of rural primary schools in Dalian, handing out gifts such as school bags, stationeries, desks and chairs and basketballs to children during the visit.

5.4 Yida's Response to COVID-19 in the Community

The Group is committed to its social responsibilities amid the pandemic by providing aids to people living in the affected areas and securing supplies to frontline medical staff. The Group organised the delivery of supplies to the frontline via the "First Secretary Store" under Yida Service Group Co., Ltd. Designed to alleviate poverty, the "First Secretary Store" donated two tons of fresh vegetable to Dalian The Sixth People's Hospital, the only hospital in Dalian that is designated for treating COVID-19 pandemic, to ensure that frontline medical staff have enough fresh supplies and cheer them up for fighting against the pandemic. The "First Secretary Store" helps to protect the livelihood of the Dalian Bay neighborhood by allowing them to buy daily necessities online and receive the goods at a designated offline locations. Moreover, the "First Secretary Store" also provides "livelihood protection" contactless delivery service to alleviate the pressure faced by property owners when quarantining at home.

Profile of Directors and Senior Management

Executive Directors

Mr. Jiang Xiuwen (姜修文), aged 44, was appointed as an executive Director of the Company on 16 December 2013 and the Chairman of the Board 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.

Non-Executive Directors

Mr. Wang Gang (王剛), aged 46, 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. Zhang Xiufeng (張修楓), aged 37, was appointed as a non-executive Director of the Company on 15 September 2020. Mr. Zhang is currently the deputy general manager of the Strategic Investment Department of China Minsheng Jiaye Investment Co., Ltd. (中民嘉業投資有限公司) (the controlling shareholder of the Company, "CMIG Jiaye"). Mr. Zhang obtained a bachelor's degree in law from Shanghai University in 2005, a master's degree in sociology from Shanghai University in 2008, and a doctor of philosophy from Technical University of Darmstadt, Germany in 2015. From 2010 to 2015, Mr. Zhang worked as a research fellow at Technical University of Darmstadt, Germany. From 2015 to 2016, Mr. Zhang served as the Shanghai and Jiangsu regional investment director of Country Garden Holdings Co., Ltd. (碧桂園控股有限公司) (Hong Kong stock code: 2007). From 2016 to 2019, he successively served as the director, deputy general manager and platform responsible person of the Strategic Investment Center of Zhongliang Holdings Group Co., Ltd. (中梁控股集團有限公司) (Hong Kong stock code: 2772). Since 2019, Mr. Zhang served as the deputy general manager of global home and housing business group of Yuexing Group Co., Ltd. (月星集團有限公司). Mr. Zhang joined CMIG Jiaye as the deputy general manager of the Strategic Investment Department in December 2019. Mr. Zhang currently serves as a director of Ningbo Ligong Environment And Energy Technology Co., Ltd. (寧波理工環境能源科技股份有限公司) (Shenzhen stock code: 002322). Mr. Zhang has nearly ten years of experience in real estate development and investment and urban development research.

Mr. Cheng Xuezhi (程學志), aged 50, was appointed as a non-executive Director of the Company on 31 March 2021. Mr. Cheng has held several senior management positions in the investment or risk department at various companies. From June 2011 to March 2013, Mr. Cheng served as a general manager of the capital operation department at Parkland Commercial Real Estate Co., Ltd. (百年城商業地產有限公司). From March 2013 to April 2017, Mr. Cheng was the deputy general manager of the risk control department at Bohai International Trust Co., Ltd. (渤海國際信託股份有限公司). From May 2017 to December 2017, Mr. Cheng held the position of chief risk officer at Tebon Innovation Capital Co., Ltd. (德邦創新資本有限責任公司). From December 2017 to November 2018, Mr. Cheng served as the chief investment officer at Tehua Investment Holdings Co., Ltd. (特華投資控股有限公司). From November 2018 to August 2020, Mr. Cheng was a senior research director at Zhijiang New Industrial Co., Ltd. (之江新實業有限公司). Since joining China Minsheng Investment Co., Ltd. (中國民生投資股份有限公司) in August 2020, Mr. Cheng acted as a director in the asset operation department. Mr. Cheng graduated from Nanjing University (南京大學) in July 1993 with a bachelor's degree in weather dynamics. He obtained a master's degree in mathematics from Nankai University (南開大學) in July 1996. He further obtained a PhD in mathematics from Northwestern University, Illinois, US in June 2005.

Mr. Ni Jie (倪傑), aged 32, was appointed as a non-executive Director of the Company on 31 March 2021. From September 2011 to July 2016, Mr. Ni worked as an auditor at the Shanghai office of Ernst & Young Hua Ming LLP (Special General Partnership). From July 2016 to September 2019, Mr. Ni served as an assistant to the general manager at the finance and treasury department of SRE Group Co., Ltd. (上置集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1207). Since October 2019, Mr. Ni has successively served as a deputy general manager of the finance and treasury department and a general manager of the finance management department at CMIG Jiaye (the controlling shareholder of the Company). Mr. Ni obtained his bachelor's degree in accounting from Shanghai International Studies University (上海外國語大學) in June 2011. Mr. Ni was admitted as a certified public accountant by the China Association of Certified Public Accountants (中國註冊會計師協會) in 2016.

Independent Non-Executive Directors

Mr. Yip Wai Ming (葉偉明), aged 56, 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; an independent non-executive director of Poly Culture Group Corporation Limited (stock code: 3636) from 2013 till now; an independent non-executive director of Huobi Technology Holdings Limited (stock code: 1611) from October 2018 till now; and an independent non-executive director of Peijia Medical Limited (stock code: 9996) from May 2020 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 55, 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 has been appointed as an independent non-executive director of Ganglong China Property Group Limited (Hong Kong stock code: 6968) and Sunkwan Properties Group Limited (Hong Kong stock code: 6900) since June 2020 and October 2020, respectively. 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 60, 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. From July 2017 to September 2020, Mr. Wang served 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). From October 2016 to October 2020, Mr. Han served as 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 43, is a vice president of the Group, responsible for the Group's planning operations and product operations. 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. Deng Xiaobin (鄧曉斌), aged 44, is a vice president of the Group, responsible for the Group's financial management, fund acquisition, mergers and acquisitions of companies' equity as well as cooperation-related work. Mr. Deng joined the Group in 2021. From 1998 to 2014, Mr. Deng served as a senior audit manager at Shanghai Chang Xin Certified Public Accountants Co., Ltd., Shanghai Zhonghua Huyin Account Office Co., Ltd. and PricewaterhouseCoopers Zhong Tian LLP. From 2014 to 2020, Mr. Deng served as the vice president and chief financial officer of Forte Land and Resource Property, subsidiaries of Fosun Group. Mr. Deng obtained a master's degree in business administration from University of Canberra, Australia in 2016. Mr. Deng is a certified public accountant in China.

Ms. Zhang Lu (張璐), aged 38, is a vice president of the Group, responsible for the Group's internal control of the legal affairs. Ms. Zhang joined the Group in 2021. From 2005 to 2009, Ms. Zhang served as the legal director of CITIC Pacific (China) Investment Co., Ltd. From 2009 to 2013, Ms. Zhang acted as lawyer at Shanghai All Bright Law Firm. From 2013 to 2017, Ms. Zhang acted as the legal director of Shanghai Fosun High Technology (Group) Co., Ltd. From 2017 to 2019, Ms. Zhang served as the deputy general manager of Zhenro Properties Group Limited. Ms. Zhang obtained a bachelor's degree in economic law from Shanghai University of Finance and Economics in 2005 and a master's degree in business administration from Fudan University in 2014. Ms. Zhang holds a Chinese legal professional qualification certificate.

Mr. Li Bing (李兵), aged 43, is a vice president of the Group, responsible for the Group's investment operations, investment and extension development, industry research, and brand management. Mr. Li joined the Group in 2010. From 2002 to 2010, Mr. Li served as a manager of the project development department of Rightway Real Estate Co., Ltd. (正源房地產有限公司) and director of operations of the Chongqing Branch of Rightway Real Estate Co., Ltd. Since 2010, Mr. Li has successively served as general manager of the development department of Yida Development Company Limited, vice president of Yida Technology New City Management Co., Ltd. (億達科技新城管理有限公司) and general manager of Zhengzhou Yida Technology New City Development Co., Ltd. (鄭州億達科技新城發展有限公司). Mr. Li obtained a bachelor's degree in finance from Dongbei University of Finance and Economics in 2001. Mr. Li is an intermediate economist.

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.

The Board is pleased to present the report and audited financial statements of the Group for the year ended 31 December 2020.

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 2020 are set out on page 97 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 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 Board does not recommend any payment of final dividend for the year ended 31 December 2020.

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 Friday, 28 May 2021 to Tuesday, 1 June 2021 (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 annual general meeting to be held on Tuesday, 1 June 2021 (the "AGM"), 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 Thursday, 27 May 2021.

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 31 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 36 to the financial statements of the Group.

Distributable Reserves

As at 31 December 2020, 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 RMB1,721,000.

Pension Scheme

Employees in the Group's PRC subsidiaries are required to participate in a central pension scheme operated by the local municipal government. The Group's PRC subsidiaries are required to contribute certain percentages of their payroll costs to the 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. As at 31 December 2020, no forfeited contributions were available to reduce the existing level of contributions payable by the Group.

Major Customers and Suppliers

For the year ended 31 December 2020, 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 2020.

Share Capital

The details of the changes in the share capital of the Company during the Year are set out in note 35 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 had purchased, sold or redeemed any of the Company's listed securities.

Debentures of the Company

References are made to the Company's announcements dated 26 February 2020, 2 March 2020, 10 March 2020, 17 March 2020, 24 March 2020 and 27 March 2020.

On 17 April 2017, the Company issued the US$300,000,000, 6.95% senior notes due 2020 which would mature on 19 April 2020 (the "2020 Notes"). On 26 February 2020, the Company commenced the offer to exchange the outstanding principal amount of the 2020 Notes in accordance with the terms of the offer exchange and consent solicitation memorandum dated 26 February 2020 (the "Exchange Offer and Consent Solicitation"). Completion of the Exchange Offer and Consent Solicitation took place on 27 March 2020. The consideration comprised (i) an issue of US$224,899,000 of the US$ denominated senior notes due 2022 (the "2022 Notes"); (ii) US$22,243,140 as cash consideration; (iii) US$7,538,639.68 as accrued interest and (iv) US$3,860 in lieu of any fractional amount of the 2022 Notes equal to the principal amount of the 2022 Notes not issued. US$247,146,000 of the 2020 Notes that were validly tendered for exchange and accepted in accordance with the Exchange Offer and Consent Solicitation have been cancelled. Upon cancellation, the remaining principal amount of the 2020 Notes was US$52,854,000 which was due on 20 April 2020, and the Company had repaid in full on 24 April 2020. The 2022 Notes bear interest at 10% per annum for the first six-month period and 14% per annum for the remaining term, payable semi-annually in arrears and will mature on 27 March 2022. The 2022 Notes are listed on the Singapore Exchange Securities Trading Limited.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

On 16 May 2020, the Group entered into a framework agreement with Sumitomo Realty & Development Co., Ltd. (住友不動產株式會社) ("Sumitomo R&D") to acquire 75% equity interests in Dalian Qingyun Sky Realty and Development Company Limited (大連青雲天下房地產開發有限公司) (the "Joint Venture") held by Sumitomo R&D through a series of transactions or arrangements for a consideration of RMB3,030 million. The Joint Venture provided financing of RMB430 million for the Group, and China Orient Asset Management Co., Ltd (中國東方資產管理股份有限公司) ("Dongfang") provided financing of RMB2.6 billion for the Group. The Group simultaneously entered into an acquisition framework agreement with Sumitomo R&D to acquire the 50% equity interest in Dalian Qingyun Sky Property Service Company Limited (the "Service Company") at a consideration of RMB2,550,000.

The aforesaid acquisition was approved by Jiayou (International) Investment Limited ("Jiayou"), which owns 1,581,485,750 shares of the Company, representing approximately 61.20% of the issued share capital of the Company, by way of written shareholder's approval.

The first part of the transactions under the abovementioned agreements was completed on 12 June 2020, upon which the Joint Venture and the Service Company have been accounted for as wholly-owned subsidiaries of the Group and their financial results have been consolidated in the Group's consolidated financial statements. For details, please refer to the announcements of the Company dated 17 May 2020 and 12 June 2020 and the circular of the Company on 30 June 2020.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

Litigation and Arbitration

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

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

On 4 March 2021, the Respondents and the Claimants entered into the settlement agreement (the "**Settlement Agreement**"). The Respondents acknowledged that they are indebted to the Claimants for USD208,793,407 (the "**Total Payment Obligation**") according to the Final Award. It is further agreed that the amount payable by the Respondents would be reduced to USD175 million, and paid to the Claimants in accordance with the payment time and amount stipulated in the Settlement Agreement. On 5 March 2021, the Respondents has paid USD35 million to the Claimants in accordance with the Settlement Agreement.

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

Pre-Emptive Rights

There are no provisions for pre-emptive rights over shares of the Company under the Company's Articles of Association (the "**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 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.

Equity-linked Agreements

Save for the Company's share option scheme as disclosed below, during the year ended 31 December 2020, no equity-linked agreements were entered into by the Company or subsisted at the end of the year.

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 2020, 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 2020, 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, representing approximately 9.98% of the total number of issued Shares as at the date of this report.

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. **Amount payable on application or acceptance of the option:**

Upon acceptance of the option, the grantee shall pay HK$1 to the Company as consideration for the grant.

8. **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.

9. **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 *(removal on 15 June 2020)*
Mr. Yu Shiping *(resigned on 31 March 2021)*
Ms. Zheng Xiaohua *(resigned on 31 March 2021)*
Mr. Xu Beinan *(resigned on 1 April 2020)*

Non-Executive Directors

Mr. Wang Gang
Mr. Zong Shihua *(resigned on 4 June 2020)*
Mr. Zhou Yaogen *(resigned on 15 September 2020)*
Mr. Zhang Xiufeng *(appointed on 15 September 2020)*
Mr. Cheng Xuezhi *(appointed on 31 March 2021)*
Mr. Ni Jie *(appointed on 31 March 2021)*

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 1 June 2020. 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 2021. Mr. Zhang Xiufeng, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 15 September 2020. Each of Mr. Cheng Xuezhi and Mr. Ni Jie, being the non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 31 March 2021. 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 2020. 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. 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. Zhang Xiufeng, Mr. Cheng Xuezhi, Mr. Ni Jie, Mr. Yip Wai Ming, Mr. Wang Yinping and Mr. Han Gensheng 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 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. The annual general meeting of the Company held on 15 June 2020 passed an ordinary resolution to remove Mr. Chen Donghui from the position of executive Director, with effect from 15 June 2020. For details, please refer to the announcements of the Company dated 20 February 2020, 23 February 2020, 12 March 2020, 31 March 2020 and 15 June 2020.

Remuneration of Directors and Five Highest Paid Individuals

For the year ended 31 December 2020, 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 2020, 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

Save as disclosed in the section headed "Connected Transactions" below, 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.

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.

Connected Transactions

1. Loan agreement

On 3 December 2019, Dalian Shengyue Property Development Company Limited, a wholly-owned subsidiary of the Company (the "**Borrower**") entered into the loan agreement (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, bearing interest rate of 8% per annum. The Group also entered into the pledge agreement and the guarantee agreement in favor of the Lender as security for the loan.

For details, please refer to the announcements of the Company dated 3 December 2019 and 15 January 2020, and the circular on 30 December 2019.

On 4 February 2020, the first tranche loan of RMB230,000,000 (the "**First Tranche Loan**") under the Loan Agreement was drawn down by the Borrower. Out of the First Tranche Loan, the term for RMB22,000,000 (the "**Relevant Portion of the First Tranche Loan**") shall end on or before 18 February 2020.

On 18 February 2020, the Borrower entered into the first extension agreement (the "**First Extension Agreement**") with the Lender, extending the repayment date for the Relevant Portion of the First Tranche Loan from 18 February 2020 to 30 June 2020, or two (2) 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 all other terms in the Loan Agreement remaining valid and in force. For details, please refer to the announcement dated 18 February 2020.

On 9 June 2020, the Borrower and the Lender entered into the second extension agreement (the "**Second Extension Agreement**") in order to extend the repayment date of the First Tranche Loan of RMB230,000,000 to 31 March 2021 and revised the loan amount by taking into account the unpaid interests charged on the First Tranche Loan. All other terms in the Loan Agreement shall remain valid and in force. For details, please refer to the announcement of the Company dated 9 June 2020.

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 of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Loan Agreement, the First Extension Agreement and the Second Extension Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

2. General construction contract

On 23 October 2020, Wuhan New Software Park Development Company Limited* (武漢軟件新城發展有限公司), a non-wholly owned subsidiary of the Company (the "Principal") and Hubei Provincial Road & Bridge Group Co., Ltd.* (湖北省路橋集團有限公司) (the "General Contractor") entered into a general construction contract, pursuant to which the General Contractor agreed to carry out partial earthworks, foundation and structural construction, renovation and decoration, mechanical engineering and other related works for the project phase 5.1 of the Software New Town (武漢軟件新城). The total contract sum under the general construction contract amounted to RMB132,305,283.48, which is inclusive of value added tax at a rate of 9%.

The General Contractor is a direct wholly-owned subsidiary of Wuhan East Lake High Technology Group Co., Ltd. ("Wuhan East Lake"), and Wuhan East Lake held as to approximately 21.84% interest in the Principal and is therefore a substantial shareholder of the Principal, which is a non-wholly owned subsidiary of the Company. Accordingly, each of Wuhan East Lake and the General Contractor is a connected person at subsidiary level of the Company under Chapter 14A of the Listing Rules, and the transactions contemplated under the general construction contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 23 October 2020.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31 December 2020.

Related Party Transactions

During the year ended 31 December 2020, 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 44(a). Related Party Transactions do not constitute connected transactions of the Group, and the transactions set out in note 44(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 2020, the interests and short positions of each of the Directors and the chief executives of the Company in the shares, 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 of the Company

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.

Save as disclosed above, as at 31 December 2020, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register 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.

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

As at 31 December 2020, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions had interests or short positions in the shares and underlying shares of the Company 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%
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 2020, 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 of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

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 2020 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.

Disclosure Pursuant to Rule 13.21 of the Listing Rules

Breach of significant loan agreements

Reference is made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020 and 23 April 2020, the interim report of the Company for the six months ended 30 June 2019, the annual report of the Company for the year ended 31 December 2019 and the interim report of the Company for the six months ended 30 June 2020.

1. In April 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 61.11% interests in the Company, in relation to its equity interests in China Minsheng Jiaye Investment Co., Ltd. (中民嘉業投資有限公司). It had technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group. The Company was further notified in relation to the financial difficulties faced by China Minsheng. As a result of the 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.

2. In February 2020, Mr. Chen Donghui, a then executive Director of the Company (such director was removed at the annual general meeting of the Company held on 15 June 2020), was detained by the authorities of the PRC for suspected embezzlement. It has further resulted in the occurrence of certain triggering events under certain loan agreements.

3. On 17 April 2017, the Company issued the 2020 Notes in an aggregate principal amount of USD300,000,000. The remaining principal amount of the 2020 Notes was USD52,854,000 which was due on 20 April 2020 and the Company had repaid in full on 24 April 2020, which also constituted an event of default.

4. On 20 October 2020, the Hong Kong International Arbitration Centre issued a judgement, pursuant to which certain subsidiaries of the Group are required to pay the put option price and interest to the arbitration applicant within 14 days from the date thereof. However, certain subsidiaries did not execute the judgement until 90 days, which resulted in the technical default of the senior notes. In March 2021, the Group entered into a settlement agreement with the arbitration applicant, and the senior notes investors have agreed to exempt the breach of contract.

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

As at 31 December 2020, the respective lenders may demand immediate repayment of the outstanding loans in the amount of RMB7,695,711,000 in accordance with the above matters. As at the date of this annual report, no relevant lender had demand for immediate repayment of the loans. The operation of the Group, including its pre-sale and receivables collection, remains normal. The Company and relevant banks and financial institutions continue to negotiate on the future financing arrangements with the Company, and at the same time is also exploring alternative sources of financing as and when needed.

Specific performance of the controlling shareholder

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

Pledging of shares by the controlling shareholder

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

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

Subsequent Events

Disposal of Yida Property Service Company Limited and its subsidiaries

On 4 March 2021, four wholly-owned subsidiaries of the Company (collectively, the "Vendors"), Longfor Jiayue Property Service Company Limited (龍湖嘉悦物業服務有限公司) (the "Purchaser") as well as Yida Property Service Company Limited (億達物業服務集團有限公司) (the "Target Company") and its subsidiaries (the "Target Group") entered into an equity transfer agreement and supplementary agreement, pursuant to which the Vendors have conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the 100% equity interests held by the Vendors in the Target Group for a consideration of RMB1,273 million. The disposal constitutes a major transaction of the Company and are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Jiayou (International) Investment Limited owns 1,581,485,750 shares of the Company, representing approximately 61.20% of the issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, Jiayou (International) Investment Limited has issued a written shareholder's approval certificate to approve the Disposal and accordingly, no extraordinary general meeting will be convened and held by the Company to approve the disposal. The company expects to despatch a circular to shareholders on or before 31 May 2021.

On 10 March 2021. the disposal was completed. The Target Group ceased to be subsidiaries of the Company and the financial information of the Target Group would no longer be consolidated into the Group's consolidated financial statements.

For details, please refer to the announcement of the Company dated 4 March 2021.

The Settlement Agreement

On 4 March 2021, the Company, its five wholly-owned subsidiaries and its two joint ventures entered into the Settlement Agreement, details of which are set out in the sections headed "Litigation and Arbitration" and "Disclosure Pursuant to Rule 13.21 of the Listing Rules" in this report, and the announcements of the Company dated 25 February 2021 and 5 March 2021.

Third Extension Agreement

On 11 March 2021, Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司) (the Borrower) and Shanghai Jiayu Medical Investment Management Co., Ltd. (上海嘉愈醫療投資管理有限公司) (the Lender) entered into the third extension agreement (the "**Third Extension Agreement**") in order to further extend the repayment date of the First Tranche Loan as disclosed under the section headed "Connected Transactions – 1. Loan agreement" in the this annual report from 31 March 2021 (which was originally extended pursuant to the Second Extension Agreement) to 31 October 2021, and revised the loan amount by taking into account the unpaid interests charged on the First Tranche Loan.

On 31 March 2021, The Borrower and the Lender entered into a supplemental agreement to amend certain terms of the Third Extension Agreement to remove the deadline regarding the Stock Exchange's clearance on the circular in relation to, among other things, further particulars of the Third Extension Agreement.

For details, please refer to the announcements of the Company dated 11 March 2021 and 31 March 2021.

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, 31 March 2021

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2020.

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 2020 to 31 December 2020 (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 (removal on 15 June 2020), Mr. Yu Shiping (resigned on 31 March 2021), Ms. Zheng Xiaohua (resigned on 31 March 2021) and Mr. Xu Beinan (resigned on 1 April 2020) as the executive Directors; Mr. Wang Gang, Mr. Zong Shihua (resigned on 4 June 2020), Mr. Zhou Yaogen (resigned on 15 September 2020), Mr. Zhang Xiufeng (appointed on 15 September 2020), Mr. Cheng Xuezhi (appointed on 31 March 2021) and Mr. Ni Jie (appointed on 31 March 2021) 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 seven 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 extraordinary general meeting and an annual general meeting on 15 January 2020 and 15 June 2020, respectively.

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 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. Zhang Xiufeng, Mr. Cheng Xuezhi, Mr. Ni Jie, Mr. Yip Wai Ming, Mr. Wang Yinping and Mr. Han Gensheng shall retire by rotation, and being eligible, have offered themselves for re-election as Directors at the annual general meeting to be held on Tuesday, 1 June 2021.

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, an executive Director of the Company, was 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 for the purpose of considering the removal of Mr. Chen from the position of executive Director. The annual general meeting of the Company held on 15 June 2020 passed an ordinary resolution to remove Mr. Chen Donghui from the position of executive Director, with effect from 15 June 2020.

For details, please refer to the announcements of the Company dated 20 February 2020, 23 February 2020, 12 March 2020, 31 March 2020 and 15 June 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 (the "**Board Diversity Policy**") setting out the approach to achieve diversity on the Board. In designing the Board's composition, the Company considered diversity of the 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 of the Company (the "**Remuneration Committee**") and the audit committee of the Company (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 CG Code. During the Review Period, the Nomination Committee convened a meeting on 31 March 2020 to discuss the structure, size and composition of the Board, assess the independence of each independent non-executive Director and the removal of Director, make recommendations to the Board on the re-appointment of Directors, review the policy on the Board Diversity Policy and measurable objectives for implementing such Board Diversity Policy, and review the nomination policy of the Company and convened a meeting on 15 September 2020 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 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: nine Directors aged between 32 and 66; and in terms of academic qualifications, there are two doctors, four masters and three 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 2020 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 meetings on 31 March 2020 and 15 May 2020 respectively, to review the Company's unaudited and audited annual financial report as of 31 December 2019, and convened a meeting on 14 August 2020 to review the Company's interim financial report as of 30 June 2020.

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 the Group's 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 CG Code.

During the Review Period, the Remuneration Committee convened a meeting on 31 March 2020 to discuss the reasonableness matters related to the remuneration of the Directors and senior management and convened a meeting on 15 September 2020 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 four senior management members of the Company was between HKD1.70 million to HKD3.70 million as at 31 December 2020.

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	7/7		2/2	2/2	2/2
Chen Donghui (1)	1/7				0/2
Yu Shiping (2)	7/7				2/2
Zheng Xiaohua (3)	7/7				2/2
Xu Beinan (4)	2/7				1/2
Non-executive Directors					
Wang Gang	7/7				2/2
Zong Shihua (5)	4/7				1/2
Zhou Yaogen (6)	7/7				2/2
Zhang Xiufeng (7)	0/7				0/2
Independent Non-executive Directors					
Yip Wai Ming	7/7	3/3	2/2		2/2
Guo Shaomu	7/7	3/3		2/2	2/2
Wang Yinping	7/7	3/3	2/2	2/2	2/2
Han Gensheng	7/7	3/3	2/2	2/2	2/2

(1) Mr. Chen Donghui was detained by the Public Security Bureau of the PRC and was removed on 15 June 2020.

(2) Mr. Yu Shiping resigned on 31 March 2021.

(3) Ms. Zheng Xiaohua resigned on 31 March 2021.

(4) Mr. Xu Beinan resigned on 1 April 2020.

(5) Mr. Zong Shihua resigned on 4 June 2020.

(6) Mr. Zhou Yaogen resigned on 15 September 2020.

(7) Mr. Zhang Xiufeng was appointed on 15 September 2020.

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 2020, 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 95 of the "Independent Auditor's Report" in this annual report.

In preparing the financial statements for the year ended 31 December 2020, 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 2020 amounted to approximately RMB5,080,000 and RMB2,315,000, respectively.

PricewaterhouseCoopers was appointed as external auditor of the Company in place of Ernst & Young with effect from 14 June 2018 to align the audit arrangements between the Company and its controlling shareholder with a view to enhancing the efficiency of the audit services. PricewaterhouseCoopers has been re-appointed as the external auditor of the Company at the 2020 annual general meeting of the Company and to hold office until the conclusion of the forthcoming annual general meeting of the Company. Save as disclosed above, there has been no other change in the auditors of the Company in any of the preceding three years.

Risk Management and Internal Control

During the Review Period, the Board has conducted a review of the effectiveness of the risk management and internal control systems 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 risk management and internal control systems 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, the Company has established an internal audit department to conduct regular audits for the Company and its subsidiaries, whether the financial, operational and other functional systems are complete, the compliance of the system implementation, the performance of senior employees, and report to the Board and make suggestions. The work of the internal audit department will ensure the proper operation and effective implementation of the risk management and internal control systems as planned; protect the Group's assets from unauthorized misappropriation or disposal; ensure compliance with relevant laws, regulations and internal policies and procedures.

The Directors of the Company believe that the above risk management and 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 2020. 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 Company's annual general meetings 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 Company's annual general meetings. The Company would arrange for the notice to shareholders to be sent in the case of an annual general meeting 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.

Independent Auditor's Report

pwc 羅兵咸永道

To the Shareholders 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 97 to 192, which comprise:

- the consolidated statement of financial position as at 31 December 2020;
- 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 2020, 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 2020, the Group's current liabilities exceeded its current assets by RMB6,227,652,000. At the same date, its current borrowings amounted to RMB11,869,159,000 while its cash and cash equivalents amounted to RMB572,237,000 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 borrowing agreements. During the year ended 31 December 2020, the detention of a then executive director of the Company by the authorities in the People's Republic of China, several delays in repayment of senior notes and bank loans also triggered certain terms specified in the Group's borrowing agreements. The above events resulted in certain of the Group's borrowings amounted to RMB7,695,711,000 in total as at 31 December 2020 becoming immediately repayable if requested by the lenders. 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 judgment, 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
- Acquisition of Qingyun Sky

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 RMB18,983 million as at 31 December 2020, of which RMB45 million were right-of-use assets, RMB13,247 million were completed properties and RMB5,691 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 2020. We focused on this area because the investment properties balances were significant to the consolidated financial statements and the valuation is subject to high degree of estimation uncertainty in selection of valuation method, and the application of key assumptions used by management including yearly rental value, capitalization rate, estimated construction costs, and estimated development profit.	Our work in relation to the valuation of investment properties included: We obtained an understanding of the management's internal control and assessment process of valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We assessed the competence, capability and objectivity of the external valuer used by management. With the assistance of our internal valuation experts, we tested how management made the estimate and 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, capitalization 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 2020, the Group's properties under development and completed properties held for sale amounted to RMB10,290 million and RMB4,939 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 2020 to assess if the net realizable values of these assets were higher than their carrying amounts. As a result, an impairment of properties under development and completed properties held for sale of RMB23 million was charged for the year ended 31 December 2020. We focused on this area because the inherent risk in relation to the determination of net realizable values of properties under development and completed properties held for sale is considered significant due to the subjectivity of significant assumptions used by management including 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 obtained an understanding of the management's internal control and assessment process of provision for impairment of properties under development and completed properties held for sale and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We assessed the competence, capability and objectivity of the external valuer used by management. With the assistance of our internal valuation experts, we tested how management made the estimate and 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.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Acquisition of Qingyun Sky	
Refer to note 38 "Business Combinations" to the consolidated financial statements. In June 2020, the Group completed the acquisition of the remaining equity interests of 75% in Dalian Qingyun Sky Realty and Development Company Limited and the remaining equity interests of 50% in Dalian Qingyun Sky Property Service Company Limited (collectively, "Qingyun Sky") at a consideration of RMB3,033 million, resulting in a gain on re-measurement of previously held equity interests in Qingyun Sky of RMB325 million and a gain on bargain purchase of RMB130 million. The Group engaged an external independent valuer in determining the fair value of significant assets of Qingyun Sky acquired, including investment properties, properties under development and completed properties held for sale. We focused on this area because of the significance of the acquisition of Qingyun Sky to the consolidated financial statements and the fair value of the identifiable assets acquired, liabilities assumed and the previously held equity interests is subject to high degree of estimation uncertainty.	Our work in relation to the acquisition included: We obtained an understanding of the management's internal control and assessment process of business acquisition and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. We assessed the competence, capabilities and objectivity of the external valuer used by management. We assessed the appropriateness of the valuation methods adopted and the key assumptions used in the valuation of investment properties, properties under development and completed properties held for sale with the assistance from our internal valuation experts. We compared these key assumptions to externally derived data. We also assessed the tax impacts arising from the valuation. For the assets and liabilities acquired other than properties as at the date of acquisition, we performed audit procedures including examining the underlying supporting documents such as bank statements and bank reconciliations. We traced the total consideration to the signed equity transfer agreements and re-performed the calculation of gain on re-measurement of previously held equity interests of Qinyun Sky and gain from the bargain purchase. Based on the audit procedures performed, we consider that the Group's accounting treatment for the acquisition of Qingyun Sky including the fair value of the identifiable assets acquired, liabilities assumed and the previously held equity interests were supported by the evidence that we obtained.

Other Information

The directors of the Company are responsible for the other information set out in the Company's 2020 Annual Report. The other information comprises the information included in the chairman's statement and management discussion and analysis (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the corporate overview, corporate information, financial summary, environment, social and governance report, profile of directors and senior management, directors' report and corporate governance report which are expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the corporate overview, corporate information, financial summary, environment, social and governance report, profile of directors and senior management, directors' report and corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

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, actions taken to eliminate threats or safeguards applied.

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, 31 March 2021

Consolidated Statement of Profit or Loss

For the year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Revenue	5	**5,204,224**	6,077,400
Cost of sales	8	**(3,959,448)**	(3,946,801)
Gross profit		**1,244,776**	2,130,599
Other income	6	**37,917**	52,733
Gains arising from acquisition of subsidiaries	38	**454,889**	49,389
Fair value gains on investment properties	16	**81,073**	147,396
Net reversal of/(provision for) impairment losses on financial and contract assets	47	**2,635**	(9,174)
Other gains – net	7	**81,055**	297,643
Selling and marketing expenses	8	**(169,350)**	(208,086)
Administrative expenses	8	**(451,296)**	(520,801)
Finance costs – net	11	**(832,091)**	(683,098)
Share of profits and losses of joint ventures and associates	19,20	**86,876**	50,808
Profit before income tax		**536,484**	1,307,409
Income tax expenses	12	**(339,645)**	(669,306)
Profit for the year		**196,839**	638,103
Attributable to:			
Owners of the Company		**172,576**	450,164
Non-controlling interests		**24,263**	187,939
		196,839	638,103
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	14	**0.07**	0.17

The notes set out on pages 105 to 192 are an integrated part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	2020 RMB'000	2019 RMB'000
Profit for the year	**196,839**	638,103
Other comprehensive income for the year	–	–
Total comprehensive income for the year	**196,839**	638,103
Attributable to:		
Owners of the Company	**172,576**	450,164
Non-controlling interests	**24,263**	187,939
	196,839	638,103

The notes set out on pages 105 to 192 are an integrated part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment	15	**114,831**	125,761
Investment properties	16	**18,982,717**	19,745,832
Investments in joint ventures	19	**1,644,408**	1,853,509
Investments in associates	20	**4,927**	14,174
Prepayments for acquisition of land		**3,036,113**	2,801,290
Prepayments and other receivables	26	**836,973**	792,413
Intangible assets	18	**36,727**	32,597
Deferred tax assets	33	**264,543**	253,446
Total non-current assets		**24,921,239**	25,619,022
Current assets			
Inventories	24	**20,262**	7,920
Land held for development for sale	17	**784,753**	768,008
Properties under development	21	**10,289,518**	6,494,611
Completed properties held for sale	22	**4,938,899**	4,791,514
Prepayments for acquisition of land		**751,252**	529,529
Contract assets	23	**93,872**	138,439
Trade receivables	25	**590,435**	912,416
Prepayments, deposits and other receivables	26	**1,118,185**	2,197,831
Prepaid corporate income tax		**117,537**	129,655
Prepaid land appreciation tax		**259,485**	244,995
Financial assets at fair value through profit or loss	27	**6,260**	–
Restricted cash	28	**1,002,551**	1,006,857
Cash and cash equivalents	28	**572,237**	1,032,666
Total current assets		**20,545,246**	18,254,441
Total assets		**45,466,485**	43,873,463

Consolidated Statement of Financial Position (continued)

As at 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current liabilities			
Interest-bearing bank and other borrowings	31	**3,410,200**	1,146,666
Deferred tax liabilities	33	**2,935,334**	2,505,589
Lease liabilities	15, 16	**11,673**	399,255
Other non-current liabilities		**24,598**	2,659
Total non-current liabilities		**6,381,805**	4,054,169
Current liabilities			
Contract liabilities	5	**5,841,962**	4,733,967
Trade payables	29	**3,724,570**	3,378,641
Other payables and accruals	30	**3,755,401**	2,917,219
Derivative financial instruments	34	**–**	769,496
Interest-bearing bank and other borrowings	31	**11,869,159**	13,869,059
Corporate income tax payable		**624,311**	678,807
Provision for land appreciation tax	32	**893,613**	875,513
Lease liabilities	15, 16	**63,882**	61,071
Total current liabilities		**26,772,898**	27,283,773
Total liabilities		**33,154,703**	31,337,942
Equity			
Equity attributable to owners of the Company			
Issued capital	35	**159,418**	159,418
Reserves	36	**11,870,156**	11,697,580
		12,029,574	11,856,998
Non-controlling interests		**282,208**	678,523
Total equity		**12,311,782**	12,535,521
Net current liabilities		**(6,227,652)**	(9,029,332)
Total assets less current liabilities		**18,693,587**	16,589,690

Jiang Xiuwen
Director

Zhang Xiufeng
Director

The notes set out on pages 105 to 192 are an integrated part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 36)	Other reserves RMB'000 (note 36)	Retained profits RMB'000 (note 36)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2020	159,418	1,288,734	1,079,473	9,329,373	11,856,998	678,523	12,535,521
Comprehensive income							
Profit for the year	–	–	–	172,576	172,576	24,263	196,839
Total comprehensive income for the year	–	–	–	172,576	172,576	24,263	196,839
Transactions with owners							
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	56,225	56,225
Appropriation to surplus reserve	–	–	26,451	(26,451)	–	–	–
Decrease of non-controlling interests in connection with loss of control over subsidiaries (note 7)	–	–	–	–	–	(476,803)	(476,803)
Balance at 31 December 2020	159,418	1,288,734	1,105,924	9,475,498	12,029,574	282,208	12,311,782

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2020

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 36)	Other reserves RMB'000 (note 36)	Retained profits RMB'000 (note 36)	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
Total comprehensive income for the year	–	–	–	450,164	450,164	187,939	638,103
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

The notes set out on pages 105 to 192 are an integrated part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Cash flows from operating activities			
Profit before income tax		**536,484**	1,307,409
Adjustments for:			
Depreciation	8	**51,241**	37,387
Amortisation of intangible assets	8	**11,995**	12,909
Net losses/(gains) on disposal of items of property, plant and equipment	7	**10,927**	(108)
Fair value gains on investment properties	16	**(81,073)**	(147,396)
Net losses on derivative financial instruments	7	**171,605**	22,788
Share of profits and losses of joint ventures and associates	19,20	**(86,876)**	(50,808)
Gains arising from acquisition of subsidiaries	38	**(454,889)**	(49,389)
Impairment of properties under development and completed properties held for sale	8	**22,623**	74,686
Net impairment losses/(reversal of losses) on financial and contact assets		**(2,635)**	9,174
Gains arising from loss of control over subsidiaries and disposal of a subsidiary and an associate	7	**(199,074)**	(333,591)
Finance costs – net	11	**832,091**	683,098
Interest income	6	**(11,518)**	(38,870)
Others		**54,044**	–
		854,945	1,527,289
(Increase)/decrease in inventories		**(12,342)**	8,983
Decrease/(increase) in properties under development		**1,171,053**	(799,048)
(Increase)/decrease in completed properties held for sale		**(489,210)**	348,410
(Increase)/decrease in land held for development for sale		**(144,352)**	486,360
(Increase)/decrease in prepayments for acquisition of land		**(222,035)**	345,476
Decrease in contract assets		**44,613**	1,805
Decrease in trade receivables		**269,536**	290,764
Decrease/(increase) in prepayments, deposits and other receivables		**885,286**	(388,125)
Decrease in trade payables		**320,207**	670,446
(Decrease)/increase in other payables and accruals		**(249,880)**	1,078,252
Increase in contract liabilities		**1,015,617**	1,685,225
Increase in other non-current liabilities		**21,939**	2,659
Cash generated from operations		**3,465,377**	5,258,496
Interest received		**11,518**	38,870
PRC corporate income tax paid		**(147,066)**	(115,430)
PRC land appreciation tax paid		**(180,082)**	(137,707)
Net cash flows from operating activities		**3,149,747**	5,044,229

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Cash flows from investing activities			
Decrease in amounts due from joint ventures and associates		**2,917**	12,385
Purchases of property, plant and equipment	15	**(30,440)**	(24,849)
Purchases of intangible assets	18	**(15,096)**	(12,002)
Proceeds from disposal of an associate		**9,000**	–
Investment in joint ventures		**(35,997)**	(331,720)
Net payment for acquisition of subsidiaries	38	**(2,646,579)**	(1,387,723)
Additions to investment properties	16	**(105,033)**	(330,594)
Proceeds from disposal of items of property, plant and equipment		**11,124**	1,491
Proceeds from disposal of investment properties		**19,249**	19,249
Net (payment)/proceeds from loss of control over subsidiaries		**(46,539)**	767,819
Decrease/(increase) in restricted cash		**13,644**	(278,371)
Dividends received		**1,523**	5,000
Investment in financial assets at fair value through profit or loss		**(4,986)**	–
Net cash used in investing activities		**(2,827,213)**	(1,559,315)
Cash flows from financing activities			
Increase/(decrease) in amounts due to joint ventures, associates and non-controlling interests		**(96,816)**	113,767
Capital contribution from non-controlling interests		**56,225**	80,684
Interest paid		**(1,268,435)**	(1,427,459)
Dividends paid		**(226,838)**	(70,600)
Principal elements of lease payments		**(51,913)**	(58,198)
Proceeds of bank and other borrowings		**6,246,951**	4,132,738
Repayment of bank and other borrowings		**(5,442,137)**	(6,300,955)
Net cash used in financing activities		**(782,963)**	(3,530,023)
Net decrease in cash and cash equivalents		**(460,429)**	(45,109)
Cash and cash equivalents at beginning of year		**1,032,666**	1,077,775
Cash and cash equivalents at end of year			
Representing cash and bank balances	28	**572,237**	1,032,666

The notes set out on pages 105 to 192 are an integrated part of these consolidated financial statements.

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 2020, 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, Chongqing, Zhengzhou, Hefei, Xi'an, Suzhou, Hangzhou, Shenzhen, Changsha and Chengdu, the People's Republic of China (the "**PRC**").

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

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

Information about subsidiaries

As at 31 December 2020, 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 Direct (%)	Percentage of equity attributable to the Company Indirect (%)	Principal activities
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 investment
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
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

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 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	RMB60,000,000	–	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	RMB12,000,000	–	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
Yida Landscaping Engineering Company Limited (億達園林綠化工程有限公司) *#	PRC/ Mainland China	RMB200,000,000	–	100	Landscaping
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

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 Tech Town Development Co., Ltd. (億達科技新城管理有限公司) * #	PRC/ Mainland China	RMB8,854,646	–	30	Business park investment and management
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	RMB275,164,045	–	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
Dalian Qingyun Sky Realty and Development Company Limited ("Qingyun Sky Realty and Development") (大連青雲天下房地產開發有限公司) * # &	PRC/ Mainland China	RMB2,963,280,000	–	100	Property development
Dalian Qingyun Sky Propety Service Company Limited ("Qingyun Sky Service Company") (大連青雲天下物業服務有限公司) * # &	PRC/ Mainland China	RMB5,000,000	–	100	Property management
Dalian Yize Property Development Company Limited ("Dalian Yize") (大連億澤房地產開發有限公司) * # &	PRC/ Mainland China	RMB314,770,000	–	100	Property development
Dalian Yihong Property Development Company Limited ("Dalian Yihong") (大連億鴻房地產開發有限公司) * # &	PRC/ Mainland China	RMB347,230,000	–	100	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.

& These companies became subsidiaries of the Group in 2020 (note 38).

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 2020 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 2020, the Group's current liabilities exceeded its current assets by RMB6,227,652,000. At the same date, its current borrowings amounted to RMB11,869,159,000 while its cash and cash equivalents amounted to RMB572,237,000 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 borrowing agreements. This resulted in certain of the Group's borrowings amounted to RMB7,695,711,000 in total as at 31 December 2020 becoming immediately repayable if requested by the lenders, of which RMB5,703,311,000 represented borrowings with scheduled repayment dates within one year, while RMB1,992,400,000 represented non-current borrowings with original maturity dates beyond 31 December 2021 that were reclassified as current liabilities.

On 20 February 2020, the Company publicly announced that Mr. Chen Donghui, an executive director of the Company, was detained by the relevant authorities in the PRC ("**Mr. Chen Detention Matter**"). Mr. Chen was subsequently removed as an executive director of the Company with the effect from 15 June 2020. This event resulted in certain of the Group's borrowings amounted to RMB4,124,247,000 in total as at 31 December 2020, among the above-mentioned borrowings of RMB7,695,711,000, becoming immediately repayable if requested by the lenders.

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

On 20 April 2020, the Group failed to repay USD52,854,000 of the senior notes due on 20 April 2020 and subsequently repaid in full on 24 April 2020, which constituted an event of default ("**2020 Senior Notes Default**"). This event also resulted in the above-mentioned borrowings of RMB7,695,711,000 as at 31 December 2020 becoming immediately repayable if requested by the lenders.

On 30 October 2020, the Group failed to repay bank loans due to one commercial bank amounted to RMB138,920,000, which constituted an event of default ("**Bank Loans Default**"). This event also resulted in the above-mentioned borrowings of RMB7,695,711,000 as at 31 December 2020 becoming immediately repayable if requested by the lenders. The Group subsequently fully repaid these bank loans in certain tranches until 4 March 2021.

Subsequent to 31 December 2020, the Group failed to pay the final award amount together with interest accruing thereon to the certain joint venture partners for 90 consecutive days following 20 October 2020, when Hong Kong International Arbitration Centre issued a final award in relation to the arbitration over the exercise of certain put options with the certain joint venture partners (note 34). This triggered certain terms specified in the senior notes due on 27 March 2022 ("**2022 Senior Notes Default**") on 18 January 2021, and was subsequently waived by the respective holders with effect from 8 March 2021.

Such conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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

(i) Although the lenders has not requested the Group to repay the relevant borrowings 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, 2020 Senior Notes Default, Bank Loans Default and 2022 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 borrowings prior to their scheduled contractual repayment dates.

(ii) The Group is also actively negotiating with several existing financial institutions on the renewal of and extension for repayments of certain borrowings. Subsequent to 31 December 2020, 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, extend or obtain new borrowings of RMB1,549 million, out of which RMB1,299 million borrowings are attributable to agreements that do not contain any restrictions relating to the financial conditions of China Minsheng, Mr. Chen Detention Matter, 2020 Senior Notes Default, Bank Loans Default, and 2022 Senior Notes Default (although the borrowing agreements for the remaining borrowings of RMB250 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 longterm relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when necessary.

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

(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.

(v) On 4 March 2021, the Group entered into an agreement to dispose its property management business at a consideration of RMB1,273 million. The Group will continue to seek opportunities to dispose its peripheral assets or businesses.

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 2020. They are of the opinion that, taking into account the abovementioned 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 2020. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

(i) the successful 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;

(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;

(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; and

(v) the successful disposal of peripheral assets or businesses when needed.

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

(d) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

i) Definition of Material – amendments to HKAS 1 and HKAS 8

ii) Definition of a Business – amendments to HKFRS 3

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(d) New and amended standards adopted by the Group (continued)

iii) Interest Rate Benchmark Reform – amendments to HKFRS 9, HKAS 39 and HKFRS 7

iv) Revised Conceptual Framework for Financial Reporting

v) Covid-19 – Related Rent Concessions – amendments to HKFRS 16

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

(e) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 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 2.3).

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.

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.

2. Summary of Significant Accounting Policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

iii. Joint arrangements (continued)

Joint ventures

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

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 2.10.

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.

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. Summary of Significant Accounting Policies (continued)

2.3 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)

2.4 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.

2.5 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.

2.6 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.

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)

2.6 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.

2.7 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.

2. Summary of Significant Accounting Policies (continued)

2.7 Property, plant and equipment and depreciation

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.

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
Motor 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 2.10).

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

2.8 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)

2.9 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.

2.10 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. Summary of Significant Accounting Policies (continued)

2.11 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.

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.

2. Summary of Significant Accounting Policies (continued)

2.11 Investments and other financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item 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 consolidated 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.

(iv) Impairment

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. Summary of Significant Accounting Policies (continued)

2.12 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.

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.

2.13 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 34.

2.14 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

2. Summary of Significant Accounting Policies (continued)

2.14 Financial guarantee contracts (continued)

- 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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. Summary of Significant Accounting Policies (continued)

2.19 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.

2.20 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 2.11(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.

2.21 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.22 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)

2.23 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. Summary of Significant Accounting Policies (continued)

2.24 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.

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.

2.25 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.

2.26 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. Summary of Significant Accounting Policies (continued)

2.27 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. 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.

2.28 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.

2. Summary of Significant Accounting Policies (continued)

2.28 Revenue recognition (continued)

(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 determining 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.

(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.

2.29 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.

2. Summary of Significant Accounting Policies (continued)

2.29 Earnings per share (continued)

(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.

2.30 Dividend income

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

2.31 Leases

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)

2.31 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. Summary of Significant Accounting Policies (continued)

2.32 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.

2.33 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.34 Interest income

Interest income from financial assets at FVPL is recognised in other gains/(losses) in the consolidated statement of profit or loss. Interest income on financial assets at amortised cost calculated using the effective interest method is recognized in finance costs-net in the consolidated 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.

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.

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 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 2020 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.

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.

3. Critical Accounting Judgements and Estimates (continued)

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.

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 2020 was RMB974,789,000 (2019: RMB1,923,979,000). Further details are set out in note 26 to the consolidated financial statements.

3. Critical Accounting Judgements and Estimates (continued)

Fair value of significant assets of subsidiaries at acquisition or disposal date

The Group exercised significant estimates and judgment in determination of the fair value of significant assets acquired or disposed which mainly included the determination of valuation techniques and the selection of inputs accordingly. The valuation techniques mainly include discounted cash flow approach, income capitalisation approach, direct comparison method and residual approach. The key assumption adopted mainly include the future unit selling price, market rental price, profit rates, estimated future costs to finish the completion of the whole project development, capitalisation rates and discount rate. The estimates and judgment mainly based on the operation model and construction status of each property, the market information and historical records.

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, financial assets at fair value through profit or loss, restricted cash and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude derivative financial liabilities, interest-bearing bank and other borrowings and related interests payable, amounts due to related parties, dividends payable, tax payable, provision for land appreciation tax, other taxes payable and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the year ended 31 December 2020, 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 2020

	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:	3,651,103	545,015	199,511	1,137,314	719,695	–	6,252,638
Intersegment revenue	(96,189)	(7,509)	(136,441)	(718,667)	(89,608)	–	(1,048,414)
Sales to external customers	3,554,914	537,506	63,070	418,647	630,087	–	5,204,224
Segment results	528,511	496,253	(73,404)	505	77,137	44,771	1,073,773
Reconciliation:							
Interest income							11,518
Dividend income and unallocated gains							454,889
Corporate and other unallocated expenses							(171,605)
Finance costs							(832,091)
Profit before income tax							536,484
Income tax expenses							(339,645)
Profit for the year							196,839
Segment assets	61,921,674	25,443,508	311,633	7,686,769	468,287	13,377,054	109,208,925
Reconciliation:							
Elimination of intersegment receivables							(66,085,641)
Corporate and other unallocated assets							2,343,201
Total assets							45,466,485
Segment liabilities	45,428,975	9,300,511	362,354	7,505,080	391,584	15,923,688	78,912,192
Reconciliation:							
Elimination of intersegment payables							(66,085,641)
Corporate and other unallocated liabilities							20,328,152
Total liabilities							33,154,703
Other segment information:							
Depreciation and amortisation	16,935	9,989	17,864	9,137	6,135	3,176	63,236
Capital expenditure*	16,160	100,908	7,501	23,730	18,365	109	166,773
Fair value gains on investment properties	–	81,073	–	–	–	–	81,073
Share of profits and losses of joint ventures and associates	786	82,131	4,117	9	3	(170)	86,876
Investments in joint ventures	667,077	943,537	13,395	–	834	19,565	1,644,408
Investments in associates	–	1,000	–	–	43	3,884	4,927

* 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 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
Intersegment 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)

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 value-added tax and surcharges, during the year.

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

	Notes	2020 RMB'000	2019 RMB'000
Revenue from contracts with customers recognised at a point in time			
Sale of properties	(a)	**3,554,914**	4,463,520
Revenue from contracts with customers recognised over time			
Business park operation and management service income		**63,070**	42,149
Construction, decoration and landscaping income		**418,647**	384,323
Property management income		**630,087**	632,786
		1,111,804	1,059,258
Revenue from contracts with customers		**4,666,718**	5,522,778
Revenue from other sources			
Rental income		**537,506**	554,622
		5,204,224	6,077,400

5. Revenue (continued)

Note:

(a) Revenue recognised in relation to contract liabilities:

	31 December 2020 RMB'000	1 January 2020 RMB'000
Contract liabilities	**5,841,962**	4,733,967

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.

	2020 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**2,023,385**

6. Other Income

	2020 RMB'000	2019 RMB'000
Interest income	**11,518**	38,870
Government subsidies	**26,399**	13,863
	37,917	52,733

7. Other gains

	2020 RMB'000	2019 RMB'000
Net foreign exchange gains/(losses)	**159,208**	(28,786)
Gains arising from loss of control over subsidiaries (a), gains arising from disposal of a subsidiary (b)	**199,074**	330,407
Gains arising from disposal of an associate	**–**	3,184
Net losses on derivative financial instruments (note 38)	**(171,605)**	(22,788)
Net losses on disposal of property, plant and equipment	**(10,927)**	(223)
Other items	**(94,695)**	15,849
	81,055	297,643

7. Other gains (continued)

(a) As at 31 December 2019, the Group held 50% effective equity interests in Wuhan New Software Park Development Company Limited ("**Wuhan NSP**"). The Group considered that it was in a position to exercise control over the relevant activities of 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.

In December 2020, the above-mentioned joint venture partner disposal its equity interests in Wuhan NSP, while the Group decided not to exercise its preemption right. As a result, the Group ceased to consolidate Wuhan NSP because of a loss of control, and Wuhan NSP became a joint venture of the Group.

The Group recorded a gain of RMB199,074,000 on remeasurement of the fair value of the retained interests in Wuhan NSP to the fair value of date of losing control.

(b) 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)
Gains recognised in consolidated statement of profit or loss	330,407
Non-controlling interests	(165,204)
	165,203

8. Expenses by Nature

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

	Notes	**2020** **RMB'000**	2019 RMB'000
Cost of properties sold		**2,788,391**	2,829,106
Cost of services provided		**945,551**	875,259
Impairment of properties under development and completed properties held for sale		**22,623**	74,686
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**202,883**	167,750
Employee benefit expenses	9	**272,754**	338,482
Office lease expenses		**17,946**	11,595
Depreciation	15	**51,241**	37,387
Amortisation of intangible assets	18	**11,995**	12,909
Auditor's remuneration			
– Audit services		**5,080**	5,180
– Non-audit services		**2,315**	1,000
Other costs and expenses		**259,315**	322,334
Total cost of sales, selling and marketing expenses and administrative expenses		**4,580,094**	4,675,688

9. Employee Benefit Expenses (including directors' emoluments)

	2020 RMB'000	2019 RMB'000
Wages, salaries and other benefit expenses	**227,697**	291,709
Pension scheme contributions	**45,057**	46,773
	272,754	338,482

(a) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2020 include one (2019: three) directors whose emoluments are reflected in the analysis presented in note 10.

For the emoluments of the remaining four individuals, three of them were between HKD1,500,000 to HKD2,000,000, while one of them was between HKD3,500,000 to HKD4,000,000 (2019: the emoluments of 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:

	2020 RMB'000	2019 RMB'000
Fees	**1,200**	1,200
Other emoluments:		
Salaries, allowances and benefits in kind	**2,925**	5,216
Discretionary bonuses	**2,393**	6,720
Pension scheme contributions	**189**	401
	5,507	12,337
	6,707	13,537

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

The remuneration of each of the Directors and chief executives' for the year ended 31 December 2020 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	–	1,408	877	78	2,363
Mr. Chen Donghui@	–	9	–	–	9
Mr. Yu Shiping^	–	667	704	47	1,418
Ms. Zheng Xiaohua^	–	561	812	47	1,420
Mr. Xu Beinan▲	–	149	–	17	166
	–	2,794	2,393	189	5,376
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Mr. Zhang Xiufeng#	–	18	–	–	18
Mr. Zhou Yaogen*	–	36	–	–	36
Mr. Zong Shihua&	–	23	–	–	23
	–	131	–	–	131
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	2,925	2,393	189	6,707

@ Removed as non-executive director on 15 June 2020.
^ Resigned as executive director on 31 March 2021.
▲ Resigned as executive director on 1 April 2020.
Appointed as non-executive director on 15 September 2020.
* Resigned as non-executive director on 4 June 2020.
& Resigned as non-executive director on 15 September 2020.

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.

11. Finance Costs – net

An analysis of finance income and costs is as follows:

	2020 RMB'000	2019 RMB'000
Finance costs		
Interest on bank loans and other loans	**1,662,700**	1,475,544
Interest on lease liabilities	**27,240**	34,330
Less: Interest capitalised	**(800,120)**	(768,530)
	889,820	741,344
Interest income	**(57,729)**	(58,246)
Finance costs – net	**832,091**	683,098

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 (2019: 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:

	2020 RMB'000	2019 RMB'000
Current tax – PRC		
Corporate income tax charge for the year	**99,487**	339,223
Land appreciation tax charge for the year ("**LAT**") (note 32)	**198,566**	442,965
	298,053	782,188
Deferred income tax:		
Current year (note 33)	**41,592**	(112,882)
Total tax charge for the year	**339,645**	669,306

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:

	2020 RMB'000	2019 RMB'000
Profit before tax	**536,484**	1,307,409
At the statutory income tax rate (25%)	**134,121**	326,852
Tax losses utilised from previous periods	**(101,428)**	(98,610)
Gains attributable to joint ventures and associates	**(21,719)**	(12,702)
Income not subject to tax	**(163,491)**	(12,347)
Expenses not deductible for tax	**40,544**	24,870
Tax losses and temporary differences not recognised	**302,694**	109,019
LAT	**198,566**	442,965
Tax effect of LAT	**(49,642)**	(110,741)
Tax charge at the Group's effective rate	**339,645**	669,306

The share of tax attributable to joint ventures amounting to RMB24,911,000 (2019: RMB7,494,000) and no tax attributable to associates (2019: RMB2,939,000) are included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss, respectively.

13. Dividend

	2020 RMB'000	2019 RMB'000
Proposed no final dividend (2019: nil) per ordinary share	–	–

In addition, no interim dividend has been declared during the year (2019: 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 RMB172,576,000 (2019: RMB450,164,000), and the weighted average number of ordinary shares of 2,583,970,000 (2019: 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 2020 and 2019 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 2020							
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 1 January 2020, net of accumulated depreciation	28,567	72,712	7,045	4,393	13,044	–	125,761
Additions	25,723	10,909	13,709	1,737	2,556	1,531	56,165
Acquisition of subsidiaries (note 38)	–	37	42	8	419	–	506
Depreciation provided during the year	(26,392)	(16,423)	(2,713)	(1,158)	(4,555)	–	(51,241)
Write-off/disposal	–	(7,058)	(1,205)	(626)	(3,044)	–	(11,933)
Loss of control over subsidiaries	–	(3,571)	–	(133)	(723)	–	(4,427)
At 31 December 2020, net of accumulated depreciation	27,898	56,606	16,878	4,221	7,697	1,531	114,831
At 31 December 2020:							
Cost	71,570	155,487	52,383	11,953	31,653	1,531	324,577
Accumulated depreciation	(43,672)	(98,881)	(35,505)	(7,732)	(23,956)	–	(209,746)
Net carrying amount	27,898	56,606	16,878	4,221	7,697	1,531	114,831

At 31 December 2020, a building of the Group with a carrying value of RMB35,955,000 (2019: nil) was pledged to a financial institution to secure the loans granted to the Group (note 31).

15. Property, Plant and Equipment (continued)

	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

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 2020 RMB'000	31 December 2019 RMB'000
Right-of-use assets		
– Buildings	**27,898**	28,567
Investment properties (note 16)	**45,000**	497,000
	72,898	525,567
Lease liabilities		
Current	**63,882**	61,071
Non-current	**11,673**	399,255
	75,555	460,326

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

	31 December 2020 RMB'000	31 December 2019 RMB'000
Depreciation charge of right-of-use assets		
– Buildings	**(26,392)**	(17,280)
Interest expense (included in finance costs – note 11)	**(27,240)**	(34,330)

The total cash outflow for leases in 2020 was RMB51,913,000 (2019: 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 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
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 and 1 January 2020	497,000	12,977,350	6,271,482	19,745,832
Additions	**–**	**(9,521)**	**105,033**	**95,512**
Transfer to properties under development	**–**	**(38,700)**	**–**	**(38,700)**
Derecognition of right-of-use assets	**(450,000)**	**–**	**–**	**(450,000)**
Loss of control over subsidiaries	**–**	**(451,000)**	**–**	**(451,000)**
Completion of under construction	**–**	**744,000**	**(744,000)**	**–**
Net gains/(losses) from fair value adjustments	**(2,000)**	**24,371**	**58,702**	**81,073**
Carrying amount at 31 December 2020	**45,000**	**13,246,500**	**5,691,217**	**18,982,717**

At 31 December 2020, certain of the Group's investment properties of RMB15,983,217,000 (2019: RMB14,547,558,000) were pledged to banks to secure the loans granted to the Group (note 31).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 41 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 2020 and 2019, 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 measured at fair value in the aggregate carrying amount of RMB1,524,000,000 as at 31 December 2020 (2019: RMB1,531,000,000), 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) 2020	2019
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	**296-2,016**	300-2,016
Office		Estimated yearly rental value per square metre (RMB)	**356-877**	360-876
Car park		Estimated yearly rental value per lot (RMB)	**3,526-8,208**	3,528-8,208
Retail		Capitalisation rate	**4.75%-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)	**848-1,061**	848-1,046
Office		Estimated yearly rental value per square metre (RMB)	**439-704**	444-828
Car park		Estimated yearly rental value per lot (RMB)	**4,325-4,959**	3,960-5,004
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	**2%-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

	2020 **RMB'000**	2019 RMB'000
Carrying amount at beginning of year	**768,008**	1,111,781
Additions	**144,352**	118,507
Loss of control over subsidiaries	**(127,607)**	–
Transfer to properties under development	**–**	(462,280)
Carrying amount at end of year	**784,753**	768,008
Current portion	**(784,753)**	(768,008)
Non-current portion	**–**	–

At 31 December 2020, certain of the Group's land held for development for sale of RMB640,541,000 (2019: RMB464,607,000) were pledged to banks to secure the bank and other loans granted to the Group (note 31).

18. Intangible Assets

	Licenses and software RMB'000
At 1 January 2019	32,959
Additions during the year	12,547
Amortisation during the year	(12,909)
At 31 December 2019 and 1 January 2020	32,597
Additions during the year	15,096
Acquisition of subsidiaries (note 38)	1,029
Amortisation during the year	(11,995)
At 31 December 2020	36,727

19. Investments in Joint Ventures

	2020 RMB'000	2019 RMB'000
Share of net assets	**1,644,408**	1,853,509

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 30 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 (%) 2020	2019	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 ("Yida Deji") (大連億達德基裝飾工程有限公司) @@#(a)	RMB10,800,000	PRC/Mainland China	**N/A**	50	Interior decoration
Dalian Yize Property Development Company Limited (大連億澤房地產開發有限公司) @@#(a)	RMB314,770,000	PRC/Mainland China	**N/A**	52.57	Property development
Dalian Yihong Property Development Company Limited (大連億鴻房地產開發有限公司) @@#(a)	RMB347,200,000	PRC/Mainland China	**N/A**	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) @@^#(a)	RMB2,963,280,000	PRC/Mainland China	**N/A**	25	Property development
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) @#(a)	RMB5,000,000	PRC/Mainland China	**N/A**	50	Property management

19. Investments in Joint Ventures (continued)

Company name	Paid-up capital	Place of registration/ business	Percentage of ownership interest (%) 2020	2019	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. ("Yida Hesheng") (深圳億達和盛產業運營管理有限公司) @#(a)	RMB10,000,000	PRC/Mainland China	**N/A**	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**	40	Consulting service
Wuhan New Software Park Development Company Limited("Wuhan NSP") (武漢軟件新城發展有限公司) @@#^(b)	RMB475,000,000	PRC/Mainland China	**50**	50	Property development

@ 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

(a) Qinyun Sky Realty and development and Qingyun Sky Service Company became subsidiaries of the Group since June 2020.

Yida Deji became a subsidiary of the Group since July 2020.

Yida Hesheng became a subsidiary of the Group since August 2020.

Dalian Yize and Dalian Yihong became subsidiaries of the Group since October 2020.

See note 38 for detailed disclosure.

(b) In December 2020, Wuhan NSP became a joint venture of the Group (note 7).

19. Investments in Joint Ventures (continued)

(i) Summarized financial information for joint ventures

The following tables illustrate the summarized financial information in respect of material joint ventures, namely Wuhan NSP and it's subsidiaries, and Dalian Software Park Ascendas Development Company Limited, adjusted for differences in accounting policies:

Wuhan NSP and its subsidiaries:

In December 2020, Wuhan NSP and its subsidiaries became joint ventures of the Group (note 7).

	31 December 2020 RMB'000
Current assets	**1,904,925**
Non-current assets	**455,427**
Current liabilities	**(466,353)**
Non-current liabilities	**(561,448)**
	1,332,551

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:

	2020 RMB'000
Net assets of the joint venture	**1,332,551**
Group's effective interest	**50%**
Carrying amount of the Group's interest in the joint ventures	**667,077**

Fair value of Wuhan NSP and its subsidiaries held upon conversion from subsidiaries to joint ventures was RMB667,077,000.

19. Investments in Joint Ventures (continued)

(i) Summarized financial information for joint ventures (continued)

Dalian Software Park Ascendas Development Company Limited:

	2020 **RMB'000**	2019 RMB'000
Current assets	**126,206**	115,413
Non-current assets	**3,056,710**	2,681,679
Current liabilities	**(302,267)**	(233,541)
Non-current liabilities	**(993,575)**	(912,733)
	1,887,074	1,650,818

	2020 **RMB'000**	2019 RMB'000
Revenue	**149,453**	150,894
Cost of sales and operating expenses	**(48,008)**	(72,897)
Profit before income tax	**209,939**	29,976
Income tax expense	**(45,676)**	(4,190)
Profit and total comprehensive income for the year	**164,263**	25,786
The above profit for the year includes the following:		
Interest expenses – net	**(25,249)**	(27,666)

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:

	2020 **RMB'000**	2019 RMB'000
Net assets of the joint venture	**1,887,074**	1,650,818
Group's effective interest	**50%**	50%
Carrying amount of the Group's interest in the joint venture	**943,537**	825,409
Dividends received from joint venture entities	**–**	5,000

19. Investments in Joint Ventures (continued)

(i) Summarized financial information for joint ventures (continued)

Aggregate information of joint ventures that are not individually material:

	2020 RMB'000	2019 RMB'000
The Group's share of profit	**4,992**	21,778
The Group's share of total comprehensive income	**4,992**	21,778
Aggregate carrying amount of the Group's interests in these joint ventures	**33,794**	298,342

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

	2020 RMB'000	2019 RMB'000
Guarantees in respect of the mortgage facilities provided to certain purchasers of a joint venture's properties	–	45,852

(ii) Commitments in respect of joint ventures

	2020 RMB'000	2019 RMB'000
Commitment of capital injection into a joint venture	**38,952**	74,205

20. Investments in Associates

	2020 RMB'000	2019 RMB'000
Share of net assets	**4,927**	14,174

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(%) 2020	2019	Principal activities
Chongqing Jinke Kejian Real Estate Company Limited (重慶金科科健置業有限公司)#(a)	RMB100,000,000	PRC/Mainland China	–	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)	RMB2,500,000	PRC/Mainland China	**30**	30	Management service
Zhumadian Dongda Real Estate Company Limited (駐馬店東達置業有限公司)#(b)	RMB10,000,000	PRC/Mainland China	**10**	–	Property management

\# 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.

(a) The Group disposed its equity interests in Chongqing Jinke Kejian Real Estate Company Limited in June 2020.

(b) In August 2020, Zhumadian Dongda Real Estate Company Limited became an associate of the Group.

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

21. Properties Under Development

	2020 RMB'000	2019 RMB'000
Properties under development expected to be completed:		
Within normal operating cycle included under current assets	**10,300,039**	6,729,612
Less: Provisions for impairment loss	**(10,521)**	(235,001)
	10,289,518	6,494,611
Properties under development expected to be completed within normal operating cycle and recoverable:		
– Within one year	**5,268,328**	3,612,805
– After one year	**5,021,190**	2,881,806
	10,289,518	6,494,611

At 31 December 2020, certain of the Group's properties under development of RMB7,036,764,000 (2019: RMB3,490,862,000) were pledged to banks to secure the loans granted to the Group (note 31).

22. Completed Properties Held for Sale

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

	2020 RMB'000	2019 RMB'000
Completed properties held for sale	**5,195,574**	4,864,006
Less: Provisions for impairment loss	**(256,675)**	(72,492)
	4,938,899	4,791,514

At 31 December 2020, certain of the Group's completed properties held for sale of RMB3,335,863,000 (2019: RMB2,626,371,000) were pledged to banks to secure the loans granted to the Group (note 31).

23. Contract Assets

	2020 RMB'000	2019 RMB'000
Contract assets	**93,970**	138,583
Less: Allowances for impairment of contract assets	**(98)**	(144)
	93,872	138,439

24. Inventories

	2020 RMB'000	2019 RMB'000
Construction materials	**20,262**	7,920

25. Trade Receivables

	2020 RMB'000	2019 RMB'000
Trade receivables – gross amount	**631,949**	964,562
Less: Allowances for impairment of trade receivables	**(41,514)**	(52,146)
	590,435	912,416

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

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

	2020 RMB'000	2019 RMB'000
Within 1 year	**408,604**	717,970
1 to 2 years	**109,620**	157,412
Over 2 years	**113,725**	89,180
	631,949	964,562

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2020, a provision of RMB41,514,000 (31 December 2019: RMB52,146,000) was made against the gross amount of trade receivables (note 47).

As at 31 December 2020, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB22,750,000 (2019: RMB181,579,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

26. Prepayments, Deposits and Other Receivables

	2020 RMB'000	2019 RMB'000
Prepayments	**453,457**	588,999
Deposits and other receivables – gross amount	**1,517,729**	2,417,008
Less: Allowances for impairment of deposits and other receivables	**(16,028)**	(15,763)
Carrying amount at end of year	**1,955,158**	2,990,244
Current portion	**(1,118,185)**	(2,197,831)
Non-current portion	**836,973**	792,413

The Group applies the general approach to provide for expected credit losses prescribed by HKFRS 9.

As at 31 December 2020, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB29,332,000 (2019: RMB31,361,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2020, included in the Group's prepayments, deposits and other receivables are amounts due from joint ventures of RMB1,119,000 (2019: RMB2,400,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2020 and 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 at a rate of 5.655% per annum and are repayable in 2021.

As at 31 December 2020, included in the Group's other receivables are advances of RMB974,789,000 (2019: RMB1,923,979,000) 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. Financial assets at fair value through profit or loss

Financial assets measured at FVPL included following:

	31 December 2020 RMB'000	31 December 2019 RMB'000
Bank wealth management products with guaranteed principal and floating income	**6,260**	–

27. Financial assets at fair value through profit or loss (continued)

27.1 Fair value hierarchy

The table below analyzes the Group's financial instruments carried at fair value as of 31 December 2020 and 31 December 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Fair value hierarchy as at 31 December 2020

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Financial assets at fair value through profit or loss	–	–	6,260	6,260

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:				
Financial assets at fair value through profit or loss	–	–	–	–

27.2 Valuation techniques used to determine fair value

There was no change to valuation techniques during the period/year ended 31 December 2020 and 31 December 2019.

All of the resulting fair value estimates are included in level 3, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

27. Financial assets at fair value through profit or loss (continued)

27.3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items including financial assets at fair value through profit or loss for the period ended 31 December 2020.

	Financial assets at fair value through profit or loss RMB'000
As at 1 January 2020	–
Additions	**5,000**
Acquisition of subsidiaries (note 38)	**1,260**
Disposals	**(16)**
Change in fair value	**16**
As at 31 December 2020	**6,260**

27.4 Valuation process, inputs and relationships to fair value

The valuation of the level 3 instruments mainly included financial assets at fair value through profit or loss. As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows and market approach.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
As at 31 December 2020				
Financial assets at fair value through profit or loss	6,260	Expected rate of return	2.00%-3.65%	The higher the expected rate of return, the higher the fair value

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the period ended 31 December 2020.

28. Cash and Cash Equivalents and Restricted Cash

	2020 RMB'000	2019 RMB'000
Cash and bank balances	**1,574,788**	2,039,523
Less: Restricted cash	**(1,002,551)**	(1,006,857)
Cash and cash equivalents	**572,237**	1,032,666

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 RMB1,564,030,000 (2019: RMB1,999,742,000).

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 2020, such guarantee deposits amounted to RMB260,164,000 by certain subsidiaries of the Group (2019: RMB206,452,000).
- At 31 December 2020, the deposits of the Group amounted to RMB425,987,000 (2019: RMB105,405,000), 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 2020, certain of the Group's time deposits of RMB316,400,000 (2019: RMB695,000,000) were pledged to banks to secure the bank and other loans granted to the Group (note 31).

29. 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:

	2020 RMB'000	2019 RMB'000
Within 1 year	**2,374,200**	2,038,170
Within 1 to 2 years	**1,350,370**	1,340,471
	3,724,570	3,378,641

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

30. Other Payables and Accruals

	2020 RMB'000	2019 RMB'000
Employee benefits payable	**156,649**	156,416
Dividend payable	**–**	226,838
Accruals	**597,584**	447,125
Other payables	**3,001,168**	2,086,840
Carrying amount at end of the year	**3,755,401**	2,917,219
Current portion	**(3,755,401)**	(2,917,219)
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 2020, included in the Group's other payables are amounts due to joint ventures of RMB123,371,000 (2019: RMB193,399,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2020, no amounts are included in the Group's other payables due to associates. As at 31 December 2019, included in the Group's other payables are amounts due to associates of RMB616,000, which are unsecured, interest-free and repayable on demand.

As at 31 December 2020, included in the Group's other payables are amounts due to Main Zone Limited and Innovate Zone Group Limited of RMB28,287,000 (2019: RMB38,314,000) and RMB188,698,000 (2019: RMB273,648,000) respectively, as part of the consideration for the acquisition of 28.2% 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.

As at 31 December 2020, included in the Group's other payables are amounts due to certain joint venture partners of RMB1,340,187,000, which are in connection with the acquisition of the remaining equity interests in Dalian Yihong and Dalian Yize together with interests accrued up to 31 December 2020 and certain joint partner's legal costs and expenses (note 38).

31. Interest-Bearing Bank and Other Borrowings

	2020		2019	
	Effective interest rate (%)	RMB'000	Effective interest rate (%)	RMB'000
Current				
Bank loans – secured	**4.30-9.50**	**5,492,626**	4.35-9.50	6,875,981
Bank loans – unsecured	**4.25**	**3,000**	–	–
Other loans – secured	**5.70-15.00**	**3,784,197**	5.70-15.00	4,705,286
Other loans – unsecured	**1.20-15.00**	**2,589,336**	1.20-15.00	2,287,792
		11,869,159		13,869,059
Non-current				
Bank loans – secured	**4.55**	**374,000**	6.00	362,880
Other loans – secured	**11.00-13.00**	**3,036,200**	10.00	112,360
Other loans – unsecured		**–**	10.00	671,426
		3,410,200		1,146,666
		15,279,359		15,015,725

	2020 RMB'000	2019 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,495,626**	6,875,981
In the second year	**40,000**	362,880
In the third to fifth years, inclusive	**334,000**	–
	5,869,626	7,238,861
Other loans repayable:		
Within one year or on demand	**6,373,533**	6,993,078
In the second year	**735,200**	783,786
In the third to fifth years, inclusive	**2,301,000**	–
	9,409,733	7,776,864
	15,279,359	15,015,725

31. Interest-Bearing Bank and Other Borrowings (continued)

As at 31 December 2020, included in bank loans of the Group is an amount of RMB2,462,827,000 (2019: RMB2,151,000,000) 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 RMB1,992,400,000 (2019: RMB3,134,611,000) with original maturity beyond 31 December 2021 which have been reclassified as current liabilities as at 31 December 2020 as a result of the matters described in note 2.1(c).

(a) As at 31 December 2020, included in other loans of the Group were the first tranche and the second tranche of corporate bonds with the principal amounts of RMB800,000,000 and RMB625,024,000 respectively (31 December 2019: RMB801,748,000 and RMB625,024,000 respectively). The first tranche and the second tranche were issued by Yida Development Company Limited ("**Yida Development**"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

In September 2020, the remaining principal amount of the first tranche amounted to RMB800,000,000 was extended to 25 September 2021, bearing interest at a rate of 15% per annum.

As at 31 December 2020, the maturity date of the remaining principal amount of the second tranche amounted to RMB625,024,000 was 9 March 2021, bearing interest at a rate of 10% per annum. Subsequent till March 2021, the principal amount of RMB801,000 has been repaid, while the remaining principal amount of RMB624,223,000 has been extended by respective bond holders for certain periods within six months.

(b) As at 31 December 2020, included in other loans of the Group were senior notes with principal amounts of USD224,899,000 (approximately RMB1,467,443,000) issued in April 2017 (31 December 2019: USD300,000,000, approximately RMB2,092,860,000) and due on 20 April 2020 ("**2020 Senior Notes**"). The carrying amount of 2020 Senior Notes were RMB1,519,260,000 (2019: RMB2,112,149,000), unsecured and bore 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 2020 Senior Notes was completed. USD247,146,000 of 2020 Senior Notes were 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 due on 27 March 2022 ("**2022 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 2022 Senior Notes. 2022 Senior Notes will mature on 27 March 2022, while the Company shall, at the option of any 2022 Senior Notes holders, repurchases the outstanding 2022 Senior Notes in March 2021.

The remaining principal amount of 2020 Senior Notes of USD52,854,000 was repaid by the Group on 24 April 2020. The amount shall be due on 19 April 2020, and, as 19 April 2020 was a Sunday, such amount shall be paid on 20 April 2020, the next immediate business day.

As at 31 December 2020, included in other loans of the Group, the carrying amount of the 2022 Senior Notes was RMB1,519,260,000. Subsequently, the Company's obligation to repurchase the outstanding 2022 Senior Notes upon above-mentioned holders' option was waived by the respective holders with effect from 8 March 2021, and the maturity date continues to be 27 March 2022.

Both of 2020 Senior Notes and 2022 Senior Notes of the Company are guaranteed by certain subsidiaries of the Group.

31. 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 2020 of approximately RMB7,036,764,000 (2019: RMB3,490,862,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2020 of approximately RMB15,983,217,000 (2019: RMB14,547,558,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2020 of approximately RMB640,541,000 (2019: RMB464,607,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2020 of approximately RMB3,335,863,000 (2019: RMB2,626,371,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2020 of approximately RMB35,955,000 (2019: nil);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB10,414,238,000 (2019: RMB8,794,814,000) as at 31 December 2020;

(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 2020 of approximately RMB316,400,000(2019: RMB695,000,000); and

(ix) pledges of certain of the Group's guarantee deposits with an aggregate carrying value at 31 December 2019 of approximately RMB52,100,000 which was released in May 2020.

(d) Other than certain other loans with a carrying amount of RMB1,519,260,000 (2019: RMB2,112,149,000) denominated in USD as at 31 December 2020 and RMB523,079,000 (2019: RMB496,349,000) denominated in HKD as at 31 December 2020, all bank and other loans of the Group are denominated in RMB as at 31 December 2020 and 2019.

(e) As at 31 December 2020, 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 RMB609,719,000 (31 December 2019: RMB58,500,000), among which RMB377,657,000 were unsecured, borne interest at 15% per annum and were repayable within one year, while the remaining RMB232,062,000 were secured, borne interest at 8% per annum and were repayable within one year.

32. Provision for Land Appreciation Tax

	RMB'000
At 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 and 1 January 2020	875,513
Charged to the consolidated statement of profit or loss during the year (note 12)	198,566
Payments for the year	(180,466)
At 31 December 2020	893,613

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.

33. Deferred Tax

	2020 **RMB'000**	2019 RMB'000
Deferred tax assets	**264,543**	253,446
Deferred tax liabilities	**(2,935,334)**	(2,505,589)
	(2,670,791)	(2,252,143)

33. Deferred Tax (continued)

The gross movement on the deferred income tax account is as follows:

	2020 RMB'000	2019 RMB'000
Opening balance	**(2,252,143)**	(2,365,763)
(Charged)/credited to profit or loss	**(41,592)**	112,882
(Decrease)/additions arising from acquisition of subsidiaries	**(444,007)**	738
Additions arising loss of control over subsidiaries	**66,951**	–
	(2,670,791)	(2,252,143)

As at 31 December 2020, deferred income tax assets and deferred income tax liabilities amounting to RMB80,160,000 (2019: RMB80,160,000) were offset.

The movements in deferred income tax assets and liabilities for both years ended 31 December 2020 and 2019 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 1 January 2019	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
(Charged)/credited to profit or loss	–	5,336	10,913	(668)	6,150	21,731
Loss of control over subsidiaries	–	–	(9,897)	(737)	–	(10,634)
At 31 December 2020	80,160	33,781	217,960	6,652	6,150	344,703

33. 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 2018 and 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)
At 1 January 2020	(11,017)	(1,865,282)	(1,647)	(707,803)	(2,585,749)
(Charged)/credited to profit or loss	1,906	(45,900)	430	(19,759)	(63,323)
Acquisition of subsidiaries	–	–	–	(444,007)	(444,007)
Loss of control over subsidiaries	9,111	46,976	–	21,498	77,585
At 31 December 2020	–	(1,864,206)	(1,217)	(1,150,071)	(3,015,494)

The Group had unutilised tax losses of approximately RMB2,384,789,000 (2019: RMB1,829,946,000) as at 31 December 2020, 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 2020 and 2019, 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 RMB4,436,283,000 as at 31 December 2020 (2019: RMB3,948,870,000).

34. Derivative Financial Instruments

	2020 RMB'000	2019 RMB'000
Liabilities		
Current		
– Put options	–	769,496

In November 2011, the Group granted put options to certain joint venture partners to sell their equity interest in certain joint ventures (i.e. Dalian Yihong and Dalian Yize) 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.

On 20 October 2020, Hong Kong International Arbitration Centre issued a final award (the "Final Award"). The arbitral tribunal ordered that the Group shall pay the full put option price of USD108 million to certain joint venture partners together with USD84 million being interest accrued up to the date of the Final Award, as well as the certain joint venture partners' legal costs and expenses. As a result, the Group should acquire the remaining equity interests in Dalian Yihong and Dalian Yize. The derivative financial instruments were derecognized and the Group hold 100% effective interests in Dalian Yihong and Dalian Yize (note 38).

35. Share Capital

	2020 RMB'000	2019 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

36. 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 2020	1,288,734	620,202	352,979	25,292	81,000	9,329,373	11,697,580
Comprehensive income							
Profit for the year	–	–	–	–	–	172,576	172,576
Total comprehensive income for the year	–	–	–	–	–	172,576	172,576
Transactions with owners							
Appropriation to surplus reserve	–	26,451	–	–	–	(26,451)	–
Balance at 31 December 2020	1,288,734	646,653	352,979	25,292	81,000	9,475,498	11,870,156

36. 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	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
Total comprehensive income for the year	–	–	–	–	–	450,164	450,164
Transactions with owners							
Appropriation to surplus reserve	–	68,156	–	–	–	(68,156)	–
Disposal of equity interests in subsidiaries without loss of control	–	–	–	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

- ### 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 RMB81,000,000 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.

37. Partly-Owned Subsidiary with Material Non-controlling Interests

In December 2020, Wuhan NSP became a joint venture of the Group (note 7). As at 31 December 2020, none of the Group's subsidiaries have material non-controlling interests.

38. Business Combinations

(a) Summary of acquisitions

(i) As at 31 December 2019, the Group indirectly held 25% equity interests and 50% equity interests in Qingyun Sky Realty and Development and Qingyun Sky Service Company (collectively, the "Qingyun Sky"), respectively, which were recognised as joint ventures to the Group.

On 16 May 2020, the Group entered into a series of agreements to acquire the remaining equity interests in Qingyun Sky. The Group and a third-party financial institution established a limited partnership, in which the Group contributed its 25% equity interests in Qingyun Sky Realty and Development and RMB430 million by way of cash, while the third-party financial institution contributed RMB2,601 million by way of cash. At the same date, the limited partnership acquired the remaining 75% equity interests in Qingyun Sky Realty and Development from the other shareholder of Qingyun Sky Realty and Development. According to the agreements, the Group could possess the power to direct the relevant activities over Qingyun Sky Realty and Development after the acquisition, and the cash contribution of RMB2,601 million by the third-party financial institution in the limited partnership is in substance a borrowing, which borne interest at 13% per annum and were repayable within three years. As a result, Qingyun Sky Realty and Development was accounted for as a wholly-owned subsidiary of the Group since 12 June 2020, the date of completion of the change of business registration.

On 12 June 2020, the Group completed the acquisition of the remaining 50% equity interests in the Qingyun Sky Service Company, and the Qingyun Sky Service Company became a wholly-owned subsidiary of the Group.

The consideration for the acquisitions of 75% equity intersts in Qingyun Sky Realty and Development and 50% equity interests in the Qingyun Sky Service Company was RMB3,033 million. During the year 2020, the Group recorded a gain of approximately RMB455 million for the acquisitions of the entity interests in Qingyun Sky, including the gains of approximately RMB325 million on remeasurement of the fair value of pre-existing interests in Qingyun Sky as at the date of obtaining control and gains of approximately RMB130 million on bargain purchase, which were disclosed as gains arising from acquisition of subsidiaries in the consolidated statement of profit or loss.

38. Business Combinations (continued)

(a) Summary of acquisitions (continued)

(i) (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.

	"Qingyun Sky" RMB'000
Consideration in cash	3,033,481
Fair value of interests in joint ventures held before business combination	1,057,254
	4,090,735
Fair value of identifiable assets and liabilities acquired on the acquisition date:	
Property, plant and equipment	468
Intangible assets	1,029
Properties under development	4,238,000
Completed properties held for sale	201,000
Trade receivables	516
Other receivables	18,518
Prepaid land appreciation tax	2,643
Restricted cash	9,338
Financial asset at fair value through profit or loss	1,260
Cash and cash equivalents	472,668
Trade payables	(79,435)
Other payables and accruals	(17,573)
Receipts in advance	(173,767)
Tax payable	(13)
Provision for land appreciation tax	(23,516)
Deferred tax liabilities	(430,265)
Net identifiable assets acquired	4,220,871
Gains on bargain purchase	130,136

The recognition of gains on bargain purchase was due to the fact that the consideration for equity interests in Qingyun Sky was lower than the fair value of identifiable assets and liabilities acquired, primarily due to increase in fair value of the underlying properties. The consideration is determined after arm's length negotiations between the parties.

The gains on remeasurement of pre-existing interests in Qingyun Sky to the fair value as of the acquisition date amounting to RMB324,753,000 upon obtaining control of Qingyun Sky was included in「gains arising from acquisition of subsidiaries」in the consolidated statement of profit or loss.

38. Business Combinations (continued)

(a) Summary of acquisitions (continued)

(ii) As at 31 December 2019, the Group held 52.57% equity interests respectively in Dalian Yize and Dalian Yihong, which were recognised as joint ventures to the Group.

As mentioned in note 34 (Derivative Financial Instruments), according to the Final Award, the Group should acquire the remaining equity interests in Dalian Yihong and Dalian Yize. The consideration was USD108 million together with USD84 million being interest accrued up to the date of the Final Award.

The Group recognized the fair value losses on derivative financial instruments of RMB229,416,000 and the gain of RMB57,810,000 on remeasurement of the fair value of pre-existing interests in Dalian Yihong and Dalian Yize to the fair value as of the date of the Final Award, included in "other gains – net losses on derivate financial instruments" in the consolidated statement of profit or loss for the year 2020.

	"Dalian Yize" & "Dalian Yihong" RMB'000
Consideration in cash	1,288,014
Fair value of interests in joint ventures held before business combination	320,432
Less: Fair value of derivative financial instruments as at 20 October 2020	(998,912)
	609,534
Fair value of identifiable assets and liabilities acquired on the acquisition date:	
Property, plant and equipment	17
Properties under development	230,000
Completed properties held for sale	248,587
Other receivables	401,063
Prepaid corporate income tax	2,444
Prepaid land appreciation tax	28,825
Cash and cash equivalents	1,017
Trade payables	(43,843)
Other payables and accruals	(232,421)
Receipts in advance	(12,413)
Deferred tax liabilities	(13,742)
Net identifiable assets acquired	609,534

Subsequently, on 4 March 2021, the Group and certain joint venture partners entered into the settlement agreement (the "Settlement Agreement") and agreed that the total amount payable by the Group would be reduced to USD175 million, and paid to certain joint venture partners in accordance with the payment schedule stipulated in the Settlement Agreement bearing interest rate of 12.5% per annual. On 5 March 2021, the Group paid USD35 million to certain joint venture partners in accordance with the Settlement Agreement.

38. Business Combinations (continued)

(b) Purchase consideration – cash flow

	"Qingyun Sky" RMB'000	"Dalian Yize" & "Dalian Yihong" RMB'000
Outflow of cash to acquire subsidiaries, net of cash acquired		
Cash consideration paid in 2020	(3,033,481)	–
Less: Cash and bank balances acquired	482,006	1,017
Net outflow of cash – investing activities	(2,551,475)	1,017

39. Financial Guarantees

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

(a) As at 31 December 2020, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB504,772,000 (2019: RMB275,193,000).

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

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

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

39. Financial Guarantees (continued)

(b) The Group provided guarantees to the extent of RMB524,480,000 (2019: nil) as at 31 December 2020 in respect of bank loans granted to a joint venture.

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.

40. Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other loans are included in note 31 to the financial statements.

41. 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:

	2020 **RMB'000**	2019 RMB'000
Within one year	**402,142**	442,529
In the second to fifth years, inclusive	**510,896**	708,276
After five years	**79,085**	185,839
	992,123	1,336,644

42. Commitments

In addition to the operating lease commitments, the Group had the following capital commitments at the end of the reporting period:

	2020 RMB'000	2019 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**5,106,714**	3,909,367
Capital contribution to a joint venture	**38,952**	74,205
	5,145,666	3,983,572

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	2020 RMB'000	2019 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**118,798**	126,644

43. Notes to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease RMB'000	Total RMB'000
At 1 January 2020	**15,015,725**	**460,326**	**15,476,051**
Changes from financing cash flows	**873,748**	**(412,011)**	**461,737**
Foreign exchange movements	**(68,934)**	**–**	**(68,934)**
Changes in interest accruals	**(304,025)**	**–**	**(304,025)**
Other movements-net (note)	**(237,155)**	**27,240**	**(209,915)**
At 31 December 2020	**15,279,359**	**75,555**	**15,354,914**
At 1 January 2019	17,026,725	454,065	17,480,790
Changes from financing cash flows	(2,168,217)	(28,069)	(2,196,286)
Foreign exchange movements	28,786	–	28,786
Changes in interest accruals	22,595	–	22,595
Other movements-net (note)	105,836	34,330	140,166
At 31 December 2019	15,015,725	460,326	15,476,051

Note: During the year ended 31 December 2020, other movements included non-cash offsetting of certain borrowings of RMB125,169,000 (2019: RMB98,545,000).

44. 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	2020 RMB'000	2019 RMB'000
Service fees from joint ventures	(i)	**159,882**	154,075
Service fees to a joint venture	(i)	**7,925**	–
Service fees from associates	(i)	–	2,330
Rental income from a joint venture	(ii)	**1,892**	4,191
Interest income from joint ventures	(iii)	**18**	–
Interest expenses to a joint venture	(iii)	**14,055**	275

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 joint ventures 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.

45. 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 2020

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	590,435
Deposits and other receivables (note 26)	1,501,701
Financial assets at fair value through profit or loss (note 27)	6,260
Restricted cash (note 28)	1,002,551
Cash and cash equivalents (note 28)	572,237
	3,673,184

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables (note 29)	–	3,724,570	3,724,570
Other payables and accruals (note 30)	–	3,096,730	3,096,730
Interest-bearing bank and other borrowings (note 31)	–	15,279,359	15,279,359
Lease liabilities	–	75,555	75,555
	–	22,176,214	22,176,214

45. Financial Instruments by Category (continued)

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 28)	1,006,857
Cash and cash equivalents (note 28)	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 34)	769,496	–	769,496
Trade payables (note 29)	–	3,378,641	3,378,641
Other payables and accruals (note 30)	–	2,331,000	2,331,000
Interest-bearing bank and other borrowings (note 31)	–	15,015,725	15,015,725
Lease liabilities	–	460,326	460,326
	769,496	21,185,692	21,955,188

46. 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 2020 and 2019 respectively.

Fair value hierarchy as at 31 December 2020

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	–	–	18,471,100	18,471,100
Financial assets at fair value through profit or loss (note 27)	–	–	6,260	6,260
	–	–	18,477,360	18,477,360

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 34)	–	–	769,496	769,496

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 2020 and 2019.

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 34 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 (2019: 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.

46. 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.

47. 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.

(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 are disclosed in note 16 to the financial statements, respectively.

47. Financial risk management objectives and policies (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 2020		
RMB	**50**	**(14,487)**
RMB	**(50)**	**14,487**
31 December 2019		
RMB	50	(25,899)
RMB	(50)	25,899

(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.

47. Financial risk management objectives and policies (continued)

(c) Foreign currency risk (continued)

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 2020, if RMB had weakened/strengthened by 9% (2019: 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 RMB175,271,000 (2019: RMB253,858,000) and there would be no material impact on other components of the Group's equity.

(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 39, 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.

47. Financial risk management objectives and policies (continued)

(d) Credit risk (continued)

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.

(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 2020, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

31 December 2020	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%	21.47%	92.49%	100.00%	
Gross carrying amount	596,098	–	–	35,851	631,949
Loss allowance	(5,663)	–	–	(35,851)	(41,514)

47. Financial risk management objectives and policies (continued)

(d) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

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)

For contract assets, the expected credit losses, RMB98,000 as at 31 December 2020 and RMB144,000 as at 31 December 2019, were determined based on carrying amounts of RMB93,970,000 and RMB138,583,000 respectively at expected loss rate of 0.1%.

(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.

47. Financial risk management objectives and policies (continued)

(d) Credit risk (continued)

(ii) Other receivables (excluding prepayments) (continued)

As at 31 December 2020, 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%**	**32,381**	**(550)**	**31,831**
Receivables for primary land development	Stage one	**0.10%**	**974,789**	**(975)**	**973,814**
Others	Stage one	**2.84%**	**510,559**	**(14,503)**	**496,056**
			1,517,729	**(16,028)**	**1,501,701**

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

47. Financial risk management objectives and policies (continued)

(e) Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents (note 28) 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 2020				
	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 31)	**10,772,669**	**1,970,835**	**3,513,025**	**813,166**	**17,069,695**
Trade payables (note 29)	**3,724,570**	**–**	**–**	**–**	**3,724,570**
Other payables and accruals (note 30)	**3,096,730**	**–**	**–**	**–**	**3,096,730**
Lease liabilities	**21,350**	**16,109**	**13,860**	**18,061**	**69,380**
	17,615,319	**1,986,944**	**3,526,885**	**831,227**	**23,960,375**
Financial guarantees issued: Maximum amount guaranteed (note 39)	**1,029,252**	**–**	**–**	**–**	**1,029,252**

	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 31)	14,958,731	1,246,817	–	–	16,205,548
Trade payables (note 29)	3,378,641	–	–	–	3,378,641
Other payables and accruals (note 30)	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 39)	275,193	–	–	–	275,193

Note: The amounts of interest-bearing bank and other borrowings include future interest payments computed using contractual rates.

47. Financial risk management objectives and policies (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 2020 RMB'000	31 December 2019 RMB'000
Interest-bearing bank and other borrowings (note 31)	**15,279,359**	15,015,725
Less: Cash and cash equivalents (note 28)	**(572,237)**	(1,032,666)
Less: Restricted cash (note 28)	**(1,002,551)**	(1,006,857)
Net debt	**13,704,571**	12,976,202
Total equity	**12,311,782**	12,535,521
Net debt ratio	**111.3%**	103.5%

48. Statement of Financial Position and Reserve Movements of the Company

	2020 RMB'000	2019 RMB'000
Non-Current Asset		
Investment in a subsidiary	–	–
Current Assets		
Due from subsidiaries	**3,676,547**	4,280,346
Cash and cash equivalents	**4,353**	2,337
Total current assets	**3,680,900**	4,282,683
Current Liabilities		
Interest-bearing bank and other borrowings	**2,042,340**	2,608,498
Other payables and accruals	**8**	226,838
Due to subsidiaries	**1,017,723**	686,160
Total current liabilities	**3,060,071**	3,521,496
Net Current Assets	**620,829**	761,187
Non-Current Liabilities		
Interest-bearing bank and other borrowings	–	–
Net assets	**620,829**	761,187
Equity		
Issued capital	**159,418**	159,418
Reserves (note)	**461,411**	601,769
Total equity	**620,829**	761,187

Jiang Xiuwen
Director

Zhang Xiufeng
Director

48. 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 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 and 1 January 2020	1,288,734	81,000	(767,965)	601,769
Loss for the year and total comprehensive loss for the year	–	–	(140,358)	(140,358)
As at 31 December 2020	1,288,734	81,000	(908,323)	461,411

49. Subsequent Event

On 4 March 2021, four wholly-owned subsidiaries of the Company (collectively, the "Vendors"), Longfor Jiayue Property Service Company Limited (龍湖嘉悦物業服務有限公司) (the "Purchaser") as well as Yida Property Service Company Limited (億達物業服務集團有限公司) (the "Target Company") and its subsidiaries (the "Target Group") entered into an equity transfer agreement, pursuant to which the Vendors have conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the 100% equity interests held by the Vendors in the Target Company for a consideration of RMB1,273 million.

The aforesaid disposal was approved by Jiayou (International) Investment Limited, which owns 1,581,485,750 shares of the Company, representing approximately 61.20% of the issued share capital of the Company, by way of written shareholder's approval.

On 10 March 2021. the disposal was completed. The Target Group ceased to be subsidiaries of the Company and the financial information of the Target Group would no longer be consolidated into the Group's consolidated financial statements.

50. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2021.

商務園區運營專家

www.yidachina.com

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