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

2021
中期報告
INTERIM REPORT

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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 operation, residential properties within and outside business parks and office properties sales, business park entrusted operation and management, construction, decoration and landscaping services and property management service. On 27 June 2014, the Company was successfully listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the early stage of corporate development, the Group established its foothold in Dalian and relied on its local knowledge advantages. Meanwhile, it catered to the international development trends and enjoyed the advantages of its unique business model. Since 1998, the Group has been firmly 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 has become a pioneer in the field of China's service outsourcing business park development and operation and has 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 Seafront Service Outsourcing Industrial Park, Suzhou Hightech Software Park, Wuhan Optics Valley Software Park, Dalian Tiandi, Dalian BEST City, Wuhan First City, Yida Information Software Park and many other software parks and technology parks. It helped the Group to achieve its preliminary strategic goals of "National Expansion, Business Model Exploration and Diversified Cooperation". For over 20 years, the Group has provided its services to nearly 70 Fortune Global 500 Companies. The Group has 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.

After the Listing, the Group clearly strived towards the goal 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", has been consolidating its business in Dalian, greatly expanding its business in Wuhan, and fully exploring its business in major first-tier and second-tier cities and economically vital regions. The Group seized the development opportunity during the new era by obtaining the strategic investment from China Minsheng Jiaye Investment Co., Ltd. ("**CMIG Jiaye**"), the current controlling shareholder of the Company.

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. Yu Shiping *(resigned on 31 March 2021)*
Ms. Zheng Xiaohua *(resigned on 31 March 2021)*

Non-executive Directors

Mr. Wang Gang
Mr. Zhang Xiufeng
Mr. Ni Jie *(appointed on 31 March 2021)*
Mr. Cheng Xuezhi *(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 *(resigned on 11 June 2021)*
Mr. Sun Mingze *(appointed on 11 June 2021)*
Ms. Kwong Yin Ping, Yvonne

AUTHORISED REPRESENTATIVES

Mr. Jiang Xiuwen
Ms. Wang Huiting *(resigned on 11 June 2021)*
Mr. Sun Mingze *(appointed on 11 June 2021)*

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")

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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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
Harbin Bank
Industrial and Commercial Bank of China
Bank of Communications
Shanghai Pudong Development Bank

STOCK CODE

3639

COMPANY'S WEBSITE

www.yidachina.com

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present you the Group's interim results for the six months ended 30 June 2021 (the "Period").


Dalian Glory of the City

Changsha Yida Intelligent Manufacturing Industrial Village

During the Period, the Group recorded revenue of RMB1,819 million, of which sales income from residential properties within and outside business parks, office properties and standalone residential properties was RMB1,162 million; rental income from business parks was RMB240 million; business park operation and management income was RMB25.04 million; construction, decoration and landscaping income was RMB180 million; and property management income was RMB212 million, with a gross profit margin of 25.8%. Net profit attributable to shareholders of the Company was RMB271 million.

REVIEW OF THE FIRST HALF OF 2021

With the overall control of the COVID-19 pandemic nationwide, the real estate market has been contributing to the rapid recovery of the economy while the policy direction of "housing is for living in, not for speculation" remained firm with the main theme of tightening regulation, leading to a general trend towards benign, steady and professional development of the real estate sector. The "two centralised" land supply policy, together with the three red lines and the centralised mortgage management system formed an effective long-term mechanism for real estate development, which is an important measure for the government to achieve the goal of "stablising housing prices, market expectations and land prices". The "high turnover with maximum scale" model came across difficulties, and the pursuit of "high-quality development" has become a new direction of development.

Developers with advantages of unique operational capability, industrial resource and local reputation have gradually become better positioned. As the main carriers in filling industry gaps, developing industrial economies and empowering industrial upgrading, experienced and established business park developers and operators will play a vital role in driving urban and regional economic growth. The Group will firmly utilise its core competitiveness in the development and operation of business parks, expand nationwide, and create a "new city-industry integration" model that matches industry with talents, establishes industrial clusters and integrates ancillary facilities by following policy direction, meeting market demand and focusing on the country's new strategic industries.

The Group deploys innovative measures to link up the industrial chain and supply chain. Over the years, the Group has been at the forefront of the industry in creating new industrial service model, contributing to the innovative development of enterprises as well as building an advanced platform for industrial innovation. The Group has also been a pioneer in the deployment of strategic emerging industries and contributed the "Force of Yida" to the rapid development of strategic emerging industries in China and empowered the growth of regional high-tech enterprises.

1. Focusing on frontier technology industries and upgrading of city-industry projects

By setting a benchmark with the establishment of the Dalian Software Park, the Group has seized the opportunity in the wave of the global industry shift, gradually gathered hundreds of outstanding domestic and foreign enterprises and accumulated a wealth of high-quality talents, forming an exceptional delivery standard and operation mode. With the continuous upgrading of the industrial structure, the focus of the Group's city-industry integration projects will gradually include advanced industries with rapid development such as electronic science and electronic information technology, space science and aerospace technology, materials science and new materials technology, life science and bioengineering technology, basic materials science and health science.

The Group has proactively focused on the high-tech and future industry clusters in Chengdu, Chongqing, Hefei, Changsha, Zhengzhou, Dalian and Wuhan to build high-tech business parks. The Group has also strengthened its industry services and operation capabilities and ensured the stable and healthy development of the enterprises settled in the business parks by seeking cooperation with key universities and research institutes to maintain the leading position of the industrial deployment of the parks and the quality of tenant enterprises and secure the Group's core competitiveness in the long run.

2. **Expanding industry consulting services and fostering long-term collaboration**

   The Group has drawn professional experience from hundreds of successful cases of industry consulting services during its more than 20 years of devotion in the development, construction, operation and management of business parks, and has gathered internal and external quality resources to build a complete research system for industrial development and consultation. Its service targets include local governments, central and state-owned enterprises, industrial property developers and technology enterprises, etc., providing clients with full life-cycle planning and consulting services, and solving problems of industry positioning, planning and design, engineering and construction, tenant recruitment and management as well as cost control for the parks.

   Through the provision of professional industry consulting services, the Group will be able to generate revenue from the asset-light business segment while gaining more opportunities for in-depth collaboration with clients and gaining a first-mover advantage in construction, tenant recruitment and management, as well as operational management of potential high-quality projects. It has become an important way to reach out to target cities, cultivate partners and accumulate clients, and laid a solid foundation for seizing opportunities in the acquisition of city-industry projects.

3. **Integrating internal and external resources to build operation platforms for digital business parks**

   The operation and management of business parks have entered the digital era, with digital twin, intelligent perception and big data analytics being widely used in intelligent park business scenarios. The Group has embarked on building an intelligent park management platform system and integrated existing resources by leveraging on the "cloud computing and big data" technologies to set up "Easy Asset Management (易資管)", an online one-stop tenant recruitment and asset management platform. The Group has also built an online one-stop operation service platform "Yicifang (易次方)" to serve the needs of enterprises and entrepreneurs as its core. Gathering the data from park management, industrial operation, spatial assets, facilities and equipment, an online all-dimensional visualization platform "Yida Xingyun (易達星雲)" was developed. Through the introduction of solutions for intelligent business park, the Group has established intelligent and digital business parks to empower the enterprises settled in the parks, helping corporate clients with digitalization transformation and upgrade and innovative development.

OUTLOOK FOR THE SECOND HALF OF 2021

In the 2021 Government Work Report, the term "innovation" was mentioned 46 times, and its was proposed that "Promoting high-quality development of the real economy through innovation and fostering new growth drivers. Scientific and technological innovations will be fully applied in the real economy, the role of innovation in driving development will be better leveraged." Enterprises with R&D capability, high technologies and top-quality talents will gradually become the major force in technological innovation.

The Group will upgrade its focus from software and service outsourcing to the new generation of information technology, intelligent manufacturing, high-end equipment, big health, fin-tech, digital culture and creative, energy saving and environmental protection and other emerging industries to create an asset-light, intelligent, one-stop business park platform.

1. Seeking urban upgrade opportunities in key cities and developing high-end industries

Under the guidance of the development strategy of "developing asset-light and asset-heavy businesses simultaneously" and in line with the expansion of asset-light business, the Group will focus on development of city-industry integration project in the "core cities of China's five major economic zones" with first-tier cities as the core, concentrating its strengths, focusing on high-end industrial resources and covering first-tier cities, new first-tier cities, municipalities, provincial capitals and their surrounding cities. The Group will try to acquire resources for asset-light and asset-heavy projects in key cities with demands for urban renewal and upgrade to create new industry flagship. By utilizing new technologies, new models and new business forms, the Group will help cities to enrich their frontier technology industries and promote the in-depth integration of high-end technologies, digital economy and the real economy.

2. Enhancing tenant recruitment and operation capabilities and exploring customer value chain

Tenant recruitment in business parks is gradually changing from focusing on physical space to policy, and to the current focus of operation and services. Leveraging on the three core service capabilities for park operation of "intelligent clustering of industries, intelligent services for enterprises and intelligent management of the parks", the Group will build an integrated platform for online and offline development based on the application of modern technologies including the Internet, big data and smart technologies to provide the parks with comprehensive integrated management services for investment and development, engineering and construction, tenant recruitment and operation, asset management, ancillary construction, property management and enterprise services. While exploring potential customers, the Group will also seek business linkages with existing quality clients, combining internal and external resources to seek potential cooperation opportunities and exploit in-depth value of existing projects.

3. Revitalizing existing assets, strengthening cash flow management and seeking strategic cooperation

While maintaining cash flow as the core with debt management as its major task, the Group will embark on mobilizing all internal and external resources to resolve the difficulties faced by the enterprise during the current period of development. Following the repayment of short-term debt by net cash generated from operation and asset disposal in the first half of the year, the Group will continue to seek multiple project cooperation models in the second half of the year to accelerate the disposal of inefficient and ineffective assets, reduce costs and increase efficiency, revitalize assets, optimise the debt structure and reduce burden on the enterprise, thus ensuring cash flow security and operational stability in the medium to long-term. The Company will also continue to explore and approach potential equity investment partners to bring in advantageous resources, boost the Company's credibility and enhance the sustainability of its capital structure.

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

Jiang Xiuwen
Yida China Holdings Limited
Chairman and Chief Executive Officer

20 August 2021

MAJOR EVENTS

JANUARY

The 3rd LIA Gardeners Cup International Tournament was held at the Shanghai Transnational Sourcing Convention and Exhibition Centre. The "Qingyun Sky Genting Demonstration Zone" project constructed by Yida Landscaping Engineering Company Limited of the Group won the "Excellent Landscape Construction Craftsmanship Award of the Year".

The Group was awarded the "2020 China Real Estate Annual Red List Brand Influential Enterprise" at the "11th China Real Estate Seminar and 2020 China Real Estate Annual Red List Awards Presentation Ceremony" organized by China Internet Information Center and house (china.com.cn).

The Group's Yida Yuntu officially joined the Shenzhen Internet of Things Industry Association as one of its members. By leveraging on the association's platform, Yida Yuntu will promote the development and construction of intelligent parks together with more quality Internet of Things enterprises.

FEBRUARY

215 major property development projects were launched in the first quarter of 2021 in Wuhan, which is the largest concentration of investment in Wuhan's history. Wuhan First City Phase 5.1 project is also listed as one of the key projects. Wuhan First City Phase 5.1 project is located at the northern gate of the central ecological corridor of the "Golden Cross Axis" of Guanggu, with a total gross floor area of approximately 94,500 square metres and approximately 5,000-11,000 square metres for each individual building. As a key industry project of Wuhan First City in 2021, its deployment focuses on the digital economy industry.

MARCH

The Group disposed the entire equity interest in Yida Property Service Company Limited (億達物業服務集團有限公司) to Longfor Jiayue Property Service Company Limited* (龍湖嘉悅物業服務有限公司). This transaction is a further collaboration between the Group and Longfor Group Holdings Limited following the land transaction of the Dalian Tiandi project in 2018. The consideration for the transaction was RMB1.273 billion, which enabled the Group to quickly recover the cash flow and cover the short-term liquidity shortfall. The high premium for the transaction reflects the purchaser's high recognition of the Group's property management and operational capabilities.

Organized by Guandian Real Estate, the 2021 Guandian Annual Forum grandly opened in Guangzhou under the theme of "Sunrise of Real Estate – Power of Sustainability". With its outstanding operational strength, Zhongguancun No. 1 project of the Group was awarded the "2021 China Outstanding Team of the Year in Innovative Industrial Real Estate" of the "2021 China Real Estate Industry Special Performance Award". The Group's comprehensive strength and brand influence were once again highly recognized by the industry and beyond.

APRIL

The 2021 China Software Industry Conference was held in Beijing. With the theme of "New Era of Digital Economy – Software Industry's Empowerment of High-quality Development", the conference explored new trends and new opportunities for the development of the software industry during the "14th Five-Year Plan" period. The Group's Dalian Software Park was awarded the title of "2020 Most Dynamic Software Park in China" at the conference.

19 community enterprises in Zhengzhou Yida Creation City received RMB5.52 million in post-research and development grants. Among the enterprises that received the post-research and development grants, 14 were recognised as "technology hawks" and 5 were "technology potential giants".

The key projects of the Group's decoration business were inspected by the expert team from Cisco headquarters. Decoration project of Cisco (Dalian) Global Service Center fully complied with the standards of Cisco headquarters and passed the inspection and acceptance in one go, which marked another Fortune 500 company becoming a satisfied customer of Yida Decoration after Accenture, Genpact and other internationally well-known enterprises.

JUNE

The Information Office of the Wuhan Municipal Government released the first batch of digital economy application scenarios, and 8 projects of the enterprises in Wuhan First City were selected. The call for digital economy application scenes was launched in March this year, focusing on five major technologies including artificial intelligence, block chain, 5G, industrial Internet and Beidou and Satellite Internet, and a total of 271 digital economy application scenarios were released.

The Group signed a contract for the tenant recruitment and management of the "Qingdao City Hall" in Shanghai, Qingdao's first industrial enclave in Shanghai. The project is another landmark achievement in deepening the cooperation between Qingdao and Shanghai, providing a physical platform for "one-stop service" for the first time in the interaction and resource integration between the two cities.

MAY

The Henan Provincial Department of Industry and Information Technology published the list of "specialized, sophisticated, special and innovative" SMEs in Henan Province for the year 2021. Four enterprises in Yida Zhengzhou Technology Park, including Boshian Electronics, Senpeng Electronics, Xinxing Science Technology and Minter Medical, were included in the list of "specialized, sophisticated, special and innovative" enterprises in Henan Province. At present, there are a total of 20 provincial/municipal "specialized, sophisticated, special and innovative" SMEs in Zhengzhou Technology Park.

The 3rd Western China International Investment and Trade Fair officially launched at the Chongqing International Expo Centre, with the Group's Chongqing Yida Innovation Plaza making a shiny appearance alongside the Beibei District City Exhibition Hall.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

I. Operation of Business Parks Owned by the Group

During the Period, the Group's wholly-owned four business parks included Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park and it owned a 50% stake in Wuhan First City. During the Period, the Group disposed of 50% stake in Dalian Ascendas IT Park. The total completed gross floor area ("**GFA**") in the aforementioned parks was approximately 1.739 million square metres, and the area available for leasing was approximately 1.671 million square metres. During the Period, the Group recorded a rental income of approximately RMB240.29 million, representing a 9.6% decrease over the same period of previous year, mainly due to the decrease in leased area as a result of the withdrawal of subletting projects in last year.

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 Period
			Office Buildings	Apartments	Shops	Parking Spaces	
Dalian Software Park	100%	637	391	180	33	42	89%
Dalian BEST City	100%	223	99	–	7	41	72%
Yida Information Software Park	100%	156	131	–	4	20	67%
Dalian Tiandi	100%	451	329	37	41	44	79%
Wuhan First City[1]	50%	272	109	40	22	101	37%
Total		1,739	1,671				

Note:

1. As Wuhan First City is not included in the Group's consolidated statements since 2021, the rental income of the Group excludes the rental income from such park.

Dalian Tiandi

Dalian Software Park

Over the years, the Group has provided value-added services to the enterprises settled in the parks, such as talent introduction, policy consultation and project application, in accordance with the needs of the clients, helping them to achieve high-quality and steady development. Besides, leveraging on the resources gathered through years of park management and operation, the Group has formed a complete international business process and created a high-level public service platform, business incubation and acceleration platform to empower the long-term and rapid growth of enterprises. The well-equipped business parks with advanced concept and professional management have created a positive atmosphere for innovation and creativity for enterprises while linking upstream and downstream of the industry chain, facilitating inter-enterprise collaboration and inter-industry integration, and making significant contributions to the revitalization and dynamism of the regional digital economy.

The Group's Dalian Software Park and its tenants have been promoting the in-depth integration of industries with new models and new application scenarios, promoting the construction of highland of digital technology innovation as well as the integration of digital economy application. The parallel development of the technology R&D centre, the technology innovation centre and the data service centre in the parks has constituted an industry upgrade: IBM Innovation Studio, Rockwell Automation Interconnection Service Centre, Panasonic Microcontroller and Internet of Things Innovative Application Joint Laboratory and Software Innovation Centre, SAP Dalian Research Institute, etc. have successively settled in the parks, continuously raising the functional hierarchy and shifting to the high-end of the value chain.

In the "14th Five-Year" construction plan, China has been advocating the broadening of the dual-cycle development path and the booming of the digital economy. The business parks managed and operated by the Group have been presented with another development opportunity to explore new breakthrough. In April 2021, the 2021 China Software Industry Conference was held in Beijing. With the theme of "New Era of Digital Economy – Software Industry's Empowerment of High-quality Development", the conference explored new trends and new opportunities for the development of the software industry during the "14th Five-Year Plan" period. Dalian Software Park was awarded the title of "2020 Most Dynamic Software Park in China" at the conference. In June 2021, Dalian Software Park was awarded the title of "Best Service Support Unit in Liaoning Software Industry for 20 Years".

Dalian BEST City

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

II. Sale of Properties

During the Period, the Group achieved contracted sales of RMB2,605.24 million, representing a year-on-year slight increase of 1.9%. The average contracted sales price was RMB13,857 per square metre, representing a year-on-year increase of 37.5%, mainly due to the increase in the proportion of residential properties in contracted sales and a general increase in the average price in Dalian during the Period. The majority of projects sold were located in Dalian (77.7% of total contracted sales), Changsha (11.3% of total contracted sales) and Zhengzhou (4.2% of total contracted sales), of which residential property sales accounted for approximately 84.2% of total contracted sales.

During the Period, the segment recorded revenue of RMB1,161.55 million, representing a year-on-year increase of 11.3%. The average sales price was RMB11,531 per square metre, remaining substantially at the same level as that of the corresponding period of last year. The projects carried forward during the Period were mainly ordinary residential properties. Revenue-recognised projects were mainly located in Dalian (79.1% of revenue), Changsha (20.7% of revenue) and other cities.

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

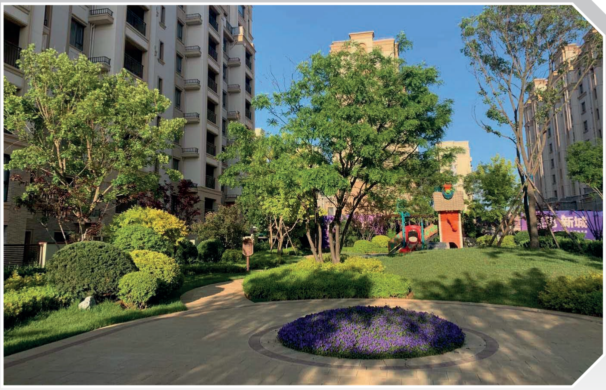
Dalian Glory of the City

Property Sales Event in Dalian

Dalian

In 2021, Dalian's real estate market gradually recovered from the impact of the pandemic and the surpressed demand was effectively released, resulting in an overall increase in both price and volume. The average sales price of commodity housing exceeded RMB16,000 per square metre for the first time, representing a year-on-year increase of approximately 7%; total sales area amounted to approximately 3.08 million square metres, representing a year-on-year increase of approximately 40%, as the market regained its vitality. During the Period, the land supply of the city was stable, with 18 residential and commercial sites with a total site area of 1.49 million square metres being supplied, of which 15 sites were sold. The average price of land sold was RMB6,200 per square metre, a relatively high level in recent years. Land transactions were still dominated by High-tech Zone and Jinpu New District, with a scarce supply of high-quality land in the main urban areas, including Zhongshan District and Xigang District.

The Group has been cultivating in Dalian for more than 20 years and has established a sound reputation with its strong strengths and reputation in product design, property development, construction and decoration, and landscaping. After the completion of the acquisition of the Dalian Glory of the City project in Zhongshan District, the Group has endeavoured to build a regional landmark project by introducing the concept of resort-style "Forest Living", designing a Neighborhood Garden (鄰里花園), Forest Water Bar (森之水吧), Forest Saloon (森之客廳), All-age Activity Area (全齡活動區), etc. and full transplantation of valuable trees. At the same time, the interior decoration style has been upgraded with the selection of materials and professional construction by well-known brands from home and abroad.



Dalian the First County

Changsha Yida Intelligent Manufacturing Industrial Village

Chongqing Yida Innovation Plaza

Changsha

In the first half of 2021, Changsha continued to promote the absorption of talents and high-end industries. The pace of supply of commodity housing was relatively slow as the overall regulation of the real estate market remained steady, with the residential supply of approximately 9.45 million square metres, with Yuhua, Kaifu and Wangcheng districts leading the way. The supply of office properties, high-end office space became tighter, with a new supply of less than 300,000 square metres during the Period, showing a downward trend. The demand side of the emerging industries is rising steadily, leading to a gradual acceleration in the destocking of high-quality office properties and office space in the future.

Located at the core zone of Phase II, Meixihu Innovation Centre, the Group's Yida & CSCEC Intelligent Technology Centre is rich in human and natural resources, and has been built with courtyard-style single-tower corporate headquarters, low-density multi-story offices, mid-and high-rise intelligent office buildings and talent apartments to create a smart industry cluster covering three major functional areas including intelligent health zone, R&D headquarters zone, and financial business zone. In June 2021, the first phase of office space was delivered for operation and more than 10 high-quality enterprises settled in the park through precise tenant recruitment.

Located in Changsha Wangcheng Economic and Technological Development Zone, the Group's Changsha Yida Intelligent Manufacturing Industrial Village uses two major carriers for industries, namely Village Guest Hall (小鎮客廳) and Chuangzhi Island Area (創智島園區), to support the existing advanced manufacturing and modern service industries, attract talents, finance, consulting, intelligent transformation and other industrial elements, as well as to build an intelligent industrial ecosphere, effectively absorbing high-tech talents and improving the integration of "housing, education, entertainment and tourism" for industrial empowerment. During the Period, sales of project properties and ancillary residential properties were active, contributing to a stable cash flow for the Group.

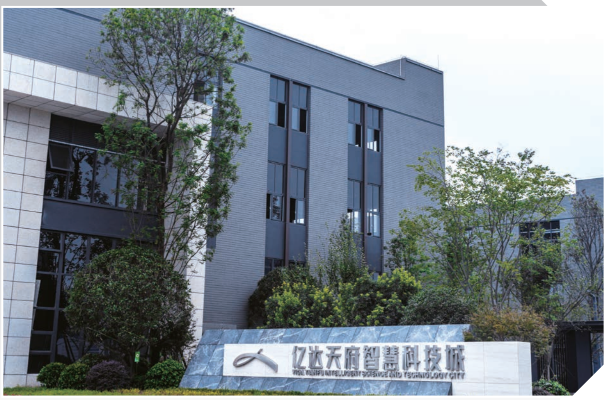
Zhengzhou

In the first half of 2021, the keynote of "housing is for living in, not for speculation" remains clear in Zhengzhou, and a series of guiding policies have been issued to restrict overheated residential transactions in various aspects such as land, financial supervision and housing accumulation fund loans around the goal of "three stabilities". At the same time, with the acceleration of urbanisation and the increase in the proportion of service industries in GDP, Zhengzhou has strengthened its efforts to bring in talents and advantageous industries, paying more attention to the activation of industrial capacity, emphasising the matching of industries and the organic integration of resources, and establishing a "new economy Central Area industry platform" with the integration of industries, cities and humanities.

Located at the core zone of the Zhengzhou-Luoyang-Xinxiang National Innovation Demonstration Area, the Group's Zhengzhou Yida Creation City empowered the region to transform into an intelligent manufacturing region, build a new generation of information industry clusters and create a highland of innovation and intelligence by promoting collaborative innovation between industry, academia and research as well as bringing in research institutes and Fortune 500 companies. In May 2021, the Henan Provincial Department of Industry and Information Technology published the list of "specialized, sophisticated, special and innovative" SMEs in Henan Province for the year 2021. Four enterprises in Zhengzhou Yida Creation City were included in the list of "specialized, sophisticated, special and innovative" enterprises in Henan Province. At present, there are a total of 20 provincial/municipal "specialized, sophisticated, special and innovative" SMEs in the park, five of the settled enterprises were selected as the first batch of technology-based enterprises in Zhengzhou in 2021, and the park has now reached a total of 34 technology-based enterprises in Zhengzhou.

The following table outlines the Group's contracted sales breakdown as at 30 June 2021:

	Contracted Sales Floor Area (sq.m.)	**Contracted Sales Amount** (RMB ten thousand)	**Average Sales Price** (RMB/sq.m.)	**Percentage of Total Sales**
Dalian	100,247	202,617	20,212	77.7%
Changsha	45,802	29,488	6,438	11.3%
Wuhan	23,578	16,495	6,996	6.3%
Zhengzhou	17,127	10,960	6,399	4.2%
Chongqing	904	921	10,188	0.4%
Chengdu	345	43	1,246	0.1%
Total	188,003	260,524	13,857	100.0%
Dalian Software Park	423	234	5,529	0.1%
Dalian BEST City	1,158	982	8,476	0.4%
Yida Information Software Park	15,655	15,451	9,870	5.9%
Dalian Tiandi	9,432	15,360	16,286	5.9%
Wuhan First City	23,578	16,495	6,996	6.3%
Changsha Yida Intelligent Manufacturing Industrial Village	38,938	22,582	5,799	8.7%
Changsha Yida & CSCEC Intelligent Technology Centre	6,864	6,906	10,061	2.7%
Zhengzhou Yida Creation City	17,127	10,960	6,399	4.2%
Chongqing Yida Innovation Plaza	904	921	10,188	0.4%
Residential Properties Outside Business Parks	73,924	170,633	23,082	65.4%
Total	188,003	260,524	13,857	100.0%



Chengdu Tianfu Intelligent Science and Technology City


Zhengzhou Yida Creation City

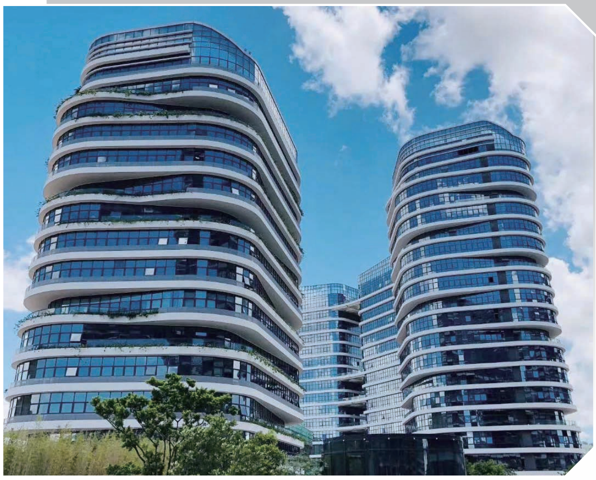
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

III. Business Park Operation and Management

As of the end of the Period, the Group's business parks had a total of 24 operation and management projects, and accumulated contracted operational management area of approximately 3.65 million square metres. During the Period, revenue amounted to RMB25.04 million, representing a year-on-year decrease of 11.8%, which was mainly due to the gradual withdrawal of some existing projects that met the completion conditions during the Period and the revenue from newly added projects has not yet been recognised. Leveraging on more than 20 years of experience in the operation, tenant recruitment and settlement of business parks, the Group provides comprehensive management services of tenant recruitment and operation, asset management, ancillary construction, property management and enterprise services for third-party parks through the three core service capabilities for park operation "intelligent clustering of industries, intelligent services for enterprises and intelligent management of the parks", relying on its rich industrial resources network and introducing strategic and pioneering industrial resources.

At the same time, Yida China Institution of Industry Research of the Group will fully utilize its over 20 years of professional experience in the development, construction, operation and management of business parks, gathering internal and external quality resources to build a complete research system for industry development and research support system, and create a professional team to provide the business parks with full life-cycle planning and consulting services, and provide clients' parks with a full range of research and consulting services on industry positioning, planning and design, engineering and construction, tenant recruitment and management as well as cost control.

At present, the Group has set up six centres for industry tenant recruitment in Beijing, Shanghai, Shenzhen, Zhengzhou, Wuhan-Changsha and Chongqing-Chengdu, respectively, forming a nationwide industry matrix for tenant recruitment. The Group will also combine the direction of the industry park development, deeply explore the upstream and downstream enterprises in the industry chain, and create a diversified and full-process industry system for tenant recruitment to achieve precise investment and resource integration.



Shenzhen Huaqiang Creative City

Staff of the Industry Tenant Recruitment System

IV. Construction, Decoration and Landscaping

During the Period, the revenue of construction, decoration and landscaping businesses amounted to RMB180.16 million, representing an increase of 68.3% as compared with the corresponding period of last year, which was mainly due to the increase in number of external contracted projects during the Period.

The Group's business team adhered to a nationwide layout strategy to expand its scale and increase revenue. It has also insisted on strategic procurement to strictly control costs and optimize the tendering and procurement process to improve efficiency. Committing to process standardization, it has adopted a dynamic management approach to control cost planning and auditing, improving project quality and insisting on undertaking operational projects with an integrated design and construction model to ensure maximum profitability. Through cooperation with state-owned enterprises, central enterprises and creditable developers, it is able to consolidate long-term stable partnership, develop quality projects, strictly control operational risks and construction safety so as to further secure the influence of the brand.

In the first half of the year, the Group launched a series of activities entitled "maintaining the fundamentals and expanding the operations" to guide the enhancement of operational awareness of all business departments, cultivate the comprehensive ability of all professional lines and grow into an operation unit with independent development capability to meet the needs of the current project volume expansion.

During the Period, the Group has undertaken several construction, decoration and landscaping projects in Qingdao, Shenyang, Dalian and Harbin, with a cumulative total of over 200 construction projects expected to commence in the second half of the year. At the same time, the Group has undertaken a number of renovation projects for office space, five-star hotels, tertiary institutions and medical institutions, all of which will provide the Group with sustainable and stable performance support and recurrent cash flows.

Landscaping Project in Dalian

Office Decoration Project in Dalian

V. Property Management

During the Period, the Group's property management business recorded revenue of RMB212.27 million, representing a year-on-year decrease of 21.4%. During the Period, the Group disposed of the entire equity interests in Yida Property Service Company Limited. Upon the completion of the transaction, the Group will continue to engage in the segment of property management services only in the areas of elderly care, community retail services, catering services and leasing. Other than the aforesaid, the Company currently has no intention to pursue property management services for residential and commercial properties and industrial parks.

Since its establishment in Dalian in 2018, the Group's community elderly care brand, Puyangfanghua International Elderly Care Centre, has relied on the Group's regional brand advantage, location advantage and professional care philosophy. With reference to Japanese care standards and procedures, the Group employs care management staff with experience in institutional care in Japan to meet the professional and continuous care needs of the elderly and special populations in a people-oriented manner.

VI. Land Reserves

As of 30 June 2021, the total GFA of the Group's land reserves was approximately 8.34 million square metres. The GFA of the land reserves attributable to the Group was approximately 7.40 million square metres. The land reserve in Dalian further decreased and accounted for 66.1%, representing a 1.6 percentage points decrease compared with that of the end of the previous year. The Group continued to consolidate its business in Dalian and gradually realised business coverage of city-industry integration projects in major cities across the country.

The Group will also seize mergers and acquisitions opportunities brought by the overall trend of the real estate market, obtain suitable asset-heavy projects at the proper time and supplement with saleable resources, including but not limited to business parks, standalone office properties, standalone residential properties and urban complex projects.

Dalian BEST City

The following table sets forth a breakdown of the Group's land reserves as at 30 June 2021:

By City	**Total GFA of land reserves** (sq.m.)	**Proportion**	**Attributable GFA of land reserves** (sq.m.)	**Proportion**
Dalian	5,514,686	66.1%	5,514,799	74.5%
Wuhan	659,436	7.9%	329,718	4.5%
Chengdu	117,355	1.4%	79,650	1.1%
Shenyang	88,535	1.1%	45,153	0.6%
Changsha	1,129,720	13.5%	690,353	9.3%
Zhengzhou	478,613	5.7%	478,613	6.5%
Chongqing	79,200	1.0%	79,200	1.1%
Hefei	274,882	3.3%	178,673	2.4%
Total	8,342,427	100.0%	7,396,159	100.0%

By Location	**Total GFA of land reserves** (sq.m.)	**Proportion**	**Attributable GFA of land reserves** (sq.m.)	**Proportion**
Business Parks	6,677,151	80.0%	5,827,091	78.8%
Residential Properties outside Business Parks	1,665,276	20.0%	1,569,068	21.2%
Total	8,342,427	100.0%	7,396,159	100.0%

Changsha Yida Intelligent Manufacturing Industrial Village

By Project	Equity Interests Held by the Group	GFA Completed Remaining Leasable/ Saleable (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Business Parks				
Dalian Software Park				
Office	100%	594,939	–	–
Residential	100%	83,040	–	–
Subtotal	100%	677,979	–	–
Dalian BEST City				
Office	100%	222,117	73,820	515,172
Residential	100%	141,057	5,823	–
Subtotal	100%	363,174	79,643	515,172
Wuhan First City				
Office	50%	237,367	74,702	329,558
Residential	50%	17,809	–	–
Subtotal	50%	255,176	74,702	329,558
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	88,702	126,422	–
Subtotal	100%	240,841	126,422	118,798
Dalian Tiandi				
Office	100%	335,677	166,369	1,169,179
Residential	100%	81,760	272,369	–
Subtotal	100%	417,437	438,738	1,169,179
Chengdu Tianfu Science and Technology City				
Office	60%	42,064	52,200	–
Subtotal	60%	42,064	52,200	–

By Project	Equity Interests Held by the Group	GFA Completed Remaining Leasable/ Saleable (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Changsha Yida & CSCEC Intelligent Technology Centre City				
Office	51%	24,652	106,872	87,900
Subtotal	51%	24,652	106,872	87,900
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	130,691	–	304,924
Residential	70%	105,444	270,895	98,342
Subtotal	70%	236,135	270,895	403,266
Zhengzhou Yida Creation City				
Office	100%	1,189	244,624	232,800
Subtotal	100%	1,189	244,624	232,800
Chongqing Yida Intelligent Plaza				
Office	100%	–	79,200	–
Subtotal	100%	–	79,200	–
Shenyang Sino-German Yida Intelligent Technology City				
Office	51%	–	–	88,535
Subtotal	51%	–	–	88,535
Projects Within Business Parks Subtotal		2,258,647	1,473,296	2,945,208

By Project	Equity Interests Held by the Group	GFA Completed Remaining Leasable/ Saleable (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Projects Outside Business Parks				
Dalian	100%	458,651	313,343	595,309
Chengdu	100%	23,091	–	–
Hefei	65%	–	–	274,882
Projects Outside Business Parks Subtotal		481,742	313,343	870,191
Total		2,740,389	1,786,639	3,815,399

Changsha Yida & CSCEC Intelligent Technology Centre

FINANCIAL REVIEW

Revenue

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

During the Period, the revenue of the Group was RMB1,819.31 million, representing an increase of 6.1% from the corresponding period of last year. The following table sets forth a breakdown of the revenue for the periods indicated:

	For the six months ended 30 June			
	2021		2020	
	Amount RMB'000	**% of total amount**	Amount RMB'000	% of total amount
Revenue from sales of properties	**1,161,550**	**63.8%**	1,043,891	60.9%
Rental income	**240,291**	**13.2%**	265,666	15.5%
Business park operation and management services income	**25,040**	**1.4%**	28,400	1.7%
Construction, decoration and landscaping income	**180,161**	**9.9%**	107,022	6.2%
Property management income	**212,269**	**11.7%**	270,001	15.7%
Total	**1,819,311**	**100.0%**	1,714,980	100.0%

(1) Revenue from sales of properties

The Group's revenue arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Period was RMB1,161.55 million, representing an increase of 11.3% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Period.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Period amounted to RMB240.29 million, representing a decrease of 9.6% from the corresponding period of last year, which was mainly attributable to the decrease in leased area as a result of the withdrawal of subletting projects in last year.

(3) Business park operation and management services income

During the Period, the income arising from business park operation and management services provided by the Group amounted to RMB25.04 million, representing a decrease of 11.8% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Period, and the income from newly added projects has not yet been recognised.

(4) Construction, decoration and landscaping income

During the Period, the income derived from construction, decoration and landscaping services provided by the Group amounted to RMB180.16 million, representing an increase of 68.3% from the corresponding period of last year, which was mainly attributable to the increase in number of external contracted projects during the Period.

(5) Property management income

During the Period, the income derived from property management service provided by the Group amounted to RMB212.27 million, representing a decrease of 21.4% from the corresponding period of last year, which was mainly due to the disposal of the 100% equity interests in Yida Property Service Company Limited.

Cost of Sales

The cost of sales of the Group during the Period amounted to RMB1,349.03 million, representing an increase of 11.9% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Period amounted to RMB470.28 million, representing a decrease of 7.7% from the corresponding period of last year; the gross profit margin decreased from 29.7% for the corresponding period of 2020 to 25.8% during the Period, which was mainly attributable to the decrease in gross profit of different product structures over the corresponding period last year.

Selling and Marketing Expenses

The selling and marketing expenses of the Group increased by 15.4% to RMB68.95 million from RMB59.73 million in the corresponding period of last year, which was mainly attributable to the decrease in advertising expenses from property sales and sales staff costs due to the impact of the COVID-19 pandemic in the corresponding period last year as well as the increase in advertising expenses and the sales staff costs as the impact of pandemic decreased in this year.

Administrative Expenses

The administrative expenses of the Group for the Period amounted to RMB145.98 million, representing an increase of 6.9% from the corresponding period of 2020, which was mainly due to some tax exemptions were granted due to the impact of COVID-19 pandemic in the corresponding period last year and no similar exemptions were granted during the Period, as well as the occurrence of equity transfer and other transactions during the Period which led to an increase in specific service fees.

Other gain – net

The net other gain of the Group recorded for the Period amounted to RMB748.06 million, which was mainly due to the disposals of 100% equity interest in Yida Property Service Company Limited and 50% equity interest in Dalian Software Park Ascendas Development Company Limited during the Period.

Fair Value (Losses)/Gains on Investment Properties

The fair value (losses)/gains on investment properties of the Group decreased from the gains of RMB66.82 million in the corresponding period of 2020 to the losses of RMB12.93 million during the Period, which was mainly due to the increase in operating and maintenance fees of investment properties during the Period.

Finance Costs

The finance costs of the Group increased by 79.0% to RMB427.83 million during the Period from RMB239.05 million in the corresponding period of 2020, which was mainly due to the increase in interest expenses during the Period.

Share of Profits and Losses of Joint Ventures and Associates

During the Period, the Group's share of profits and losses of joint ventures and associates was a net gain of RMB33.09 million, representing a decrease of approximately RMB6.80 million as compared with the corresponding period of last year, which was mainly attributable to the decrease in equity investment income from Dalian Software Park Ascendas Development Company Limited during the Period.

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 increased by 103.2% to RMB324.75 million during the Period from RMB159.78 million in the corresponding period of 2020, which was mainly attributable to the increase in income tax as a result of the disposals of 100% equity interest in Yida Property Service Company Limited and 50% equity interest in Dalian Software Park Ascendas Development Company Limited during the Period.

Profit for the Period

As a result of the foregoing, the profit before tax of the Group increased by 37.2% to RMB609.90 million during the Period from RMB444.66 million for the corresponding period of 2020. The net profit of the Group was RMB285.15 million during the Period, remaining substantially at the same level as that of the corresponding period of last year.

The net profit attributable to equity owners was RMB271.44 million, representing a decrease of 8.8% from the corresponding period of last year.

The core net profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) increased to RMB281.14 million during the Period from RMB247.52 million for the corresponding period of 2020.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2021, the Group had cash and bank balances of approximately RMB1,145.52 million (including restricted cash of approximately RMB770.25 million) (31 December 2020: cash and bank balances of approximately RMB1,574.79 million, including restricted cash of approximately RMB1,002.55 million).

Debts

As at 30 June 2021, the Group had bank and other borrowings of approximately RMB13,767.53 million (31 December 2020: approximately RMB15,279.36 million), of which:

(1) By Loan Type

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Secured bank loans	**5,552,884**	5,866,626
Unsecured bank loans	**4,600**	3,000
Secured other borrowings	**6,533,422**	6,820,397
Unsecured other borrowings	**1,676,625**	2,589,336
	13,767,531	15,279,359

(2) By Maturity Date

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year or on demand	**11,724,931**	11,869,159
In the second year	**2,042,600**	775,200
In the third to fifth year	**–**	2,635,000
	13,767,531	15,279,359

Debt Ratio

The net gearing ratio (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 100.2% as at 30 June 2021, which decreased by 11.1 percentage points as compared to that of 111.3% as at 31 December 2020.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 30 June 2021, the Group had cash and bank balances (including restricted cash) of approximately RMB4.22 million and approximately RMB4.79 million denominated in Hong Kong dollars and USD, respectively. The Group had borrowings of approximately RMB1,306.77 million and approximately RMB517.15 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 30 June 2021, the Group provided guarantees of approximately RMB462.03 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2020: approximately RMB504.77 million). Besides, the Group provided guarantees to the extent of RMB482.54 million (2020: RMB524.48 million) as at 30 June 2021 in respect of bank loans granted to a joint venture.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2021, the Group had 970 full-time employees (31 December 2020: 1,848). 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.

SOCIAL RESPONSIBILITY

In July 2021, Henan Province was hit by extremely heavy rainfall on a wide scale and the flood control emergency response in Zhengzhou was upgraded to Level I. In the face of such extreme weather, Zhengzhou Yida Creation City of the Group responded swiftly, took precautions for safety and actively participated in rescuing people who were stranded near various projects.

In face of the disaster, all staff in the park urgently responded to the situation by transporting sandbags for flood control, isolating and blocking the entrances and exit passages of the park; countermeasures were taken by activating emergency pumps, flood barriers and flood protection cloths in low-lying areas; power supply of the ground, gates and other equipment were closely monitored through the intelligent park system; notices were also posted for the suspension of lifts to prevent accidents.

After more than nine hours of hard work and late into the night, the water level dropped significantly and the danger was effectively under control by keeping the flooding out of the park and leaving only a trace of water on the ground, providing the most comfortable and safe "harbour" for the enterprises and staff in the park. At the same time, catering supplies were deployed and transport vehicles were re-coordinated to provide supplies to the stranded enterprises and colleagues who stand by their posts, overcoming the difficulties of damaged vehicles, lack of supplies and waterlogged roads. The Group also arranged for staff to be on duty on a shift basis to check for potential safety hazards during the flooding period on a 24/7 basis, and took practical action to build a safety wall for the park and its enterprises.

1


3


2


1-3 Staff of Yida in Zhengzhou Actively Participated in Flood Control

DISCLOSURE OF INTERESTS

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 30 June 2021, 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 (the "**Listing Rules**") of the Stock Exchange 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 as at 30 June 2021
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, Wonderful High Limited and Everest Everlasting 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 of the Company 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 of the Company held by Grace Sky Harmony Limited.

DISCLOSURE OF INTERESTS (CONTINUED)

(II) Interest in associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held [1]	Percentage of the issued share capital of that associated corporation held as at 30 June 2021
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 are 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 30 June 2021, none of the Directors or chief executives 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 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2021, so far as the Directors are aware, the following persons (other than the Directors and the chief executives of the Company) or institutions have 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 as of 30 June 2021
Jiayou (International) Investment Limited [2][3]	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%
Mr. Sun Yinhuan [4]	Founder of a discretionary trust	241,400,000(L)	9.34%
TMF (Cayman) Ltd. [4]	Trustee	241,400,000(L)	9.34%
Right Ying Holdings Limited [4]	Interest of controlled corporation	241,400,000(L)	9.34%
Right Won Management Limited [4]	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 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 of the Company held by Jiayou.

(3) Jiayou pledged its 516,764,000 shares of the Company in favor of a non-qualified lender.

(4) 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 30 June 2021, there was no other person, other than a Director or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any payment of interim dividend for the six months ended 30 June 2021.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**"). During the Period, except for the deviation from code provision A.2.1 of the CG Code which provides that the roles of chairman and chief executive officer should be separate and not be performed by the same individual, the Company has complied with all the code provisions set out in the CG Code.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules (the "**Model Code**") as the code for securities transactions by the Directors. The Company has made specific enquiry with each of the Directors and all Directors have confirmed that they complied with the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

1. 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 (龍湖嘉悅物業服務有限公司) (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**") 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 Company and its subsidiaries (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.

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. 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 was convened and held by the Company to approve this disposal.

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 and the circular of the Company dated 31 May 2021.

2. The Settlement Agreement

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.

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

3. The Disposal of 50% of the Equity Interest in the Joint Venture

On 21 May 2021, Dalian Software Park Company Limited (大連軟件園股份有限公司) ("**Vendor**"), a wholly-owned subsidiary of the Company, Ascendas (China) Pte Ltd ("**Purchaser**") and DLSP-Ascendas Co., Ltd. ("**Target Company**"), entered into an equity transfer agreement pursuant to which the Vendor disposed and the Purchaser acquired the Vendor's 50% equity interests in the Target Company at a consideration of RMB501 million.

On 21 May 2021, the disposal was completed. The Group has ceased to hold any equity interest in the Target Company, and the financial information of the Target Company would no longer be consolidated into the Company's consolidated financial statements.

For details, please refer to the announcements of the Company dated 26 May 2021 and 21 June 2021.

Save as disclosed above, the Group had no other material acquisition or disposal of subsidiaries, associates or joint ventures during the Period.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. As at 30 June 2021, no share options had been granted under the share option scheme.

AUDIT COMMITTEE

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

REVIEW OF THE INTERIM RESULTS

The unaudited interim results of the Group and the interim report of the Company for the six months ended 30 June 2021 have been reviewed and approved by the Audit Committee.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

Breach of significant loan agreements

Reference is made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 23 April 2020 and 4 May 2021, the interim reports of the Company for the six months ended 30 June 2019 and 30 June 2020, the annual reports of the Company for the years ended 31 December 2019 and 31 December 2020.

1. In April 2019, China Minsheng Investment Corp., Ltd. ("**China Minsheng**"), who indirectly held as to approximately 61.20% interests in the Company, had faced liquidity difficulties and technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.

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

3. On 17 April 2017, the Company issued the USD300,000,000, 6.95% senior notes due 2020 which would mature on 19 April 2020 (the "**2020 Notes**"). The remaining principal amount 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 claimant 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 claimant, 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 repaid in certain tranches until 4 March 2021. The delay in repayment which constituted an event of default.

6. On 27 March 2020, the Company issued senior notes in the principal amount of USD224,899,000 due 2022. The principal amount of the 2022 senior notes is USD22,500,000 (together with the accrued interest) which was due on 16 April 2021, and the Company had repaid in full on 4 May 2021, which constituted an event of default.

7. According to the payment schedule and the entitled garce period of ten day in the Settlement Agreement, USD50,000,000 shall be paid before 10 May 2021, and the relevant subsidiaries fully repaid the payment of USD50,000,000 together with the accrued interests on 24 May 2021. On 26 May 2021, the arbitration claimants provided a written confirmation to the Group that the delay payment matter will not give rise to an event of default.

8. According to the payment schedule and the entitled garce period of ten day in the Settlement Agreement, USD50,000,000 shall be paid before 10 June 2021. As of the date of this interim report, such payment has not been paid yet.

As at 30 June 2021, the respective lenders may demand immediate repayment of the outstanding loans in the maximum amount of RMB8,781,879,000 in accordance with the above matters. As at the date of this interim report, no relevant lender had demand for immediate repayment of the loans. The operations of the Group, including its pre-sale and receivables collection, remained normal. The Company and relevant banks and financial institutions continue to negotiate on the future financing arrangements with the Company, and at the same time is also exploring alternative sources of financing.

Specific performance of the controlling shareholder

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

Pledging of shares by the controlling shareholder

On 11 March 2021, Jiayou (International) Investment Limited 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 this matter by way of further announcement(s) in a timely manner in accordance with requirements under the Listing Rules.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	7	**1,819,311**	1,714,980
Cost of sales	9	**(1,349,028)**	(1,205,356)
Gross profit		**470,283**	509,624
Other income	8	**16,632**	13,768
Gains arising from acquisition of subsidiaries		**–**	454,889
Fair value (losses)/gains on investment properties	16	**(12,930)**	66,821
(Provision for)/reversal of impairment losses on financial and contract assets		**(2,472)**	1,210
Other gains/(losses) – net	10	**748,062**	(206,151)
Selling and marketing expenses	9	**(68,953)**	(59,732)
Administrative expenses	9	**(145,978)**	(136,611)
Finance costs – net	11	**(427,833)**	(239,052)
Share of profits and losses of joint ventures and associates		**33,087**	39,890
Profit before income tax		**609,898**	444,656
Income tax expenses	12	**(324,752)**	(159,780)
Profit for the period		**285,146**	284,876
Attributable to:			
Owners of the Company		**271,442**	297,638
Non-controlling interests		**13,704**	(12,762)
		285,146	284,876
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	14	**10.50 cents**	11.52 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021	2020
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period		**285,146**	284,876
Other comprehensive income		**–**	–
Total comprehensive income for the period		**285,146**	284,876
Attributable to:			
Owners of the Company		**271,442**	297,638
Non-controlling interests		**13,704**	(12,762)
		285,146	284,876

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**96,215**	114,831
Investment properties	16	**18,971,640**	18,982,717
Investments in joint ventures		**704,244**	1,644,408
Investments in associates		**4,884**	4,927
Prepayments for acquisition of land		**3,095,094**	3,036,113
Prepayments and other receivables	18	**580,360**	836,973
Intangible assets		**23,544**	36,727
Derivative financial assets		**437,694**	–
Deferred tax assets		**333,980**	264,543
Total non-current assets		**24,247,655**	24,921,239
Current assets			
Inventories		**33,360**	20,262
Land held for development for sale	17	**798,390**	784,753
Properties under development		**10,328,912**	10,289,518
Completed properties held for sale		**4,971,506**	4,938,899
Prepayments for acquisition of land		**483,586**	751,252
Contract assets		**120,130**	93,872
Trade receivables	19	**470,459**	590,435
Prepayments, deposits and other receivables	18	**1,629,507**	1,118,185
Prepaid corporate income tax		**106,786**	117,537
Prepaid land appreciation tax		**275,999**	259,485
Financial assets at fair value through profit or loss		**–**	6,260
Restricted cash	20	**770,252**	1,002,551
Cash and cash equivalents	20	**375,271**	572,237
Total current assets		**20,364,158**	20,545,246
Total assets		**44,611,813**	45,466,485

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2021

	Note	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Interest-bearing bank and other borrowings	24	**2,042,600**	3,410,200
Deferred tax liabilities		**3,018,371**	2,935,334
Other non-current liabilities		**26,473**	24,598
Lease liabilities		**41,292**	11,673
Total non-current liabilities		**5,128,736**	6,381,805
Current liabilities			
Contract liabilities	21	**6,720,348**	5,841,962
Trade payables	22	**3,052,876**	3,724,570
Other payables and accruals	23	**3,708,256**	3,755,401
Interest-bearing bank and other borrowings	24	**11,724,931**	11,869,159
Corporate income tax payable		**753,517**	624,311
Provision for land appreciation tax		**908,893**	893,613
Lease liabilities		**19,359**	63,882
Total current liabilities		**26,888,180**	26,772,898
Total liabilities		**32,016,916**	33,154,703
Equity			
Equity attributable to owners of the Company			
Issued capital	25	**159,418**	159,418
Reserves		**12,141,598**	11,870,156
		12,301,016	12,029,574
Non-controlling interests		**293,881**	282,208
Total equity		**12,594,897**	12,311,782
NET CURRENT LIABILITIES		**(6,524,022)**	(6,227,652)
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,723,633**	18,693,587

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)							
Balance at 1 January 2021	**159,418**	**1,288,734**	**1,105,924**	**9,475,498**	**12,029,574**	**282,208**	**12,311,782**
Profit for the period	**–**	**–**	**–**	**271,442**	**271,442**	**13,704**	**285,146**
Total comprehensive income for the period	**–**	**–**	**–**	**271,442**	**271,442**	**13,704**	**285,146**
Transactions with owners in their capacity as owners:							
Decrease of non-controlling interests in connection with disposal of a subsidiary						**(2,031)**	**(2,031)**
Appropriation to surplus reserve	**–**	**–**	**46,984**	**(46,984)**	**–**	**–**	**–**
Balance at 30 June 2021	**159,418**	**1,288,734**	**1,152,908**	**9,699,956**	**12,301,016**	**293,881**	**12,594,897**

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)							
Balance at 1 January 2020	159,418	1,288,734	1,079,473	9,329,373	11,856,998	678,523	12,535,521
Profit for the period	–	–	–	297,638	297,638	(12,762)	284,876
Total comprehensive income for the period	–	–	–	297,638	297,638	(12,762)	284,876
Transactions with owners in their capacity as owners:							
Capital contribution from a non-controlling shareholder of a subsidiary	–	–	–	–	–	12,000	12,000
Appropriation to surplus reserve	–	–	10,494	(10,494)	–	–	–
Balance at 30 June 2020	159,418	1,288,734	1,089,967	9,616,517	12,154,636	677,761	12,832,397

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from operating activities			
Profit before income tax		**609,898**	444,656
Adjustments for:			
Depreciation	9	**18,789**	23,791
Amortisation of intangible assets	9	**6,229**	6,026
Net gains on disposal of items of property, plant and equipment		**(981)**	(168)
Fair value losses/(gains) on investment properties	16	**12,930**	(66,821)
Fair value losses on derivative financial assets		**–**	146,607
Share of profits and losses of joint ventures and associates		**(33,087)**	(39,890)
Gains arising from acquisition of subsidiaries		**–**	(454,889)
Gains arising from disposal of subsidiaries, joint ventures and an associate	10	**(739,076)**	–
Fair value gains on financial assets at fair value through profit or loss		**(3)**	(2)
Finance costs	11	**427,833**	239,052
Interest income	8	**(9,611)**	(7,833)
Impairment of properties under development and completed properties held for sale		**–**	11,027
Provision for/(reversal of) impairment losses on financial and contract assets		**2,472**	(1,210)
Others		**(25,634)**	–
		269,759	300,346
Increase in inventories		**(13,307)**	(31,338)
Decrease in properties under development		**371,054**	140,845
Increase in completed properties held for sale		**(32,607)**	(132,820)
Increase in land held for development for sale		**(87,279)**	–
Decrease/(Increase) in prepayments for acquisition of land		**268,518**	(128,850)
(Increase)/decrease in contract assets		**(26,233)**	34,489
Decrease in trade receivables		**163,722**	204,039
Increase in prepayments, deposits and other receivables		**(250,490)**	(132,645)
Decrease in trade payables		**(461,549)**	(69,587)
Increase/(decrease) in other payables and accruals		**341,414**	(222,994)
Increase in contract liabilities		**884,266**	593,313
Increase/(decrease) in other non-current liabilities		**1,875**	(2,659)
Cash generated from operations		**1,429,143**	552,139
Interest received		**9,611**	7,833
PRC corporate income tax paid		**(110,871)**	(84,756)
PRC land appreciation tax paid		**(54,531)**	(89,116)
Net cash from operating activities		**1,273,352**	386,100

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2021

	Note	Six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cash flows from investing activities			
Decrease/(increase) in amounts due from joint ventures and associates		**2,792**	(1,771)
Purchases of property, plant and equipment		**(25,456)**	(10,560)
Purchases of intangible assets		**(2,054)**	(7,189)
Proceeds from disposal of/(investment in) joint ventures		**498,969**	(5,000)
Net payment for acquisition of subsidiaries		**(579,723)**	(2,653,328)
Additions to investment properties	16	**(1,853)**	(97,443)
Proceeds from disposal of investment properties	16	**–**	19,249
Proceeds from disposal of subsidiaries		**773,968**	15,530
Proceeds from disposal of items of property, plant and equipment		**1,747**	328
Decrease in restricted cash	20	**232,299**	295,908
Dividends received		**3,014**	–
Interest income from financial assets at fair value through profit or loss		**5,003**	2
Net cash generated from/(used in) investing activities		**908,706**	(2,444,274)
Cash flows from financing activities			
Decrease in amounts due to non-controlling interests		**(23,227)**	(9,259)
Capital contribution from a non-controlling shareholder		**–**	12,000
Interest paid		**(794,169)**	(526,692)
Dividends paid		**–**	(226,838)
Payment of lease liabilities		**(17,551)**	(31,794)
New bank and other borrowings		**293,597**	4,509,556
Repayment of bank and other borrowings		**(1,837,674)**	(2,133,061)
Net cash (used in)/generated from financing activities		**(2,379,024)**	1,593,912
Net decrease in cash and cash equivalents		**(196,966)**	(464,262)
Cash and cash equivalents at beginning of period		**572,237**	1,032,666
Cash and cash equivalents at end of period		**375,271**	568,404
Analysis of balances of cash and cash equivalents			
Cash and bank balances		**375,271**	568,404

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2021

1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2021, 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**" or "**Mainland China**").

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

The unaudited condensed consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated and were approved and authorized for issue by the board of Directors on 20 August 2021.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2021 have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and investment properties which are measured at fair value, and in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

Going concern Basis

As at 30 June 2021, the Group's current liabilities exceeded its current assets by RMB6,524,022,000. At the same date, its current borrowings amounted to RMB11,724,931,000 while its cash and cash equivalents amounted to RMB375,271,000 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 RMB7,524,856,000 in total as at 30 June 2021 becoming immediately repayable if requested by the lenders, of which RMB5,639,253,000 represented borrowings with scheduled repayment dates within one year, while RMB1,885,603,000 represented non-current borrowings with original maturity dates beyond 30 June 2022 that were reclassified as current liabilities.

On 20 February 2020, the Company publicly announced that Mr. Chen Donghui, a then 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 RMB4,025,627,000 in total as at 30 June 2021, among the above-mentioned borrowings of RMB7,524,856,000, becoming immediately repayable if requested by the lenders.

2. BASIS OF PREPARATION (Continued)

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 ("**2020 Senior Notes**") 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 RMB7,524,856,000 in total as at 30 June 2021 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**"). The Group subsequently fully repaid these bank loans in certain tranches until 4 March 2021. This event also resulted in the above-mentioned borrowings of RMB7,524,856,000 in total as at 30 June 2021 becoming immediately repayable if requested by the lenders.

On 18 January 2021, the Group failed to pay the final award amount together with interest accruing thereon to the certain joint venture partners ("**Aetos Parties**") 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 Aetos Parties. This triggered certain terms specified in the senior notes due on 27 March 2022 ("**2022 Senior Notes**"), and was subsequently waived by the respective holders with effect from 8 March 2021 ("**2022 Senior Notes Default**"). This event also resulted in the above-mentioned borrowings of RMB7,524,856,000 as at 30 June 2021 becoming immediately repayable if requested by the lenders.

On 16 April 2021, the Group failed to repay a tranche of 2022 Senior Notes of USD22.5 million, which constituted an event of default ("**2022 Senior Notes Delay Repayment Matter**"). The Group subsequently fully repaid this tranche of 2022 Senior Notes of USD22.5 million on 4 May 2021. This event also resulted in the above-mentioned borrowings of RMB7,524,856,000 as at 30 June 2021 becoming immediately repayable if requested by the lenders.

On 10 May 2021, the Group failed to pay a tranche of payment of USD50 million due to Aetos Parties, which did not meet the payment obligation specified in the settlement agreement with Aetos Parties dated on 4 March 2021 ("**Aetos Parties First Delay Payment Matter**"). On 24 May 2021, the Group subsequently fully paid this tranche of payment of USD50 million together with interest accruing thereon. On 26 May 2021, Aetos Parties provided a written confirmation to the Group that Aetos Parties First Delay Payment Matter will not give rise to an event of default. This event also resulted in the above-mentioned borrowings of RMB7,524,856,000 as at 30 June 2021 becoming immediately repayable if requested by the lenders.

On 10 June 2021, the Group failed to pay another tranche of payment of USD50 million due to Aetos Parties, which has not been paid yet up to the date of this report ("**Aetos Parties Second Delay Payment Matter**"). This event also resulted in certain of the Group's borrowings amounted to RMB8,781,879,000 as at 30 June 2021 becoming immediately repayable if requested by the lenders, out of which RMB7,524,856,000 was the above-mentioned borrowings.

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

2. BASIS OF PREPARATION (Continued)

Going concern Basis (Continued)

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

(i) Although the lenders have not requested the Group to repay the relevant borrowings immediately, the Group has constantly maintained active communication with relevant banks, financial institutions, and Aetos Parties to explain changes in the financial conditions of China Minsheng, Mr. Chen Detention Matter, 2020 Senior Notes Default, Bank Loans Default, 2022 Senior Notes Default, 2022 Senior Notes Delay Repayment Matter, Aetos Parties First Delay Payment Matter and Aetos Parties Second Delay Payment Matter. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings and payables due to Aetos Parties 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 30 June 2021, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. In this connection, the Group was able to renew or obtain new borrowings of RMB255,000,000 from existing and new lenders, although all of which 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 long term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when necessary.

(iii) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables.

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

(v) On 4 March 2021, the Group entered into an agreement to dispose its property management business at a consideration of RMB1,273,000,000. 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 30 June 2021. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2021. Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements on a going concern basis.

2. BASIS OF PREPARATION (Continued)

Going concern Basis (Continued)

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

(i) the successful negotiation with Aetos Parties to agree an extended payment schedule;

(ii) 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;

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

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

(v) 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

(vi) 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 amounts 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 the unaudited condensed consolidated financial statements.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2020, as described in those annual financial statements, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings, and the adoption of the new and amended standards of HKFRSs effective for the financial year ended 31 December 2020, which did not have any significant impact on the Group's financial statements and did not require retrospective adjustments.

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

4. ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities, and their accompany disclosure, and the disclosure of contingent liabilities. Actual results may differ from these estimations.

In preparing these condensed consolidated financial statements, the significant judgements and estimates made by management in applying to the Group's accounting policies and the key resources of estimation uncertainty were the same as those that applied to the Group's financial statements for the year ended 31 December 2020.

5. 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 assets and liabilities 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 is disclosed in note 16 to the unaudited condensed consolidated financial statements.

(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 interim period. 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.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Interest rate risk (Continued)

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 basis points	Effect on profit before income tax RMB'000
30 June 2021 (unaudited)		
RMB	**50**	**(7,601)**
RMB	**(50)**	**7,601**
31 December 2020 (audited)		
RMB	50	(14,487)
RMB	(50)	14,487

(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.

5. 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 and long term borrowings 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.

There are limited hedging instruments available in Mainland China to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. 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 30 June 2021, if RMB had weakened/strengthened by 10% (31 December 2020: 9%) against the United States dollar ("USD"), which was considered reasonably possible by management, the Group's profit before income tax for the period would have been decreased/increased by RMB180,714,000 (31 December 2020: RMB175,271,000).

(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. Therefore, the credit risk from sales of properties is limited. There is no significant concentration of credit risk within the Group.

Trade receivables are mainly arisen from sales of properties, lease of investment properties and other service businesses. 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 26, 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.

5. 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 measuring expected credit losses which uses a lifetime expected loss allowances for trade receivables and contract assets.

As at 30 June 2021, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

30 June 2021 (Unaudited)	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%	21.81%	94.00%	100.00%	–
Gross carrying amount	474,971	–	–	35,321	510,292
Loss allowance	(4,512)	–	–	(35,321)	(39,833)

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

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 (Audited)	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)

For contract assets, the expected credit losses of RMB72,000 as at 30 June 2021 and RMB98,000 as at 31 December 2020, were determined based on carrying amounts of RMB69,053,000 and RMB93,970,000 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.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Credit risk (Continued)

(ii) Other receivables (excluding prepayments) (Continued)

As at 30 June 2021, the Group provides for loss allowance for other receivables as follows:

(Unaudited)	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%	29,112	(495)	28,617
Receivables for primary land development	Stage one	0.10%	990,300	(990)	989,310
Others	Stage one	2.14%	811,518	(17,331)	794,187
			1,830,930	(18,816)	1,812,114

As at 31 December 2020, the Group provides for loss allowance for other receivables as follows:

(Audited)	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

(e) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

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.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Liquidity risk (Continued)

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 30 June 2021 (Unaudited)				
	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 24)	**12,904,283**	**2,274,183**	**–**	**–**	**15,178,466**
Trade payables (note 22)	**3,052,876**	**–**	**–**	**–**	**3,052,876**
Other payables and accruals (note 23)	**2,914,128**	**–**	**–**	**–**	**2,914,128**
Lease liabilities	**20,158**	**11,269**	**11,076**	**16,307**	**58,810**
	18,891,445	**2,285,452**	**11,076**	**16,307**	**21,204,280**
Financial guarantees issued: Maximum amount guaranteed (note 26)	**944,573**	**–**	**–**	**–**	**944,573**

	At 31 December 2020 (Audited)				
	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 24)	10,772,669	1,970,835	3,513,025	813,166	17,069,695
Trade payables (note 22)	3,724,570	–	–	–	3,724,570
Other payables and accruals (note 23)	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 26)	1,029,252	–	–	–	1,029,252

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

5. 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 period.

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 and promissory notes, 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:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Interest-bearing bank and other borrowings (note 24)	**13,767,531**	15,279,359
Less: Cash and cash equivalents (note 20)	**(375,271)**	(572,237)
Less: Restricted cash (note 20)	**(770,252)**	(1,002,551)
Net debt	**12,622,008**	13,704,571
Total equity	**12,594,897**	12,311,782
Net debt ratio	**100.2%**	111.3%

6. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

For the six months ended 30 June 2021, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

6. OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2021 (unaudited)

	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:							
Sales to external customers	1,161,550	240,291	25,040	180,161	212,269	–	1,819,311
Segment results	99,589	167,800	(16,924)	(1,881)	33,594	6,850	289,028
Reconciliation:							
Interest income							9,611
Dividend income and unallocated gains							739,092
Corporate and other unallocated expenses							–
Finance costs							(427,833)
Profit before income tax							609,898
Income tax expenses							(324,752)
Profit for the period							285,146

For the six months ended 30 June 2020 (unaudited)

	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:							
Sales to external customers	1,043,891	265,666	28,400	107,022	270,001	–	1,714,980
Segment results	100,907	283,684	(6,970)	149	37,757	(47,934)	367,593
Reconciliation:							
Interest income							7,833
Dividend income and unallocated gains							454,889
Corporate and other unallocated expenses							(146,607)
Finance costs							(239,052)
Profit before income tax							444,656
Income tax expenses							(159,780)
Profit for the period							284,876

6. 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.

7. 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 period.

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers recognised at a point in time		
Sale of properties	**1,161,550**	1,043,891
Revenue from contracts with customers recognised over time		
Business park operation and management service income	**25,040**	28,400
Construction, decoration and landscaping income	**180,161**	107,022
Property management income	**212,269**	270,001
	417,470	405,423
Revenue from contracts with customers	**1,579,020**	1,449,314
Revenue from other sources		
Rental income	**240,291**	265,666
	1,819,311	1,714,980

8. OTHER INCOME

	For the six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest income	**9,611**	7,833
Government subsidies	**7,020**	5,935
	16,632	13,768

9. EXPENSES BY NATURE

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

	For the six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of properties sold	**902,215**	796,041
Cost of services provided	**363,230**	328,623
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**83,584**	80,692
Employee benefit expenses	**85,229**	77,122
Short-term office lease expenses	**5,048**	9,116
Depreciation	**18,789**	23,791
Amortisation of intangible assets	**6,229**	6,026
Advertising	**20,150**	21,067
Other costs and expenses	**79,485**	59,221
Total cost of sales, selling and marketing expenses and administrative expenses	**1,563,959**	1,401,699

10. OTHER GAINS/(LOSSES) – NET

	For the six months ended 30 June 2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Gains arising from disposal of subsidiaries (a)	**771,779**	–
Losses arising from disposal of a joint venture (b)	**(32,703)**	–
Net losses on derivative financial assets	**–**	(146,607)
Net foreign exchange gains/(losses)	**9,193**	(24,456)
Other items	**(207)**	(35,088)
	748,062	(206,151)

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

On 10 March 2021, the disposal of Yida Property Service was completed and the Group recognised a gain of RMB771,779,000 arising from the disposal, taking into consideration of the estimated compensation to Longfor of RMB242,080,000 which was recognised as derivative liabilities as at 30 June 2021.

(b) As at 31 December 2020, the Group held 50% equity interests in Dalian Software Park Ascendas Development Company Limited ("**DLSP Ascendas**"), which was accounted for as a joint venture of the Group. On 21 May 2021, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with Ascendas (China) Pte Ltd. ("**Ascendas**"), which is the joint venture partner of DLSP Ascendas. Pursuant to the agreement, the Group disposed 50% equity interests in DLSP Ascendas for a consideration of RMB501,000,000. The Group was also granted a repurchase option ("**Repurchase Option**") to repurchase 50% equity interests in DLSP Ascendars for a consideration of RMB526,300,500 upon the expiry of six months after 21 May 2021.

At the same date, the disposal of DLSP Ascendas was completed and the Group recognised a loss of RMB32,703,000 arising from the disposal, taking into consideration of the Repurchase Option amounting to RMB437,694,000, which was recognised as derivative financial assets as at 30 June 2021.

11. FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	**859,957**	713,600
Interest on lease liabilities	**1,949**	17,343
Less: Interest capitalised	**(396,639)**	(463,187)
	465,267	267,756
Interest income	**(37,434)**	(28,704)
	427,833	239,052

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 six months ended 30 June 2021 and 2020. The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the period.

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

	For the six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current:		
PRC corporate income tax	**257,805**	41,372
PRC land appreciation tax ("**LAT**")	**53,297**	60,902
	311,102	102,274
Deferred:		
Current period	**13,650**	57,506
Total tax charge for the period	**324,752**	159,780

13. INTERIM DIVIDEND

The Company resolved not to declare any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: 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 profit for the period attributable to ordinary equity holders of the Company of RMB271,442,000 (six months ended 30 June 2020: RMB297,638,000), and the weighted average number of ordinary shares of 2,583,970,000 (six months ended 30 June 2020: 2,583,970,000) in issue during these periods.

Diluted earnings per share is same as basic earnings per share for the six months ended 30 June 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during those periods.

15. PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2021, certain of the Group's property, plant and equipment of RMB33,210,000 (31 December 2020: RMB35,955,000) were pledged to banks to secure the loans granted to the Group (note 24).

16. INVESTMENT PROPERTIES

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

	Right-of-use Assets RMB'000	Completed RMB'000	Under construction RMB'000	Total RMB'000
(Unaudited)				
At 1 January 2020	497,000	12,977,350	6,271,482	19,745,832
Additions	–	(1,221)	97,443	96,222
Transfer to completed investment properties	–	751,000	(751,000)	–
Transfer to properties under development	–	(38,700)	–	(38,700)
Net gains/(losses) from fair value adjustments	(5,000)	34,321	37,500	66,821
At 30 June 2020	492,000	13,722,750	5,655,425	19,870,175

16. INVESTMENT PROPERTIES (Continued)

As at 30 June 2021, certain of the Group's investment properties of RMB15,930,050,000 (31 December 2020: RMB15,983,217,000) were pledged to banks to secure the loans granted to the Group (note 24).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 28 of these condensed financial statements.

The Group's completed investment properties and investment properties under construction, which were stated at fair value, were revalued on 30 June 2021 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 as at 30 June 2021, valuations were based on the residual approach 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.

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. The amount of the completed investment properties and investment properties under construction of the Group measured at fair value were RMB1,519,000,000 as at 30 June 2021 (31 December 2020: RMB1,524,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and outsourcing services.

16. INVESTMENT PROPERTIES (Continued)

Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average) 30 June 2021 (Unaudited)	31 December 2020 (Audited)
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	**653 – 2,016**	296 – 2,016
Office		Estimated yearly rental value per square metre (RMB)	**367 – 885**	356 – 877
Car park		Estimated yearly rental value per lot (RMB)	**2,592 – 8,208**	3,526 – 8,208
Retail		Capitalisation rate	**4.75% – 5.25%**	4.75% – 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 – 1,070**	848 – 1,061
Office		Estimated yearly rental value per square metre (RMB)	**439 – 709**	439 – 704
Car park		Estimated yearly rental value per lot (RMB)	**4,517 – 4,959**	4,325 – 4,959
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%**	2% – 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

	Six months ended 30 June 2021 RMB'000 (Unaudited)	Year ended 31 December 2020 RMB'000 (Audited)
Carrying amount at beginning of period/year	**784,753**	768,008
Additions	**87,280**	144,352
Transfer to properties under development	**(73,643)**	(127,607)
Carrying amount at end of period/year	**798,390**	784,753
Current portion	**(798,390)**	(784,753)
Non-current portion	**–**	–

As at 30 June 2021, certain of the Group's land held for development for sale of RMB640,252,000 (31 December 2020: RMB640,541,000) were pledged to banks to secure the bank and other loans granted to the Group (note 24).

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Prepayments	**397,755**	453,457
Deposits and other receivables	**1,830,929**	1,517,729
Less: Allowances for impairment of deposits and other receivables	**(18,817)**	(16,028)
Carrying amount at end of period	**2,209,867**	1,955,158
Current portion	**(1,629,507)**	(1,118,185)
Non-current portion	**580,360**	836,973

note:

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

As at 30 June 2021, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB29,041,000 (31 December 2020: RMB29,332,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2021, included in the Group's prepayments, deposits and other receivables are amounts due from joint ventures of RMB71,000 (31 December 2020: RMB1,119,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2021, there is no amount due from joint ventures included in the Group's prepayments, deposits and other receivables among which RMB. As at 31 December 2020, 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 30 June 2021, included in the Group's other receivables are advances of RMB990,300,000 (31 December 2020: RMB974,789,000) to certain local government authorities in Dalian, the PRC, in connection with the primary land development of certain land parcels in Dalian, the PRC.

19. TRADE RECEIVABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade receivables – gross amount	**510,292**	631,949
Less: Allowances for impairment of trade receivables	**(39,833)**	(41,514)
	470,459	590,435

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

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within 1 year	**302,893**	408,604
1 to 2 years	**95,655**	109,620
Over 2 years	**111,744**	113,725
	510,292	631,949

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2021, a provision of RMB39,833,000 (31 December 2020: RMB41,514,000) was made against the gross amount of trade receivables.

20. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Cash and bank balances (notes)	**1,145,523**	1,574,788
Less: Restricted cash	**(770,252)**	(1,002,551)
Cash and cash equivalents	**375,271**	572,237

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 RMB1,136,515,000 (31 December 2020: RMB1,564,030,000).

20. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (Continued)

notes:

(a) According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. As at 30 June 2021, such guarantee deposits amounted to RMB85,210,000 (31 December 2020: RMB260,164,000).

(b) As at 30 June 2021, the deposits of the Group amounted to RMB331,643,000 (31 December 2020: RMB425,987,000), were placed at designated bank accounts by certain subsidiaries of the Group for the payment of promissory notes, compensation of potential industrial accidents that would occur during construction work and the training of talents, in accordance with the relevant regulation implemented by contracts and local governments.

(c) As at 30 June 2021, certain of the Group's time deposits of RMB353,400,000 (31 December 2020: RMB316,400,000) were pledged to banks loans to secure the bank and other loans granted to the Group (note 24).

21. CONTRACT LIABILITIES

Contract liabilities of the Group represented amounts received from buyers in connection with the pre-sale of properties and gross amounts due to contract customers as at the reporting period end.

22. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Due within 1 year or on demand	**2,195,680**	2,374,200
Due within 1 to 2 years	**857,196**	1,350,370
	3,052,876	3,724,570

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

23. OTHER PAYABLES AND ACCRUALS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Employee benefits payable	**104,245**	156,649
Accruals	**785,064**	597,584
Other payables	**2,818,947**	3,001,168
Carrying amount at end of the period/year	**3,708,256**	3,755,401
Current portion	**(3,708,256)**	(3,755,401)
Non-current portion	**–**	–

23. OTHER PAYABLES AND ACCRUALS (Continued)

note:

As at 30 June 2021, included in the Group's other payables are amounts due to joint ventures of RMB123,695,000 (31 December 2020: RMB123,371,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2021, included in the Group's other payables are amounts due to Main Zone Limited and Innovate Zone Group Limited of RMB27,152,000 (31 December 2020: RMB28,287,000) and RMB180,908,000 (31 December 2020: RMB188,698,000) 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 were amounts due to Aetos Parties of RMB 1,340,187,000, which were 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 Aetos Parties' legal costs and expenses. Pursuant to the settlement agreement with Aetos Parties dated on 4 March 2021, the Group should settle the payables to Aetos Parties before 30 September 2021 in accordance with the agreed payment schedule, while bearing interest rate of 12.5% per annual. The total payment obligation would be reduced to USD175 million together with interests accrued thereon, subject to the Group's fulfilment of the payment obligation specified in the settlement agreement. As at 30 June 2021, the carring amount of the payable due to Aetos Parties was RMB769,389,000.

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Effective interest rate (%)	**RMB'000**	Effective interest rate (%)	RMB'000
Current				
Bank loans – secured	**3.85 – 12.00**	**5,178,884**	4.30 – 9.50	5,492,626
Bank loans – unsecured	**4.25**	**4,600**	4.25	3,000
Other loans – secured	**7.42 – 15.00**	**4,864,822**	5.70 – 15.00	3,784,197
Other loans – unsecured	**1.20 – 15.00**	**1,676,625**	1.20 – 15.00	2,589,336
		11,724,931		11,869,159
Non-current				
Bank loans – secured	**4.55**	**374,000**	4.55	374,000
Other loans – secured	**11.00 – 13.00**	**1,668,600**	11.00 – 13.00	3,036,200
		2,042,600		3,410,200
		13,767,531		15,279,359

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,183,484**	5,495,626
In the second year	**374,000**	40,000
In the third to fifth years, inclusive	**–**	334,000
	5,557,484	5,869,626
Other loans repayable:		
Within one year or on demand	**6,541,447**	6,373,533
In the second year	**1,668,600**	735,200
In the third to fifth years, inclusive	**–**	2,301,000
	8,210,047	9,409,733
	13,767,531	15,279,359

As at 30 June 2021, included in bank loans of the Group is an amount of RMB2,474,662,000 (31 December 2020: RMB2,462,827,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank and other borrowings included borrowings with principal amounts of RMB1,885,603,000 (31 December 2020: RMB1,992,400,000) with original maturity dates beyond 30 June 2022, which have been reclassified as current liabilities as at 30 June 2021 as a result of the matters described in note 2.

(a) As at 30 June 2021, 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 RMB524,223,000 respectively (31 December 2020: RMB800,000,000 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.

In March 2021, the remaining principal amount of the second tranche amounted to RMB624,223,000 was extended by respective bond holders for certain periods within six months. During the six months period end 30 June 2021, RMB100,801,000 in total of second tranche has been repaid.

24. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

(b) As at 30 June 2021, included in other loans of the Group were senior notes due on 27 March 2022 ("**2022 Senior Notes**") with carrying amount of RMB1,257,023,000(31 December 2020: RMB1,519,260,000). According to the terms of 2022 Senior Notes, the Company shall, at the option of any 2022 Senior Notes holders, repurchase the outstanding 2022 Senior Notes in March 2021. In March 2021, 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.

2022 Senior Notes were unsecured, bore interest at a rate of 12% per annum and were guaranteed by certain subsidiaries of the Group.

(c) Certain of the Group's bank and other loans are secured or guaranteed by:

(i) pledges of the Group's properties under development with an aggregate carrying amount as at 30 June 2021 of approximately RMB6,765,949,000 (31 December 2020: RMB7,036,764,000);

(ii) pledges of the Group's investment properties with an aggregate carrying amount as at 30 June 2021 of approximately RMB15,930,050,000 (31 December 2020: RMB15,983,217,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying amount as at 30 June 2021 of approximately RMB640,252,000 (31 December 2020: RMB640,541,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying amount as at 30 June 2021 of approximately RMB3,511,984,000 (31 December 2020: RMB3,335,863,000);

(v) pledge of a building of the Group with a carrying amount as at 30 June 2021 of approximately RMB33,210,000 (31 December 2020: RMB35,955,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB9,241,504,000 as at 30 June 2021 (31 December 2020: RMB10,414,238,000);

(vii) pledges of certain equity interests of the subsidiaries of the Company as at the end of the reporting period;

(viii) pledges of certain of the Group's time deposits with an aggregate carrying amount of approximately RMB353,400,000 as at 30 June 2021 (31 December 2020: RMB316,400,000);

(d) Other than certain other borrowings with a carrying amount of RMB1,306,766,000 (31 December 2020: RMB1,519,260,000) denominated in USD as at 30 June 2021 and RMB517,150,000 denominated in HKD as at 30 June 2021 (31 December 2020: RMB523,079,000), the remaining bank borrowings and other borrowings of the Group are denominated in RMB as at 30 June 2021 and 31 December 2020.

(e) As at 30 June 2021, included in other loans of the Group were loans from related parties controlled by the same ultimate holding company of the Company with principal amounts of RMB653,661,000 (31 December 2020: RMB609,719,000), among which RMB402,102,000 were unsecured, borne interest at 15% per annum and were repayable within one year, while the remaining RMB251,559,000 were secured, borne interest at 8% per annum and were repayable within one year.

25. SHARE CAPITAL

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
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

26. FINANCIAL GUARANTEES

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

(a) As at 30 June 2021, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB462,029,000 (31 December 2020: RMB504,772,000).

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

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

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

(b) The Group provided guarantees to the extent of RMB482,544,000 (31 December 2020: RMB524,480,000) as at 30 June 2021 in respect of bank loans granted to its joint ventures.

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

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

27. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other loans are included in note 24 to the financial statements.

28. OPERATING LEASE ARRANGEMENTS

(i) As lessor

The Group leases its investment properties (note 16) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty-eight 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:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Within one year	**225,395**	402,142
In the second to fifth years, inclusive	**433,511**	510,896
After five years	**642,034**	79,085
	1,300,940	992,123

29. COMMITMENTS

In addition to the operating lease commitments detailed in note 28 above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**3,501,705**	5,106,714
Capital contribution to a joint venture	**2,040**	38,952
	3,503,745	5,145,666

29. COMMITMENTS (Continued)

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

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**74,522**	118,798

30. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these unaudited condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

		For the six months ended 30 June	
	notes	**2021 RMB'000 (Unaudited)**	2020 RMB'000 (Unaudited)
Service fees from joint ventures	(i)	**7,942**	61,814
Rental income from a joint venture	(ii)	**–**	1,892
Interest expenses to a joint venture	(iii)	**6**	–

notes:

(i) The service fees were related to the construction services, landscaping services and property management services provided by the Group at rates determined in accordance with the terms and conditions set out in the contracts entered into between the related parties.

(ii) The rental was determined at rates mutually agreed with a related party.

(iii) The interest expense was related to loans from a joint venture to the Group. The interest rates were mutually agreed with the related parties.

In the opinion of the Directors, the above transactions were entered into in the ordinary course of business of the Group.

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments of the Group are as follows:

At 30 June 2021 (Unaudited)

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables (note 19)	–	470,459	470,459
Deposits and other receivables (note 18)	–	1,812,112	1,812,112
Derivative financial assets	437,694	–	437,694
Restricted cash (note 20)	–	770,252	770,252
Cash and cash equivalents (note 20)	–	375,271	375,271
	437,694	3,428,094	3,865,788

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 22)	–	3,052,876	3,052,876
Other payables and accruals (note 23)	–	2,914,127	2,914,127
Interest-bearing bank and other borrowings (note 24)	–	13,767,531	13,767,531
Lease liabilities	–	60,651	60,651
	–	19,795,185	19,795,185

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

At 31 December 2020 (Audited)

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 19)	590,435
Deposits and other receivables (note 18)	1,501,701
Financial assets at fair value through profit or loss	6,260
Restricted cash (note 20)	1,002,551
Cash and cash equivalents (note 20)	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 22)	–	3,724,570	3,724,570
Other payables and accruals (note 23)	–	3,096,730	3,096,730
Interest-bearing bank and other borrowings (note 24)	–	15,279,359	15,279,359
Lease liabilities	–	75,555	75,555
	–	22,176,214	22,176,214

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy as at 30 June 2021 (Unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
Assets measured at fair value:				
Investment properties (note 16)	**–**	**–**	**18,460,000**	**18,460,000**
Derivative financial assets	**–**	**–**	**437,694**	**437,694**
	–	**–**	**18,897,694**	**18,897,694**

Fair value hierarchy as at 31 December 2020 (Audited)

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

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

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 30 June 2021 and 31 December 2020.

The details of the valuation technique and inputs used in the fair value measurement of investment properties have been disclosed in note 16 to the unaudited condensed consolidated financial statements, respectively.

During the six months ended 30 June 2021 and 2020, 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.

The Group's finance department determines the policies and procedures for recurring fair value measurement, such as investment properties and derivative financial assets. 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.

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.

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