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

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

股份代號 Stock Code：3639.HK

ANNUAL REPORT 年度報告 2021

Contents

Corporate Overview

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

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

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

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

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

Corporate Information

Board of Directors

Executive Directors

Mr. Jiang Xiuwen *(Chairman and Chief Executive Officer)*
Mr. Yu Shiping *(resigned on 31 March 2021)*
Ms. Zheng Xiaohua *(resigned on 31 March 2021)*

Non-executive Directors

Mr. Wang Gang
Mr. Zhang Xiufeng *(resigned on 29 September 2021)*
Mr. Ni Jie *(appointed on 31 March 2021)*
Mr. Cheng Xuezhi *(appointed on 31 March 2021 and resigned on 11 February 2022)*
Mr. Lu Jianhua *(Vice chairman, appointed on 29 September 2021)*
Ms. Jiang Qian *(appointed on 11 February 2022)*

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")

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

Principal Place of Business in Hong Kong

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

Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

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

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors

As to Hong Kong Law
Sidley Austin

As to PRC Law
Commerce & Finance Law Offices

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

Principal Bankers

Bank of Dalian
Shanghai Pudong Development Bank
Harbin Bank
Huaxia Bank

Stock Code

3639

Company's Website

www.yidachina.com

Chairman's Statement

Dear shareholders,

I present you the annual results of the Group for the year ended 31 December 2021 (the "**Year**").

Jiang Xiuwen
Chairman and Chief Executive Officer
Yida China Holdings Limited

Results

During the Year, the Group recorded revenue of RMB5,395 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB4,009 million; rental income from business parks was RMB510 million; business park operation and management income was RMB276 million; construction, decoration and landscaping income was RMB600 million. Gross profit increased by 39.7% to RMB1,634 million compared to the corresponding period of the previous year, with a gross profit margin of 30.3%. Net profit attributable to equity owners of the Company was RMB2.93 million.

Review of 2021

In 2021, China's economy continued to operate steadily, the foundation for industrial development was continuously strengthened, and so were the momentum and vitality of development. Against the backdrop of multiple challenges, the long-term positive prospectives of China's economy remained intact, the economy was stable as a whole and the quality development of various industries was steadily advanced with enhanced resilience, thereby laying a solid economic and social foundation for the real estate industry to return to sound development.

At this important stage of China's high-quality development and the transformation in development of the manufacturing industry, business parks, being the basic carrier of economic development, had a great cluster effect and adsorption effect on emerging industries and advanced manufacturing industries, serving as an important engine for the high-quality and sustainable development of the regional economy.

The Group focused on its core competencies in operation, tenant recruitment, service and branding, actively leveraged its professional industrial operation capability and advantage in strategic planning, and relied on its decades of mature industrial operation and service experience with the help of favourable policies and internal and external resources to explore diversified development models in the areas of city-industry integration, urban redevelopment and industrial upgrading, so as to create a new benchmark in the industry.

I. Focusing on the strategic blueprint of major cities to create high-tech clusters

The core element in determining the competitiveness of a city rests on the quality development of its industries. As a leading business park operator in China, the Group has proactively focused on Beijing, Tianjin and Hebei, the Yangtze River Delta, the Greater Bay Area, Central and Western China and other economically active and high-tech intensive regions, aiming to "consolidate Dalian, revitalise Hubei, concentrate on Hunan and steadily reinforce the central region". During the Year, the trend of industrial diversification and premiumization in the Group's Dalian Software Park has become more prevalent, with 2 Fortune Global 500 Companies and 9 Top 100 Industry Enterprises settling in the park. Zhengzhou Creation City continued to reinforce and strengthen in aspects of artificial intelligence, information technology and intelligent health for customers, with 11 enterprises rated as "potential giants" and "specialised, sophisticated, special and innovative" settling in the park. In addition, the two projects in Meixihu and Wangcheng in Changsha operated well, Chuangzhi Island in Meixihu and the commercial street along the lake were delivered and the Wang Yun Lake project in Wangcheng commenced construction, with 3 new top 100 enterprises in the software and information and healthcare industries settling in.

II. Improving the standardisation system so that product competitiveness can be fully materialized

The Group will continue to build a standardisation system for product design, construction, delivery and maintenance, combined with standardised process management, to strongly enhance the competitiveness of Yida's products. During the Year, the Group gradually improved the standardisation system for industrial buildings, including commercial and office buildings, research and development buildings and intelligent manufacturing buildings; the standardization system for the four series of residential buildings, which are classified according to functional type and comfortableness, were also enhanced. The Group's luxury residential product, Dalian Glory of the City, achieved contracted sales of approximately RMB2,182 million during the Year, with a sales area of approximately 34,500 square metres, representing an average sales price of approximately RMB26,700 per square metre, which provided a strong boost to the Group's results.

III. Actively solving the debt problem to maintain the sustainability of its capital structure

During the Year, under the strict macroeconomic tightening measures, the Company maintained a proactive and responsible attitude, disposed of and revitalized low turnover assets, rejuvenated and launched saleable resources and obtained valuable cash resources to repay existing debts. At the same time, the Company has been in close communication with financial institutions to roll over its outstanding debts at lower interest rates. The Company's debt structure was optimised and the Company's normal operating activities were effectively safeguarded.

Outlook for 2022

In recent years, national control policies on the real estate sector have continued to tighten, and the PRC government has maintained keynotes of "housing is for living in, not for speculation" and "stablize land prices, house prices and expectations". With the gradual subsiding of risks in the industry, four departments of the PRC government have issued documents to emphasise on stabilising the development of the real estate industry. In the future, there may be more intensive easing policies, including lowering the benchmark interest rate, increasing support for reasonable financing of real estate enterprises, opening up the room for downward adjustment of mortgage rates for rigid demand buyers and improvement buyers, so as to drive the overall recovery of the industry.

The Group will adhere to the development model of "City-Industry Integration" by building up core competitive advantages, serving the city and regional economy, humanities and technology, upholding our corporate operational principles of "market-oriented and customer-centric", strictly controlling various corporate risks and actively resolving debt problems to ensure stable operation.

I. Exploring new business drives with existing strengths

The Group will take tenant recruitment services of the parks as the starting point. By tapping into the advantages of existing resources in strategic blueprint cities and relying on its mature industrial operation experience, the Group will take business development opportunities such as park construction and management and seek to incubate new business segments to implement the strategy of "double engines" paired with the existing business model. Moreover, the Group will carry out in-depth digital transformation, increase the scale of digitalisation, networking, intelligence and greening of enterprises in the park, steadily promote technological innovation and market expansion, create intelligent parks and intelligent buildings and comprehensively improve the quality and efficiency of the parks' industrial development in order to lay the foundation for future transformation and development.

II. Continuing to revitalise low turnover assets and accelerate cash collection

The Group will actively formulate business plan based on its own circumstances and set up a special working group to check its inventory assets and accelerate the collection of cash. The Group will make substantial efforts to dispose of non-core low turnover assets and inefficient business lines, accelerate the sale of residential and office buildings, and ensure stable rental income from core assets. At the same time, the Group will actively manage its existing debts, seek additional financing from financial institutions, tightly control capital costs and ensure the sustainability and stability of its capital structure.

III. Introducing strategic partners to import their advantageous resources

The Group will continue to promote the introduction of strategic investors and strengthen cooperation with major shareholders to achieve development and breakthrough in its existing tracks by importing advantageous resources and capital from existing and potential shareholders.

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

Yida China Holdings Limited
Jiang Xiuwen
Chairman and Chief Executive Officer

Hong Kong, 31 March 2022

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

1


2


3


1 Dalian BEST City

2 Dalian Tiandi

3 Tenant Employee Activity in Dalian Software Park

During the Year, the Group wholly-owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed gross floor area ("**GFA**") of the above business parks was approximately 1.944 million sq.m., with a leasable area of approximately 1.699 million sq.m.. During the Year, the Group disposed of 50% stake in Dalian Ascendas IT Park. During the Year, the Group recorded a rental income of approximately RMB510 million, representing a decrease of 5.1% from the corresponding period of the previous year, mainly due to the decrease in leased area during the Year as a result of the withdrawal of subletting projects in late 2020.

An overview of business parks owned by the Group

(unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area Office Buildings	Leasable Area Apartments	Leasable Area Shops	Parking Spaces	Occupancy Rate at the End of the Year	Address	Lease Term
Dalian Software Park	100%	637	391	180	33	42	89%	No.1 Shuma Square, Shahekou District, Dalian, Liaoning Province	2-10 years
Dalian BEST City	100%	223	99	–	7	41	72%	Chuntiangyuan, Ganjingzi District, Dalian, Liaoning Province	1-3 years
Yida Information Software Park	100%	156	131	–	4	20	67%	No. 953 Huangpu Road, High-Tech Zone, Dalian, Liaoning Province	2-10 years
Dalian Tiandi	100%	451	329	37	41	44	51%	High-tech Zone, Dalian, Liaoning Province, close to Lvshun South Road and divided into the Huangnichuan and Hekou Bay site	2-10 years
Wuhan First City	50%	477	124	42	27	107	33%	Intersection of Huacheng Dadao and Hua Shan Da Dao, Donghu New Technology Development Zone, Wuhan City, Hubei Province	1-3 years
Total		**1,944**		**1,699**					

Note:

The financial statement of Wuhan First City is not consolidated, therefore the rental income of the Group excludes the rental income from such park.

Since its establishment in 1998, the Group's Dalian Software Park has been focusing on industrial development and technological innovation. Based on the first phase of Dalian Software Park and developed westward along Lvshunnan Road, the Group has successfully established an industrial belt of over 30 kilometers with a total GFA of approximately 1.47 million sq.m., offering a modern park environment and diversified office space to meet the development needs of different enterprises in the parks. Currently, more than 1,000 companies have settled in the parks with approximately 200,000 software engineers, creating over 500,000 job opportunities in the region. With the concept of striving for innovation in its development, Dalian Software Park has built a complete software and information service industry chain, service chain and innovation chain, and has made outstanding achievements and contributions in digitalization, economic transformation and development of Dalian. The Group has been awarded "2021 Annual Leading Industrial Park of China's Software and Information Service Industry (2021中國軟件和信息服務業年度領軍產業園區)" by China Information Industry Association (中國信息協會) and www.infoobs.com (信息化觀察網).

In recent years, with the rapid development of new generation of information technologies such as 5G, artificial intelligence, Internet of Things, virtual reality (VR) and blockchain, the medical and healthcare industry has been undergoing substantial changes. Digitalization has not only brought about qualitative changes in pharmaceuticals, medical devices and pharmaceutical distribution industries, but also expanded new fields such as online medical services, health management and medical finance. In particular, affected by the COVID-19 pandemic, digitalization and transformation of the medical and healthcare industry have accelerated again. Focusing on biomedicine and healthcare industries, Wuhan First City has created a platform for life science and technology innovation and achieved considerable development in various segments, especially in biomedicine and R&D outsourcing, medical devices, smart medical care, medical testing, genetic engineering and health management.

Management Discussion and Analysis – Business Review (continued)
II. Sales of Properties

1 Dalian Glory of the City

2 Zhengzhou Yida Creation City

3 Changsha Yida & CSCEC Intelligent Technology Centre

During the Year, the Group achieved contracted sales of RMB4,406 million, and the contracted sales area was 384.7 thousand sq.m.. The average contracted sales price was RMB11,452 per sq.m., representing a year-on-year increase of 8.0%, 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 Year. The majority of projects sold were located in Dalian (68.1% of total contracted sales), Changsha (14.8% of total contracted sales) and Wuhan (9.8% of total contracted sales), of which residential property sales accounted for 77.3% of total contracted sales.

During the Year, the property sales segment recorded a revenue of RMB4,009 million, representing an increase of 12.4% from the corresponding period of last year, which was mainly due to the increase in projects delivered during the Year. The average sales price was RMB14,131 per sq.m., representing a year-on-year increase of 51.1%, which was mainly attributable to the different products recognised during the Year and the increase in corresponding average of each product recognised as compared to the same period last year. Projects carried forward during the Year were mainly ordinary residential properties. Revenue-contributing projects were mainly located in Dalian (87% of revenue) and Changsha (12% of revenue).

The Group firmly upheld the development strategy of "city-industry integration" and strove to build landmark projects in key regions such as Dalian, Changsha and Zhengzhou. Leveraging on its development advantages, the Group spurred the rapid improvement of amenity facilities in the city, attracted many talents and contributed to regional transformation and upgrading. During the Year, the development of Changsha Yida & CSCEC Intelligent Technology Centre, Changsha Yida Intelligent Manufacturing Industrial Village, Zhengzhou Yida Creation City and Chongqing Yida Innovation Plaza steadily advanced, and office buildings and residences achieved good sales performance.

Sales performance and analysis of each city are as follows:

Dalian

The real estate market of Dalian showed vast differences in the first and second half of the Year. In the first half of the Year, due to increasing supply and demand, land acquisition, launch and sales of properties were commonly seen in the market. In the second half of the Year, with the introduction of Dalian's "816" new policy and exercising control over land and sales restrictions, the market has cooled off significantly. At the end of 2021, given the interest rate cuts and reserve requirement ratio (RRR) cuts by the People's Bank of China, major commercial banks in Dalian have lowered the loan interest rates. As such policy may be lifted, the easing policy has been gradually improving the real estate market environment. At the same time, capitalizing on various favorable factors such as stable urban fundamentals and stable base population, the market has been gradually focusing on the high-value sectors. Major urban areas mainly offered upgraded products, while High-tech Zone and peripheral areas such as Jinpu New District and Lvshun mainly focused on products with rigid demand.

During the Year, "Dalian Glory of the City", the Group's high-quality upgraded residential project located in the prime area of Zhongshan District, achieved contracted sales of approximately RMB2,182 million and sales area of approximately 81.8 thousand sq.m. with an average sales price of approximately RMB26,700 per sq.m., becoming one of the best-selling projects in Dalian during the Year. It is expected that the project will continue to make stable contribution to the Group with the launch and sales of its third and fourth phases. During the Year, Dalian Tiandi Hekou Bay project located in High-tech Zone achieved contracted sales of approximately RMB345 million and sales area of approximately 21.1 thousand sq.m. with an average sales price of approximately RMB16,300 per sq.m..

Changsha

According to the Seventh National Population Census, Changsha had a permanent population of over 10 million. As a new megacity, the population of Changsha increased by approximately 43% in the past decade, ranking second among all cities in the PRC. It is expected that the permanent population will exceed 15 million by 2035. Adhering to the principle of "housing is for living in, not for speculation" and sustaining rigid demand in recent years, the housing prices in Changsha ranked last among all provincial capitals, making Changsha as one of the happiest and most dynamic cities in the PRC. By keeping the supply and sales of the overall real estate market in balance, the prices and quantity supplied remained stable. Meanwhile, Hunan Province put forward the development strategy of "Three Highs and Four News" to accelerate the development of high-tech industries and attract high-quality enterprises and competent talents, thereby building a modernized "new Changsha".

As a key intelligent manufacturing industrial park, the Group's Changsha Yida Intelligent Manufacturing Industrial Village is positioned as a major platform for the "One Main and Three Special" industry chain of intelligent terminals in Wangcheng District. Through accelerating project launch, providing solid support and excellent services, it effectively attracted various enterprises in the industry chain, and introduced upstream and downstream enterprises engaging in smart phone terminals, vehicle-mounted smart terminals, smart wearable devices and flexible displays, becoming an important platform for constructing an industry chain. Currently, Chuangzhi Island in the village has attracted more than 30 high-quality enterprises in the intelligent terminal industry chain, becoming an important part of the intelligent terminal industry cluster with a production value of RMB100 billion in Wangcheng Economic Development Zone. In addition, leveraging on "5G+Industrial Internet" in digitalization and transformation and organizing operational activities such as "cloud and platform" practical training sessions, the park was committed to help enterprises in the park to achieve transformation and development. Upon completion of the whole project, it is expected that over 400 enterprises will settle in the park with an annual output value exceeding RMB5 billion, creating over 15,000 job opportunities.

During the Year, the construction of Changsha Yida & CSCEC Intelligent Technology Centre has officially commenced, marking another milestone of the Group's contribution to life medicine and healthcare industry. As one of the four industrial development directions of the park, the Group strived for integrating "medical and healthcare" industry with other related industries focusing on "scientific research and development", thereby building a smart and healthy whole industry chain. Upon completion of the whole project, it is expected that over 100 enterprises will settle in the park with an annual output value exceeding RMB5 billion and annual tax payment of approximately RMB200 million, creating over 10,000 job opportunities.

Zhengzhou

According to the "Opinion on Promoting High-quality Development in the Central Region in the New Era" issued by the State Council of the PRC, a modern industrial system supported by advanced manufacturing will be built, providing support to the construction of electronic information industry clusters in Zhengzhou and equipment manufacturing industry clusters in Luoyang, and accelerating the rise of the central region. Meanwhile, Zhengzhou will fully develop various industrial agglomerations as well as industrial development areas such as 32 core sectors, small and micro industrial parks, maker spaces and business incubators. Zhengzhou will also increase its investment in public facilities and infrastructure construction to provide strong support for Zhengzhou's industrial development and regional economic boom.

Zhengzhou Yida Creation City, a key project of the Group, closely followed the current industrial development trend and focused on two major industries, namely new-generation information technology and intelligent manufacturing. By supporting and fostering industry clusters of small and micro enterprises in the park, the Group was committed to provide a comprehensive operational service platform for cultivating and assisting technology-based enterprises and "specialized, sophisticated, special and innovative" enterprises. By adopting 5G and BIM+GIS as its basic structure, nurturing and integrating upstream and downstream enterprises in the intelligent manufacturing industry chain, leveraging on various new electronic information industry clusters such as Internet of Things, smart sensors, smart manufacturing, network security and artificial intelligence, more than 130 leading technology-based companies have been introduced, including Rockwell, one of the Fortune Global 500 companies. As such, a smart industrial agglomeration has initially formed. The Group has obtained certain honorary qualifications such as the first batch of small and micro enterprise parks in Zhengzhou (鄭州市首批小微企業園), Science and Technology Business Incubator of Zhengzhou (鄭州市科技企業孵化器), Off-Campus Practice Education Base for University Students in Henan Province (河南省大學生校外實踐教育基地) and High-tech Zone Employment and Internship Base (高新區就業見習基地).

In July 2021, Zhengzhou was hit by a severe rainstorm. The Group promptly safeguarded the safety of its staff and properties, and accelerated the resumption of work and production within the park. Upon completion of the road restoration work, the Group immediately used generators and water pumps, and assigned its staff to inspect and repair lifts, racks and lines. In the face of the difficulties in personnel arrangement and material supply caused by the rainstorm and the pandemic, effective measures were taken in a timely manner to mitigate the adverse effects and complete the construction tasks on schedule. At the same time, the Group also arranged cleaning and sterilization within the park, restored water supply, power supply and food supply, repaired damaged facilities, and ensured that the settled enterprises can resume production in a timely manner. In accordance with the requirements of the government, the Group immediately applied for resumption of work and production, being the first batch of parks obtaining such approval.

Contracted Sales Details

	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Dalian	160,798	300,094	18,663	68.1%
Changsha	107,499	65,172	6,063	14.8%
Wuhan	62,132	43,190	6,951	9.8%
Zhengzhou	45,988	29,282	6,367	6.7%
Chongqing	1,068	1,062	9,944	0.2%
Chengdu	7,240	1,796	2,480	0.4%
Total	**384,725**	**440,596**	**11,452**	**100.0%**

	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Dalian Software Park	2,301	1,180	5,127	0.3%
Dalian BEST City	2,819	2,034	7,214	0.5%
Yida Information Software Park	27,395	25,953	9,473	5.9%
Dalian Tiandi	21,132	34,460	16,307	7.8%
Wuhan First City	62,132	43,190	6,951	9.8%
Changsha Yida & CSCEC Intelligent Technology Centre	91,940	46,252	5,031	10.5%
Changsha Yida Intelligent Manufacturing Industrial Village	15,559	18,920	12,160	4.3%
Zhengzhou Yida Creation City	45,988	29,282	6,367	6.6%
Chongqing Yida Innovation Plaza	1,068	1,062	9,944	0.2%
Residential Properties outside Business Parks	114,391	238,263	20,829	54.1%
Total	**384,725**	**440,596**	**11,452**	**100.0%**

	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Residential Properties	241,435	340,394	17,492	77.3%
Office Properties	143,290	100,202	6,580	22.7%
Total	**384,725**	**440,596**	**11,452**	**100.0%**

	Contracted Sales Floor Area (sq.m.)	Contracted Sales Amount (RMB ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of Total Contracted Sales
Business Parks	270,334	202,332	7,485	45.9%
Residential Properties outside Business Parks	114,391	238,264	20,829	54.1%
Total	**384,725**	**440,596**	**11,452**	**100.0%**

Information on major property projects for sale

(unit: '000 sq.m.)

Items	Interest Held by the Group	GFA	Floor area	Business Type	Detailed address	Construction Progress	Estimated completion date
Glory of the City Phase I	100%	55.0	17.9	Residences, apartments, shops, parking spaces	Qingyun Street, Zhongshan District, Dalian, Liaoning Province	Completed	–
Glory of the City Phase II	100%	125.9	25.1	Residences, apartments, shops, parking spaces		Completed	–
Glory of the City Phase III	100%	319.1	53.0	Residences, apartments, shops, parking spaces		Under construction	31-Dec-23

Management Discussion and Analysis – Business Review (continued)
III. Business Park Operation and Management

1

2

3

1 Shenzhen Huaqiang Creative City

2 “Yida’s Journey, Together with You”, Yida China 2021 Client Conference

3 Beijing Zhongguancun No.1

As at the end of the Year, the Group had a total of 25 business parks under its entrusted operation and management, and the total area was approximately 3.93 million sq.m.. During the Year, operation and management contracts in respect of 10 new business parks were signed. Revenue generated amounted to approximately RMB276 million, representing a year-on-year decrease of 14.8%, mainly due to the gradual withdrawal of some existing projects that met the completion conditions during the Year and the revenue from newly added projects has not yet been recognized.

Leveraging on more than 20 years of experience in the tenant recruitment, management and operation of business parks, the Group insisted on focusing on service enterprises and industrial operations. In particular, the Group recruited its tenants from six major industries, namely headquarters economy, digital, education and training, intelligent manufacturing, general health and modern service industries. By constantly introducing high-quality enterprises in the industry chain as well as focusing on strengthening, supplementing and extending the industry chain, the Group managed to stimulate "chain" effect in industry clusters. During the Year, the Group secured certain key entrusted management projects such as Wuhan Artificial Intelligence Science and Technology Park (武漢人工智能科技園), Langfang Mingshun Software New Town (廊坊銘順軟件新城), Qingdao City Meeting Room (青島城市會客廳) in Shanghai, Weihai Huancui New Material Industrial Park (威海環翠新材料產業園) and Qingdao (National) Confidential Technology Industrial Park (青島(國家)保密技術產業園).

In September 2021, around 100 entrepreneurs from various industries in the PRC were invited to participate in "Yida's Journey, Together with You", being Yida China's 2021 client conference, held in Dalian to draw a blueprint for industrial development. Many current clients, property owners and potential clients of the Group gathered together to express their opinions and conduct in-depth discussions on industrial trends, national strategies, green development and capital operations, so as to jointly contribute wisdom and power for industrial development and economic revitalization. The Group will cooperate with various partners to forge ahead and establish more business parks with distinctive industrial features for high-end industries.

Since digital economy becomes a key driving force of economic growth, economic industrialization still has a promising future. As an expert in business park operation, the Group promoted industrial transformation based on digital economy, continuously expanded new spaces for industrial development and achieved new development of industrial economy. In order to explore new intelligent businesses, the Group established Yida Yuntu Technology (Shenzhen) Co., Ltd. ("**Yida Yuntu**"), a subsidiary which was devoted to stimulating business growth and industrial development by providing comprehensive solutions for smart parks. During the Year, Yida Yuntu has obtained the national high-tech enterprise certification and Huawei Kunpeng certification, entering a new development stage focusing on customer-oriented service intelligence, value-added-oriented digitalization and data fusion.

Management Discussion and Analysis – Business Review (continued)
IV. Construction, Decoration and Landscaping

1

2

3

1 Concentrix Office Space Decoration Project

2 Construction Sites in Dalian

3 Landscaping in Dalian Project

During the Year, the revenue of construction, decoration and landscaping businesses amounted to RMB600 million, representing an increase of 43.2% as compared with the corresponding period of last year, which was mainly due to an increase in the number of external contracted projects. The Group continued to deepen the strategy for upholding quality and focus on building and construction quality and safety. The Group created a standardized product line, and realized the standardization of the model room, landscaping, decoration and other processes.

During the Year, the office space decoration project of Concentrix undertaken by the Group's decoration team successfully passed the customer acceptance test, further showing the recognition for Yida's decoration team's office space decoration ability by leading enterprises settled in the high-end business parks. The Group was responsible for the decoration project of Concentrix's business operation centre including office space decoration, office appliance customization, integrated wiring, electricity system, and equipment installation and commissioning. In pursuit of creating high-quality office space for clients, the Group has assigned a professional project management team for such project. Based on its extensive experience in office space decoration for international enterprises accumulated over the years, the team abided by on-site management standards of multinational companies, completed construction works in a scientific and reasonable manner, exercised strict control over engineering technologies and quality standards, so as to ensure that the project was checked and accepted according to our client's requirements in the first-time delivery.

Office space decoration is one of the Group's core businesses. Over the years, adhering to the development strategy of "city-industry integration", the Group has consolidated its market position, confirmed its business direction, and focused on strengthening its core competitiveness in the field of office space decoration and residential decoration. In addition, the Group also actively explored prefabricated and integrated construction models and constructed a green decoration material database. By implementing the concept of green, environmental protection, health and low carbon in the whole process from design to construction, the Group responded to the national "dual carbon" call with practical actions, thereby playing a leading role in the healthy development of the industry. In recent years, over ten completed high-quality office space and public space decoration projects in business parks and industrial parks in Shanghai, Changsha, Zhengzhou, Chongqing and Dalian have been well-received by the owners and park operators.

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

Changsha Yida Intelligent Manufacturing Industrial Village

As at 31 December 2021, the total GFA of the Group's land reserves was approximately 8.11 million sq.m., while the GFA of land reserves attributable to the Group was approximately 7.19 million sq.m.. The concentration of land reserves has further reduced. The land reserves in Dalian accounted for 66.1%, representing a decrease of 1.6 percentage points as compared with the end of last year. By pursuing the Group's development strategies, including consolidating its market position in Dalian, striving for development in Hubei and Hunan and strengthening its presence in Central China, the Group has gradually launched city-industry integrated projects in key cities and regions across the country.

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2021:

By City	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Dalian	5,364,538	66.1%	5,364,316	74.5%
Wuhan	615,459	7.6%	307,730	4.3%
Chengdu	109,856	1.4%	72,150	1.0%
Shenyang	89,179	1.1%	45,481	0.6%
Changsha	1,099,161	13.5%	668,505	9.3%
Zhengzhou	478,613	5.9%	478,613	6.7%
Chongqing	79,200	1.0%	79,200	1.1%
Hefei	274,882	3.4%	178,673	2.5%
Total	**8,110,888**	**100.0%**	**7,194,668**	**100.0%**

By Location	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Business Parks	6,436,524	79.4%	5,616,512	78.1%
Residential Properties outside Business Parks	1,674,364	20.6%	1,578,156	21.9%
Total	**8,110,888**	**100.0%**	**7,194,668**	**100.0%**

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Business Parks				
Dalian Software Park				
Office	100%	594,939	–	–
Residential	100%	78,079	–	–
Subtotal	100%	673,018	–	–
Dalian BEST City				
Office	100%	222,117	73,820	515,172
Residential	100%	140,852	5,823	–
Subtotal	100%	362,969	79,643	515,172
Wuhan First City				
Office	50%	193,390	74,702	329,558
Residential	50%	17,809	–	–
Subtotal	50%	211,199	74,702	329,558
Yida Information Software Park				
Office	100%	152,139	–	118,798
Residential	100%	80,075	89,891	–
Subtotal	100%	232,214	89,891	118,798
Dalian Tiandi				
Office	100%	335,677	166,369	1,169,179
Residential	100%	67,804	169,914	–
Subtotal	100%	403,481	336,283	1,169,179

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office	60%	42,064	52,200	–
Subtotal	60%	42,064	52,200	–
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	19,598	109,494	89,031
Subtotal	51%	19,598	109,494	89,031
Changsha Yida Intelligent Manufacturing Industrial Village				
Office	70%	116,568	–	304,924
Residential	70%	90,309	270,895	98,342
Subtotal	70%	206,877	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 Innovation Plaza				
Office	100%	–	79,200	–
Subtotal	100%	–	79,200	–
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	–	89,179
Subtotal	51%	–	–	89,179

Projects Within/ Outside Business Parks	Equity Held by the Group	Remaining Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Projects Within Business Parks Subtotal		2,152,609	1,336,932	2,946,983
Projects Outside Business Parks				
Dalian	100%	475,238	313,343	595,309
Chengdu	100%	15,592	–	–
Hefei	65%	–	–	274,882
Projects Outside Business Parks Subtotal		490,830	313,343	870,191
Total		**2,643,439**	**1,650,275**	**3,817,174**

Management Discussion and Analysis – Financial Review

FINANCIAL REVIEW

Revenue

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

During the Year, the revenue of the Group was RMB5,395.07 million, representing an increase of 11.3% from the corresponding period of last year. The following table sets forth a breakdown of the revenue for the periods indicated:

	For the year ended 31 December			
	2021		2020	
	Amount RMB'000	% of total amount	Amount RMB'000	% of total amount
Sales of properties	4,009,309	74.3%	3,568,530	73.6%
Rental income	510,024	9.5%	537,506	11.1%
Business park operation and management service income	276,107	5.1%	324,223	6.7%
Construction, decoration and landscaping income	599,625	11.1%	418,647	8.6%
Total	**5,395,065**	**100.0%**	**4,848,906**	**100.0%**

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB4,009.31 million, representing an increase of 12.4% from the corresponding period of last year, which was mainly due to the increase in projects delivered during the Year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB510.02 million, representing a decrease of 5.1% from the corresponding period of last year, which was mainly attributable to the decrease in leased area during the Year as a result of the withdrawal of subletting projects in late 2020.

(3) Business park operation and management service income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB276.11 million, representing a decrease of 14.8% 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 Year and the new projects and revenue had not yet been carried forward.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB599.63 million, representing an increase of 43.2% from the corresponding period of last year, which was mainly attributable to the increase in external contracted projects during the Year.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,761.06 million, representing an increase of 2.2% from the corresponding period of last year, which was mainly attributable to the increase in projects delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Year amounted to RMB1,634.00 million, representing an increase of 39.7% from the corresponding period of last year, the gross profit margin increased to 30.3% during the Year from 24.1% in the corresponding period of 2020, which was mainly attributable to different products carried forward during the Year and the increase in corresponding average price of each product carried forward as compared to the same period last year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group increased by 33.9% to RMB220.96 million for the Year from RMB165.04 million in the corresponding period of 2020, which was mainly due to the increase in marketing and promotion expenses and property management fee.

Administrative Expenses

The administrative expenses of the Group decreased by 16.7% to RMB341.20 million for the Year from RMB409.61 million in the corresponding period of 2020, which was mainly due to the adoption of active measures to control administrative costs by the Company during the Year.

Other loss– net

The net other loss of the Group recorded for the Year amounted to RMB473.90 million, which was mainly due to the disposal of 50% equity interest in Dalian Software Park Ascendas Development Company Limited (“**DLSP Ascendas**”) during the Year.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased from RMB81.07 million in the corresponding period of 2020 to the losses of RMB117.24 million during the Year, which was mainly due to the decrease in valuation as a result of the loss on disposal of investment properties and the decrease in net rental income during the Year.

Finance Costs – net

The net finance costs of the Group decreased to RMB821.29 million during the Year from RMB832.09 million in the corresponding period of 2020, which was primarily attributable to the decrease in interest expenses.

Share of Profits and Losses of Joint Ventures and Associates

The Group's share of profit of joint ventures and associates increased to RMB90.95 million during the Year from RMB87.20 million in the corresponding period of 2020, which was primarily attributable to the increase in share profit in Wuhan New Software Park Development Company Limited.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group during the Year was RMB620.69 million, representing an increase of 84.6% as compared to the corresponding period of last year, mainly due to the increase in income tax expenses as a result of the disposal of 50% equity interest in DLSP Ascendas during the Year and the increase in land appreciation tax for projects carried forward during the Year.

Profit for the Year

As a result of the foregoing, the Group recorded a loss before tax of RMB247.27 million during the Year as compared to the profit before tax of RMB504.50 million in the corresponding period of 2020.

The net profit of the Group decreased to RMB22.19 million during the Year from RMB196.84 million in the corresponding period of 2020.

The net profit attributable to equity owners decreased to RMB2.93 million during the Year from RMB172.58 million in the corresponding period of 2020.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) decreased to RMB90.86 million during the Year from RMB111.77 million in the corresponding period of 2020.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2021, the Group had cash and bank balances of approximately RMB773.89 million (including restricted cash of approximately RMB330.69 million) (2020: cash and bank balances of approximately RMB1,574.79 million, including restricted cash of approximately RMB1,002.55 million).

Debts

As at 31 December 2021, the Group had bank and other borrowings of approximately RMB12,910.46 million (2020: approximately RMB15,279.36 million), of which:

(1) By Loan Type

	31 December 2021 RMB'000	31 December 2020 RMB'000
Secured bank loans	**4,917,730**	5,866,626
Unsecured bank loans	**1,600**	3,000
Secured other borrowings	**6,136,498**	6,820,397
Unsecured other borrowings	**1,854,632**	2,589,336
	12,910,460	15,279,359

(2) By Maturity Date

	31 December 2021 RMB'000	31 December 2020 RMB'000
Within one year or on demand	**10,870,260**	11,869,159
In the second year	**2,040,200**	775,200
In the third to fifth year	**–**	2,635,000
	12,910,460	15,279,359

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 99.5% as at 31 December 2021, which decreased by 11.8 percentage points as compared to 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 31 December 2021, the Group had cash and bank balances (including restricted cash) of approximately RMB18.48 million and approximately RMB160,000 denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,381.14 million and RMB508.14 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management continues to monitor foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2021, the Group provided guarantees of approximately RMB1,028.78 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 RMB319.80 million (2020: RMB524.48 million) as at 31 December 2021 in respect of bank loans granted to a joint venture.

Pledge of Assets

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 955 full-time employees (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.

1. Environmental, Social and Governance Report Overview

1.1 Reporting Standards

This section comprises the sixth annual Environmental, Social and Governance Report (the "Report") issued by the Group. The Report was prepared in compliance with the "Comply or Explain" provision and the "Recommended Disclosures" in the *Environmental, Social and Governance Reporting Guide* under Appendix 27 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Unless otherwise stated, the reporting period of the Report is in consistent with the Annual Report and its content covers the Group's information and performance in the areas of environmental protection, employment, operational practices and community investment. The scope of the Report covers the Group's major business, including business park development and operations, Sales of residential properties and office buildings within business parks and independent residences, business park entrusted operations and management, construction, decoration and landscaping services and property management service.

The Report is published with the approval of Board who is subject to the consideration and confirmation of the Group's senior management. For detailed information on the Group's corporate governance during the reporting period, please refer to the section headed "Corporate Governance Report" in this Annual Report.

1.2 Sustainability Concept

Adhering to the concept of "city development through industry integration while creating value together through coordinated development", the Group is committed to its social responsibility inherent to the process of development. By incorporating sustainability elements into its development projects, the Group guides the healthy development of the industry and market, creating common long-term value to our stakeholders and shareholders.

1.3 Sustainability Management

1.3.1 Responsible Governance

Statement of the Board

The Board of Yida China values the importance of sustainability management work and has established an effective environmental, social and governance (ESG) management mechanism, forming a ESG governance structure with clear hierarchy and division of labour.

The Board is the highest management body of the Group, and its responsibilities include management and decision-making of ESG matters, identification of ESG directions, formulation of ESG work strategies, receiving regular reports from the Listing Compliance Department on ESG work, and oversight the overall ESG management of the Company. The Board annually receives and reviews the ESG Report and assesses the implementation progress corresponding to related ESG targets established.

During the reporting period of the Report, Yida China had completed the identification and assessment of ESG issues and established the ESG environmental targets of the year. The Board had reviewed, discussed and confirmed the results of ESG work of the year.

1.3.2 Communication with Stakeholders

Stakeholders' Categories	Requirements and Expectations	Communication and Responses
Investors	Operations in compliance with laws Market values creation Strengthening risk prevention and control Information disclosure improvement	Continuously strengthening corporate compliance management Continuously achieving business performance Advancing corporate governance and risk management Publishing regular reports (annual reports, interim reports, monthly sales data) and timely information disclosure
Customers	Product quality and safety Customer service optimization Reliable privacy protection	Continuously improving products and services and carrying out customer satisfaction surveys Strengthening customer privacy protection
Employees	Promotion on employee development Protection of employees' rights and interests Caring for employees' health	Organizing employee trainings, improving promotion mechanism and building development platform Developing competitive compensation system and benefits protection mechanism Carrying out employees' activities and facilitating a safe and comfortable working environment
Suppliers	Mutual benefits and win-win cooperation Promotion on Industry development promotion Forging a responsible supply chain	Improving supplier audit management mechanism Participating in industrial organizations and promote industrial development
Community	Community service optimization Community-building support Social charity commitment	Improving community care and community services Actively participating in charitable donations and social charity activities
The Public	Climate change responses Local development support Employment opportunities provision	Constructing low-carbon parks and green buildings, lowering impacts of business activities on the environment Participating in local construction and local procurement Conducting campus and social recruitments

1.3.3 Determination on Material Issues

In determining the materiality of sustainability issues of Yida China, the following steps are taken:

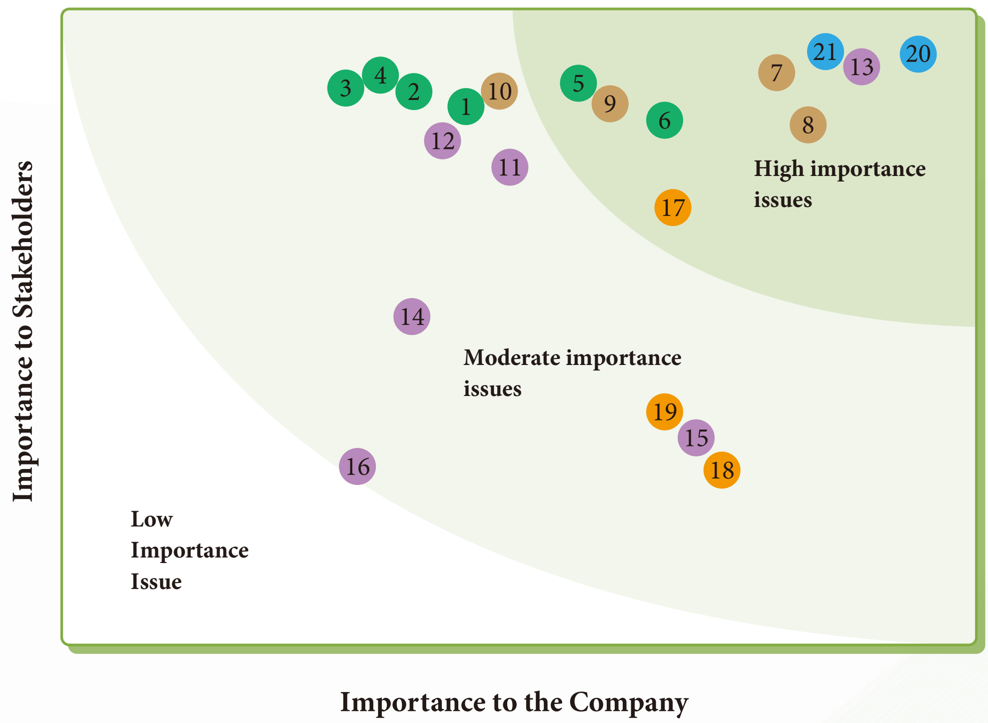
1. Identification of issues: The important sustainability issues of the Company are evaluated in conjunction with the concerns of stakeholders, hence a database of issues is established whereby a total of 21 issues in three areas is identified;

2. Priority of issues: Internal and external stakeholder questionnaires are conducted, and the importance of each issue to the Company and stakeholders are respectively assessed, and prioritized.

3. Assessment on issues: The results of materiality will be assessed and confirmed by the Company's management and external experts collectively.

4. Reporting of issues: Information will be collected targeting at the identified materiality issues in the assessment, disclosure will be made along with major issues in the Report.

2021 Yida China ESG Materiality Matrix

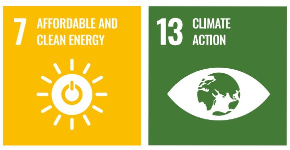


Importance	Priority	Number of Issues	Title of Issues	Scope
High importance	1	20	Compliance Operations	Governance
	2	13	Quality Control and Safety Production	Operating Practices
	3	21	Anti-corruption and Building Integrity	Governance
	4	7	Employee Benefits	Employment & Labour Practices
	5	8	Protection of Rights and Interests of Employees	Employment & Labour Practices
	6	6	Responses to Climate Change	Environment
	7	9	Employee Trainings and Career Development	Employment & Labour Practices
	8	5	Environmental Protection	Environment
	9	17	Public Charity	Community
Moderate importance	10	10	Occupational Health and Safety	Employment & Labour Practices
	11	1	Development of Green Buildings	Environment
	12	11	Protection of Rights and Interests of Customers	Operating Practices
	13	12	Service Quality and Customer Satisfaction	Operating Practices
	14	2	Waste Management	Environment
	15	4	Energy saving and Emissions Reduction	Environment
	16	3	Water Resources Management	Environment
	17	19	Promotion of Industry Development	Community
	18	15	Supply Chain Management	Operating Practices
	19	18	Promotion of Collaborated Local Development/Community Investment	Community
	20	14	Promotion of Quality and Efficiency improvement	Operating Practices
	21	16	Acceleration of Digital Transformation	Operating Practices

2. Green and Low-carbon Co-development

Committing to the vision of green development, Yida China makes good use of resources and energy, promotes green construction models and strengthens energy consumption control in the course of construction and operations with focuses on reducing the impact of its business activities on the environment and actively exploring solutions to climate change so as to advocate the "green and low-carbon" development of the Group.

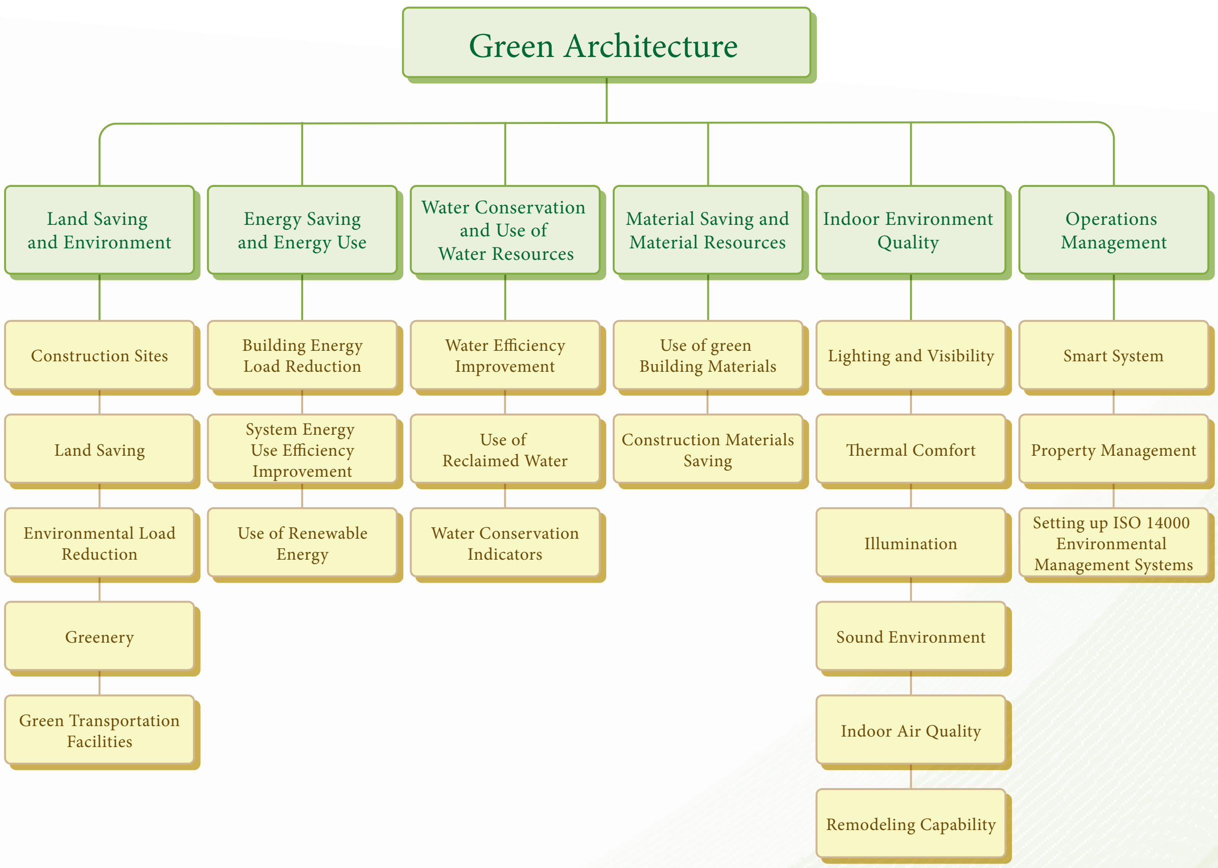
This chapter responds to the following SDGs targets:



2.1 Green Architecture

Green Design

On the basis of conformance with current national standards such as *Assessment Standard for Green Building of China* and *Technical Specifications for Green Building Assessment,* and taking into account the requirements of LEED certification of Silver standards, Yida proactively applies cutting-edge green design concepts and technologies in the development and design of parks in terms of energy saving and consumption, water saving and water resources use and operations management, thereby lowering energy consumption in the whole life cycle of construction products and minimizing the impact on surrounding ecological environment to the greatest extent possible.



Yida China Framework on Green Design Standard

Scope	Green Design Technologies
Use of building materials	Use of green energy-saving building materials, such as green exterior wall insulation, renewable recycling materials, etc.; and Use of corrosion-resistant, anti-aging, durable performance of pipes, pipelines and fittings.
Energy saving and consumption reduction	Energy efficient design of power supply and distribution systems; and Energy efficient design of electrical lighting.
Water conservation	Water-saving appliances for all appliances using water; Collection, treatment and utilization of rainwater; Collection, treatment and utilization of sewage.
Digital Operations	Application of BIM technology in construction phases from planning and design, construction to operations and maintenance.

To evaluate and consider whether or not the progresses of different park development projects conformed to relevant ecological indicators, we have also incorporated the "Muchengyi Index", setting out the short, medium and long-term planning targets on park development in the dimensions of ecological conservation, CO_2 emissions, energy consumption, buildings, transportation, water resources, waste, ecology, humanities, and so forth, ensuring that the parks will achieve better green benefits compared to similar parks upon completion.

Green Buildings

We continuously participate in and promote green building-oriented development projects, ensuring that all business parks are designed and built in conformance with national one-star green building standards. In the meantime, we have introduced green building elements in residential projects, such as installments of solar power generators and energy-saving lightings, rainwater recycling, etc. with reference to corresponding green building standards. In addition, we have submitted applications for ratings to obtain external recognition on our key building projects.

2.2 Green Construction

In 2021, we have updated the systems of *Construction Project Quality Objective Management* and *Construction Quality Management*, pursuant to which, the requirements of project quality management and output results, the additional assessment criteria on construction units, the requirements of contractors on identification and management of energy consumption, waste emissions, dust and noise pollution in construction process, have been added for targeted measures' implementation to minimize environmental impact. In addition, Yida Construction, a subsidiary of the Group, has been certified to ISO 14001 environmental management system

Materials Conservation

We have closely monitored contractors on the use of building materials during construction with requirement on strict compliance with local environmental laws and regulations. We have also restricted the use of prohibited building materials, and our requests on materials conversation are made, including:

Construction material storage: Contractors are required for the classification and stacking of turnaround materials, lowering the potential risks caused by disordered materials.

Construction material recycling: To achieve the goal of reducing resources waste, contractors are required for the classification and recycling of construction materials such as concrete and mortar, and the reuse and recycling of construction waste in a timely and reasonable manner

Energy-saving Construction:

- To improve the utilization rate of construction energy, priority is given to the use of energy-saving, efficient and environment-friendly construction equipment and machinery recommended by the nation and industry.

Construction Energy Consumption Targets

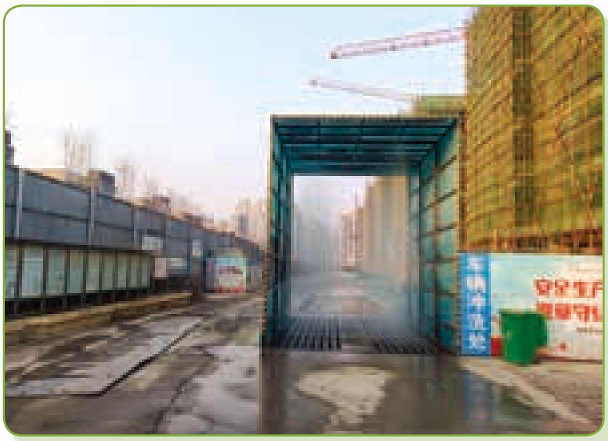
Categories	Units	Public Buildings	Residential Buildings	Industrial Buildings
Electricity consumption	kWh/ten thousand yuan output value	60.3	67	50.25
Oil consumption	L/ten thousand yuan output value	2.7	3	2.55
Water consumption	m^3/ten thousand yuan output value	5.1	6	4.5

In addition, we have set fair construction energy consumption indexes relating to the consumption of key resources in the process of project development. Through application of refined management, we reduce resources consumption and practice our concept of green construction.

Water Conservation Measures:

We are committed to enhancing the level of water management and reducing water consumption of the Group, and continuously improving capacity of the park on reclaimed water treatment and collection of rainwater in order to lower the risk of water shortage.

- Covers are used for curing on-site concrete, reducing the amount of water used for curing;
- Based on local rainfall precipitation, rainwater recycling devices are installed for cleaning engineering vehicles or on-site green maintenance;
- Installation of sediment tank is required for vehicles wash pool, and after sedimentation, the sewage can be recycled;
- Sewage infused with oil and other hazardous liquids is required to be discharged into a special sewage tank for centralized treatment.



Vehicle washing facility

Apart from water conservation, we have also developed sewage treatment methods including: prior to the discharges to municipal sewers, sewage generated from construction process is treated in the sediment tank; and a sewage treatment online monitoring system is installed, ensuring that the sewage discharged to municipal sewers is conformed to national water quality standards. The water resources of Yida China are mainly arising from municipal water supply, and there were no problems on seeking applicable water sources of Yida China in 2021.

Water Resources Conservation Targets
To reduce the water intensity of the industrial park projects by 5% by 2022 (with 2021 as the base year).

Dust and Noise Management

In order to effectively combat urban dust pollution and improve urban environmental air quality, we have developed the *Special Construction Program of On-Site Dust Management* and the *Pollution Prevention Program of Construction Site Vehicle*, through a series of effective control measures, each project is assured in achieving construction dust standards, maintaining in a sound condition in construction site.

- Environmental monitoring equipment is installed at construction sites, and site noise and dust indexes are real-time monitored;
- Mobile fog cannon is set in the course of earthwork, suppressing dust dispersion;
- Bare soil is instantly covered and the sprinkler system is installed on fences and scaffolds, sprinkling regularly to limit dust dispersion; and
- Regular cleaning are carried out on hardened roads and construction sites, reducing environmental pollution attribute dust.

Bare soil coverage

Spraying dust-settling device

Big smart screen for site dust control

Alleviation of Impacts on the Surrounding Environment

In project construction process, we constantly improve environmental management measures endeavoring to mitigate the impact on surrounding environment and residents in the community.

Exhaust gas management: To effectively limit the generation and emissions of various kinds of hazardous gases and particles, the Group prohibits waste incineration at construction sites; and all activities generating hazardous gas emissions in treatment process are required to be carried out in a separate workshop.

Planting and Greenery: Upholding the concept of "less disturbances to the original land", we protect the bare land where no construction work is shortly conducted via planting greenery having strong adsorption capacity.

Environmental monitoring: Engineers and supervisors are required to perform random on-site inspections on pollutant treatment from time to time, and to those treatments failing requirements, supervisory notices will be issued in a timely manner, and penalties or stoppage of work will be enforced thereon.

2.3 Green Operations

In pursuit of green operations concept, Yida China has established environmental management policies and systems such as *Identification of Environmental Factors and Assessment of Control Procedures* and *Environmental Monitoring and Testing Control Procedures* and *Environmental Operation Control Procedures*, and from the improvement of energy saving and consumption reduction programs, we have strengthened waste management in promotion of green office, minimizing the impact of business park operations on the environment.

2.3.1 Energy Saving and Consumption Reduction

Energy-saving lighting control: Continuous improvement and upgrading of electric lighting system is an essential measure and tool for achieving energy saving and consumption reduction in the parks. Subject to the characteristics, functions, standards and requirements of the buildings, we perform smart control and upgrade of lighting systems. As to regular lighting, highly efficient light sources and fixtures are used; as to special scenes, built-in translucent energy-saving light sources are used for floodlights whereas centralized control system is adopted for public space lighting; as to carparks and basements, highly efficient energy-saving fixtures are used such as LED lights.

Use of renewable energy: We actively engage in the use of renewable energy and have installed solar hot water systems on the rooftops wherever applicable in the parks, converting solar power into thermal energy and providing clean hot water to park users.

Smart Energy Management System: To more specifically monitor energy consumption, we have built an energy management platform for achieving real-time monitoring of energy consumption data. By installing automatic energy consumption monitoring equipment on the areas such as cooling and heating sources, transmission and distribution systems, lighting, office and hot water energy consumption equipment, whereby each of the energy consumption item is more effectively managed and planned, facilitating our accurate review and improvement on current energy saving measures and enhancing on the Group's performance on environmental management.

Energy Consumption Targets
To reduce comprehensive energy consumption density by 8% year-on-year by 2022 (with 2021 as the base year).

2.3.2 Waste Management

Waste Management Targets
To achieve a 2% waste segregation rate for residential properties by 2022 (with 2021 as the base year).

The waste generated by Yida China mainly attributes to the wastes arising from engineering and construction, administration office, tenants and daily operations of the properties. Strictly complied with *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste,* we have established and implemented specific procedures on the control of waste output, engaged professional third-party organizations on waste collection and treatment and set up a *Hazardous Waste Treatment Record* thereby the proper disposal of waste is warranted in prevention of causing damage to the environment.

2.3.3 Green Office

We focus on our daily office saving from electricity, water and paper to green travel and the smallest details, fostering a low-carbon and environmental-friendly green office atmosphere, raising awareness of employees on environmental protection and reducing carbon footprint in the office.

- Use of energy-efficient lighting sources is promoted and switches of air-conditioning system are controlled following seasonal changes of temperatures;
- Use of water in office areas is strictly monitored and water pipelines network is regularly inspected and maintained;
- Paperless office is promoted for contributing to "zero net deforestation";
- Systems of office administration (OA) and video conferencing are built, travel of employees is minimized; and use of new energy transportation is promoted; and
- Clean plate campaign is promoted for a food-treasured culture.

Paper saving

2.4 Responses to Climate Change

On the background of "3060 Dual Carbon Goals[2]", a strong advocacy of the nation, Yida China is diligently exploring options in response to climate change, identifying relevant risks and opportunities, and comprising the climate change issue into the materiality research questionnaire assessment collected from stakeholders. In addition, we plan to integrate the risks of climate change into our corporate risk management system to effectively identify, manage and respond to climate change in our entire process of operations.

2.4.1 Climate Change Mitigation

To mitigate climate change, we have proactively adopted numerous measures as follows:

- Research and practices of green buildings are enhanced to ensure the design energy consumption is lower than the value specified in national energy conservation standards and to improve efficient energy use of buildings;
- Level of energy management in building construction process is increased and carbon emissions of the construction process is reduced;
- Energy consumption monitoring systems are set up for the purposes of adopting remote transmission and other tools to collect energy consumption data in a timely manner, realizing real-time supervision and dynamic analysis of building energy consumption and reducing energy waste in the operations process thereby reduce greenhouse gas emissions;
- Setting up of carbon emissions reduction targets will be taken into future consideration for strengthening carbon emissions management, etc.

Greenhouse Gas Emissions' Targets
To reduce greenhouse gas emission intensity by 1% in 2022 (with 2021 as the base year).

2.4.2 Responses to Extreme Weather

Alongside intensifying climate change, the extreme weather conditions has become more frequent. Considering the characteristics of project development and operations, Yida China has formulated prevention and control measures and plans in response to extreme weather, effectively protecting the lives and properties of all stakeholders from damages.

- Collection of local meteorological data prior to commencement of a project is required; arrangement on construction schedule should be justified following the climate change conditions in previous years, and engineering intervals subject to impacts of climate should be avoided wherever possible;
- Designated personnel is assigned to inspect hazard sources in construction sites and evacuate construction personnel to safe zones ahead of time according to the extreme weather forecast of China Meteorological Administration;
- The Engineering Department is required to organize regular fire and flood emergency drills to enhance the awareness and ability of construction personnel in response to extreme weather.

[2] In September 2020, China clearly proposed the goals of "carbon peaking" in 2030 and "carbon neutrality" in 2060.

3. Cohesion and Mutual growth

Yida China cultivates high-quality talents by virtues of the concept "career ambition, commitment, specialization and professionalism". With full respect and protection on the basic rights and interests of employees, we provide competitive compensation in the industry, facilitate safe, healthy and diversified development spaces to employees, and continuously furnish employees with care measures, bringing a full sense of happiness and belonging to employees in Yida China.

This chapter responds to the following SDGs targets:

3.1 Employees' Rights and Benefits

Adhering to the principle of fair, just and open recruitment, the Company is in strict compliance with all national laws and regulations to providing a sound employment environment to employees, and effectively protecting the legitimate rights and interests of employees. Facilitated by our smooth communication mechanism, our employees are given the opportunities to participate in the management of the Company and undertake the responsibility as an "owner".

3.1.1 Fair Employment

Yida China has strictly complied the laws and regulations including *the Company Law of the People's Republic of China* and *the Labour Law of the People's Republic of China*. In recruitment and employment process, we are committed to opposing discriminations on employees due to the differences in gender, age, religion, ethnicity, family and health status, prohibiting child labour and forced labour, and in 100% signing labour contracts with all employees so as to provide employment equality and development opportunities to each employee. During the reporting period, there were no cases of child labour and forced labour in Yida China.

To secure a fair recruitment, we have developed the *Yida China Staff Handbook*, under which it is required that recruitment information shall be publicly released to the whole society, simultaneously, the "Cloud Recruitment" system of Yida is being actively implemented for underpinning digital management of talent and advancing fairness and efficiency of recruitment chain. With regard to the candidates, we conduct strict reference checks on their past experience to ensure fairness and impartiality in recruitment. In addition, we have carried out extensive campus recruitments and opened internal recommendation channels, actively seeking high-quality talents at different levels and setting up a huge stage for employee development.

Case: Campus Recruitment

We actively offer a wide range of employment opportunities to recent graduates. From September to October 2021, we successfully held a series of campus recruitment activities, including campus recruitment seminars in locations such as Shanghai, Changsha, Dalian, Shenyang and other places. We have completed 1 on-air seminar and 8 offline and online seminars in which over 30,000 participants in aggregate attended, facilitating students' understanding on social and corporate situations.

Recruitment poster and online seminar scene

3.1.2 Democratic Communication

The Group values the voices of employees and adopts an open-minded attitude to accept and respond to their opinions. During the reporting period, we continued to advance our employee communication channels to ensure that employee demands are timely accessed for immediate and prompt tracking and improvement, creating a democratic atmosphere across the entire Group and fostering the sense of belonging of our employees.

The Group's Communication Channels with Employees.

Communication Channels	Units Receiving Communication	Descriptions of Communication
Public email	Human Resource Department	Communication relating to onboarding issues of employees
Human Resource management specialist	Human Resource Department	Maintaining good relationship with employees and collecting demands
Human Resources interview	Training interviews Performance interviews	Conducted annually in mid-year and the end of the year respectively for purposes of understanding and communicating issues in processes of training and performance evaluation
Direct complaint	Group Vice President or Chairman Human Resource Department Labour Union	Ensuring the access of formal communication channels is available to employees for opinions and reportings on issues which are detrimental to the interests of the Company and individual employee
Election of union representatives	Labour Union branch	Communicating and overseeing policy matters related to employee benefits
Employee representative assembly	Labour union	Most employees covered. Held every 1-2 years for facilitating employees's understandings and monitoring policies implementation in the Company

3.2 Employee Compensation and Benefits

The development of Group is cored at talents. We respect talents, and based on market-oriented compensation concept, formulate systems on compensation and benefits to continuously improve compensation increment mechanism, providing employees with a diversified, rationalized and multi-level compensation and benefits system.

3.2.1 Employee Compensation

We have developed the *Yida Staff Handbook* to illustrate the principle of fairness and openness in employee compensation. The responsibilities of each functional department of the Group are defined, thereafter we will further make clear distinctions of responsibilities in respect of key processes and business synergies of the Group, and determine performance evaluation regulations of each function so as to establish a more comprehensive compensation system and staffing standards.

3.2.2 Employee Benefits

In conjunction with relevant laws and regulations, we keep abreast of the dynamics and needs of employees, and develop a comprehensive benefits system, including the provision of basic benefits such as five social insurance and one housing fund and statutory holidays and annual leave. In addition, internal benefits of the Company also include employee physical examination, commercial insurance, holiday gifts, and employee in-house purchase discount, etc.

3.3 Occupational Health and Safety

Protection of employees' health and safety is of utmost importance in the operations management of the Group. We have strictly complied with the laws and regulations such as *the Production Safety Law of the People's Republic of China* and *the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases,* and continuously improved other relevant rules and regulations including *the Quality, Environment and Occupational Health and Safety Management Manual* for achieving a closed-loop management in all aspects and safe production.

3.3.1 Safety Production Management

In 2021, we have updated *the Construction Quality Management System* to define the content of engineering management pursuant to which a safety production management system is established and safety production operations are standardized while quality is guaranteed and quantity is increased. At the same time, we have actively performed safety risk identification and safety production inspection at all levels to control construction site safety through multiple channels and processes, organized trainings on safety production and fire safety, and provided sufficient labour protection equipment for preventing safety hazards at construction sites. Additionally, some of our parks have been certified to OHSAS 18001 Occupational Health and Safety Management System.

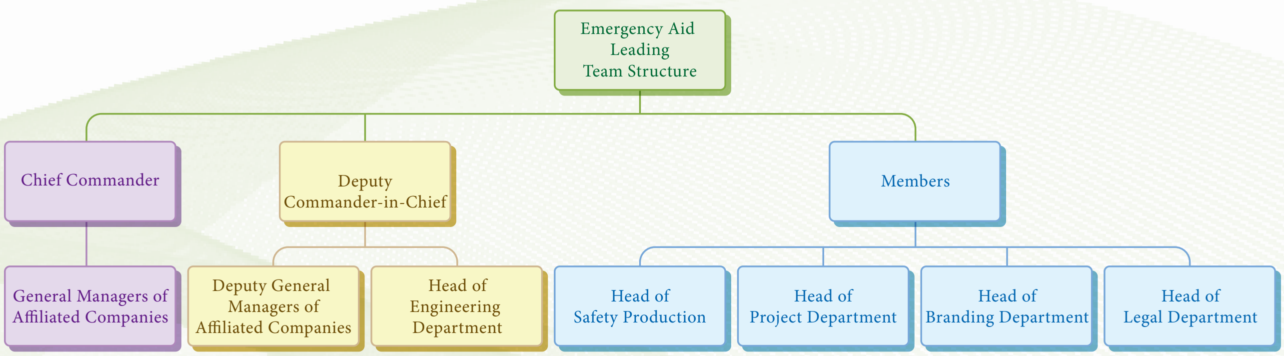
During the reporting period, there were no work-related fatalities within the areas of the Group.

Safety Management System

We deeply concerns on project safety management, stipulating that engineering department of each project is required to set sophisticated safety construction standards subject to their own situation, conduct strict supervision and inspection in engineering intervals where having a high degree of danger, and carry out safety production and sophisticated construction inspections by its specialty or third-party. At the same time, we require regular submission of process documents of each project such as *Project Site Inspection Record Sheet*, *Project Construction Log* and *Minutes of Regular Engineering Meeting* for effective management of safety.

Safety Accident Emergency Plan

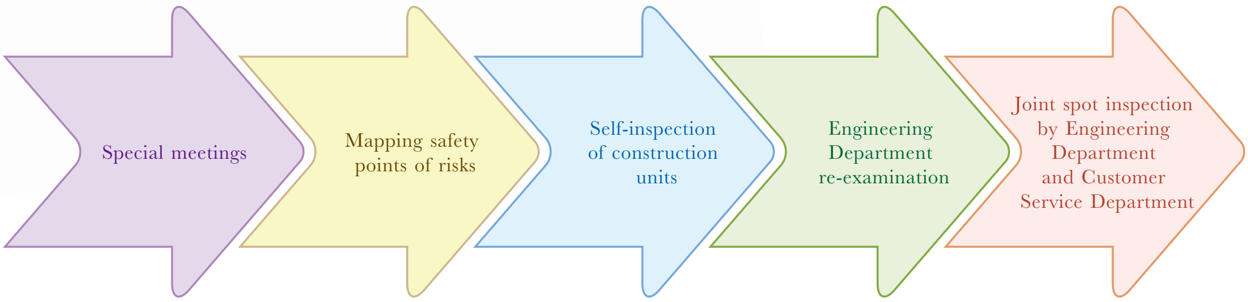
We have set up an emergency aid leading team to shoulder the response and treatment responsibilities of different emergencies and safety accidents, simultaneously, the emergency plan, reporting mechanism and handling system and management regulations are constantly improved. In the event of emergency, we take prompt rescue and treatment actions following the emergency plan to effectively protect personal safety of employees subject to accident level.



Emergency Aid Leading Team Structure

Safety Production Inspection

During the reporting period, the Group organized the Production Safety Inspection Campaign to safeguard the health and safety of employees at construction sites. Through preliminary inspection and analysis of projects, the safety points of risks at the projects were mapped out and inspections and examinations on the risk points in each of the process were rigorously conducted to eliminate production safety risks at the greatest extent possible.



Safety Production Inspection Process Flow

Safety Production Training

During the reporting period, the Group organized production safety trainings in different forms to enhance employees' awareness of production safety and their capabilities of self-protection from occupational health. In 2021, a total of 6 production safety training sessions were held and 453 participants had joined the trainings.

3.3.2 Occupational Health

We have provided diverse occupational health protection to our employees by organizing annual medical checkups and psychological counseling, and conducting trainings on psychology, stress control and emotion management. For the purpose of enriching their spare times, we have also encouraged and led our employees on active participation in sports, and have organized maritime development group activities every summer, protecting their work-life balance.

2021 was a year of normalization of pandemic prevention and control over new corona virus. In an active response to the national prevention and control policy, the Group has implemented pandemic prevention and control measures and arranged nucleic acid testing and vaccinations for employees, enhancing their awareness of pandemic prevention and control through trainings. Under the pandemic prevention atmosphere, along with our provision of pandemic prevention services, employees are able to work in a safe and healthy environment with a peace of mind.

Pandemic Prevention and Control Measures;

Provision of alcohol, emergency medicines and other prevention and control materials in common areas, where employees are able to disinfect and self-clean whenever necessary;

Uniformed meal ordering for employees under the pandemic, effectively preventing and controlling the spread of epidemic in reducing movement of people;

Pandemic-related trainings are conducted in forms of activities such as Super Brain and level-breakout games, raising awareness of employees on pandemic prevention and control. A total of 212 breakouts were completed.

3.4 Employee Development

The growth and development of our employees is an on-going impetus moving the Group forward. By establishing a holistic training system and putting in place open and transparent promotion channels, the Group has built a big platform for the growth of employees, continuously improving their business abilities and delivering quality talents to the Group.

3.4.1 Employee Trainings

In 2021, we have updated the *Yida China Staff Handbook* with the improvement of systems relating to employees' trainings and continuous upgrade of Yida China staff training system. Through immersing and accumulating knowledge of each company and business line, we furnish our employees with a training system in a mixed approach of online and offline that embeds a wealth of knowledge fully integrating into actual situations. To significantly enhance business knowledge and abilities of employees, we have added over 500 new knowledge tips in the year, including more than 100 internal original knowledge and more than 400 external new knowledge, respectively.

Yida Training System

1. Yida Management College ("Yida College")

   Under the ideology of "Making learning a habit", Yida College aims to cultivate high quality "Yida people". Yida College provides professional training courses to internal staff of Yida and external students for the growth of their professional abilities. In order to improve quality of the Group's services, Yida College offers relevant project manager training camps, academic education, study tours and so forth to employees under comprehensive synthesis of the needs of the industry and the Company, effectively enhancing professional capabilities of talents, breaking through their ability ceilings and promoting individual development of employees.

2. Online learning platform of "Yida e-school"

   Through online training system of "Yida e-school", we facilitate employees' learning on relevant courses online in exchange and sharing of knowledge. Meanwhile, our employees are required to actively participate in the training "Yida e-school", and their participations are monitored under big data and behavior analysis which will be included in performance appraisals. "Yida e-school" adopted a hybrid approach of online and offline training, reaching a learning rate of employees of 80% in the year.

3. Internal Trainer Management System

   The Group has established an Internal Trainer Management System in the promotion of knowledge sharing and mutual growth among employees. Subsequent to the confirmation of the Human Resources Department on qualifications, course content and teaching level, employees may become internal trainers through self-nomination and departmental recommendation. At the same time, we offer generous reward policies and multifaceted job trainings to internal trainers such that they are able to continuously upgrade themselves in the process of sharing experience and diffusing knowledge, and on the larger development platform we established, more employees are able to participate in building our training system.

Training Courses

We provide target-specific training services to different types of employees and prepare diverse training courses based on their work conditions, enabling employees to promptly understand work objectives, mastering their work skills soonest and improving training efficiency.

Title of Training System	Targets of Coverage	Objectives of Training	Brief Descriptions of Training Course	Forms of Training
New Employee Training	New employees	Facilitate integration into the Company soonest and gain familiarity with the working pattern and development plan of the Company	5 compulsory courses including corporate introduction, brand culture, human resources, internal control management, and financial guidelines	Off-line trainings Online courses Online examinations
New Manager Program	Newly promoted managers or supervisors, managers possessing 1-3 years management experience without systematic training, management backups, reserved managers	Provide management training to key talents and nurture reserve management talents for the Company	*Planning and Organization* *Impact* *Classroom Rotation*	Off-line trainings Online courses Learning notes Graduation reports
Internal Trainer Program	Internal trainer groups	Organize professional courses and fine-tune curriculum objectives of each major and level subject to business operations.	Study Mapping	Offline Course Workshop Results Sharing

Case: Green Building Special Training

"Dual carbon goals" was first written into the government work report in 2021. Yida China has actively responded to the national call on "dual carbon" policy in comprehension of the development trend of "green building". We organized a special research sharing session on *"Low Carbon Future Empowerment and Green Building Exploration"*, comprising contents related to analysis on current situation and trend of green building development, sharing cases of green building representative parks and in-depth discussions on cross-border integration of "Green Building + X", thereby a comprehensive understanding on the concept of green building was facilitated among employees and a solid foundation on the promotion of low-carbon and green development in the future is laid. A total of 44 employees attended the training.

The case in research sharing session of *"Low Carbon Future Empowerment and Green Building Exploration"*

3.4.2 Employee Promotion

We endeavor to build a fair, just and open promotion system, and have in place a broad platform for the development of employees via opening multiple promotion channels. Employees are made available to the choices of career development path appropriate to themselves according to the talent development plan of the Company and personal development goals.

Yida China Employee Promotion Mechanism

Item	Criteria	Promotion of employee to middle management	Promotions of middle management to senior management/senior executive
1	Performance appraisals	Achieving grade B and above in two consecutive years of which at least 1 year having grade A and above	Achieving grade B and above in two consecutive years of which at least 1 year having grade S and above
2	Results performance	Excellent performance, validated by typical references.	Outstanding performance and demonstrated performance in improvement of business results
3	Job qualifications	Meeting relevant requirements of targeted position	Meeting relevant requirements of targeted position
4	Internal assessment	Excellent professional and leading skills	Excellent professional and leading skills

3.5 Employee Care

Standing in the shoes of employees, we always understand their needs and take actions caring for them. We offer a wealth of caring benefits and send gift allowances and condolences to our employees on special dates, such as birthday gifts, wedding gifts and funeral condolences. In addition, we hold caring activities on holidays, conveying our warmth and care to our employees and enhancing their senses of belonging and fulfillment.

Holidays' Care Activities

Date	Festival	Activities
8 March	Women's Day	Organizing activities of seasonal workplace goddesses; Making recommendations on pleasant books and lessons to female employees; Organizing various caring activities;
23 April	World Book Day	Launching an all employees reading campaign;
1 June	Children's Day	Holding childhood revisit activities, lucky draw on children toys.

4. Sound Operations, Responsibility Demonstration

Prerequisite of a stable and prosperous business relies on sound operations and corporate responsibility. Faithfully adhering to the principle of compliance and strictly abiding by all laws and regulations, Yida China actively identifies and prevents all types of business risks and acknowledges product responsibility. Guided by customer satisfaction, we continuously improve product quality and bring a better working, production and living experience to customers.

This chapter responds to the following SDGs targets:

4.1 Legal Compliance

We consistently improve compliance management system, strengthen legal compliance risk control, regulate business ethics standards and promote in-depth and all-rounded anti-corruption and integrity construction work, steadily advancing the compliance level of the Company.

4.1.1 Compliance Operations

Yida China has rigorously complied with relevant laws and regulations of Hong Kong and Mainland China, as well as the requirements of the Rules Governing the Listing of Securities on the Stock Exchange[3] and the Articles of Association of the Company, continuously improving its compliance governance structure and corporate governance standards. Firmly upholding the principles of good corporate governance, the Board and the management of the Group constantly enhance the work on information disclosure management, strengthen and improve internal governance and standardize corporate operations so as to achieve sound management and increase shareholders' values.

4.1.2 Risk Management

We continuously optimize our internal audit management structure and establish a comprehensive internal audit, risk management and legal compliance system. Our operations are secured stable with improvement on governance efficiency by means of performing regular internal audits and legal compliance work, and implementing risk assessment and monitoring system operations. At the same time, we maintain the Audit and Supervision Department independent from other business departments, standardize management and audit actions and strengthen risk management of the Group in terms of risk alert, process inspection and post-event supervision.

In addition, we place emphasis on the development of ESG work with an attempt to incorporate ESG-related risks into our daily operational risk management, and continue to practise the concept of environmental protection and low-carbon operations of the industrial parks, taking proactive measures to advance ESG performance of the Group.

Risk Control Measures:

An external professional and independent third party is engaged in performing special review on annual basis and conducting a comprehensive examination on the indicators and procedures of the Company and each business department including the accounts, funding transactions and others;

Being the risk management personnel of the Group, the heads of business departments including risk control, compliance, legal affairs and others, are responsible for performing daily monitoring, inspection and rectifications on key operating procedures;

The Audit and Supervision Department conducts internal audits on a regular basis to rigorously review the internal process flow and business execution processes of the Company. Audit results are reported to the Board and President direct in avoidance of relevant risks to the greatest extent possible, ensuring no cases of violation, unlawfulness, corruption, etc.

[3] The Stock Exchange of Hong Kong Limited

4.1.3 Building Integrity

Yida China asserts "zero tolerance" over corruption and fraud, creating a sound atmosphere of integrity and honesty for the employees, industry and society. The Audit Committee of the Group is responsible for the overall anti-corruption monitoring work, under which the Audit and Supervision Department is established in responsible for receiving, handling and providing feedback on complaints and reports, as well as internal audit monitoring of the Company. In addition, we have updated the *"Internal Audit Management System"* and *"Whistleblowing Management System"* to continuously enhance the work on anti-corruption and anti-fraud in ensuring that the works of anti-corruption are steady and stable in the long run.

Whistleblowing Mechanism

Whistleblowing channels: We make available various whistleblowing channels for employees, suppliers, investors and other stakeholders in ensuring that the reporting information is delivered to the Audit and Supervision Department of the Group in a prompt and accurate manner.

Whistleblowing Channels of Audit and Supervision Department:

Whistleblowing Channels	Specific Information
By email	jubao@yidachina.com
By phone	Tel. No: 041184450009
By mail	Address: Block 4, Yida Plaza, 99 Northeast Road, Shahekou District, Dalian, PRC
By internal reporting	OA system "V Portal" of the Company, connect to "Yida integrity" module under the link

Whistleblowing acceptance: The Group take reporting of corruption and fraud from various stakeholders seriously. We have accomplished acceptance of reporting in a timely manner under a standardized management approach. Meanwhile, we link the rate of report closing to the performance of employees in ensuring that all complaints are handled and provided with feedback.

Whistleblower review: We pursue the concept of "No misjudgment and No missed judgment" to safeguard authenticity of investigation. Upon receipt of a reporting case, the Audit and Supervision Department will first undergo a preliminary verification on the reporting content and information submitted by the whistleblower, and in the event of sufficient evidence, instantly a project will be launched for in-depth investigation.

Whistleblower protection: Subsequent to the receipt of reporting, the Audit and Supervision Department will appoint a personnel in liaison with the whistleblower, imposing specific requirement on relevant personnel to keep in strict confidence in respect of any reported content and whistleblower information.

Anti-Corruption Campaign

Promotion on Anti-Corruption Culture: During the reporting period, to encourage undertaking the responsibility of "whistleblowers" of employees, we sent several anti-corruption promotional articles to employees via the public account platform and disseminated legal knowledge to them to creating an anti-corruption and integrity atmosphere in the Company where is law-abiding, distinguishes right and wrong, and honest and fair.

Audit and Investigation: In 2021, we conducted multiple forms of audits within the Group, putting further efforts on anti-corruption. Through routine and special audits and integrity surveys, we verify corruption issues in creation of an integrity culture in the Group.

4.2 Quality Responsibility

Yida China always regards qualities of product and service as the top priority. To create values for our customers, we continuously strengthen product quality control and advance customer service system, constantly improving service quality and user satisfaction.

4.2.1 Product Responsibility

In 2021, we have updated the systems of *"Engineering Management"* and *"Engineering Management Evaluation"*, clearly defining the two aspects of pre-acknowledgement and post-evaluation in management of the entire process of construction. In terms of engineering quality management, we realize the standardized management of the whole process from incoming material and measurement to construction and finished product protection; and in terms of engineering evaluation, we optimize the evaluation management system with assessment on responsibilities of all parties, creating a closed loop of evaluation and rectification.

Engineering Quality Management

Engineering Sample Management: In respect of construction materials such as facades, plumbing and electrical equipment, we require confirmation on material samples; and in respect of construction, installation and finishing and other aspects, we also require confirmation on construction samples as well as collective acceptance of the project department and supervision and construction units prior to the commencement of next construction action.

Incoming Material Management: Samples provided by suppliers and construction units are required to undergo the processes of tender and sample fixing and successful tender and samples sealing to guarantee product quality in production process. Upon the arrival materials, we will organize the project department, supervision and construction units and suppliers to conduct concurrent acceptance of relevant materials and products, reducing the risk of engineering materials quality.

Project Actual Testing Measurement Management: We require construction units to perform full-scale actual testing of the processes such as building concrete structure, masonry, equipment installation, plastering, waterproofing in the construction phases, meanwhile, to apply 100% measurement to the household actual testing area and to create a file of household actual testing.

Quality Control Management of Engineering Process: We require preparation of a quality common defect prevention and control plan for projects, and enforce a closed-loop management through customer complaints, property summaries, controls of design, bidding and engineering, acceptance and rectification, etc. We require process control and strict inspection on each key process in order to minimize product quality issues arising from engineering process to the greatest extent possible.

Finished Product Protection Management: In respect of equipment, materials, semi-finished and finished products in the construction process, we require each project to implement specific protection measures, put in place the *List of Record of Project On-Site Inspection* and the *Project Construction Log*, and conduct regular inspections for prevention and control of finished product damage and product quality assurance.

Quality Evaluation Management System

Yida China sets up a quality evaluation working team, consisting of Engineering Customer Service Department or third-party consulting and management institutions. The evaluation team is comprised of 2-3 professional engineers and 1 team leader.

Project Evaluation: Supervisors and contract turnkey units are arranged for the on-site evaluation of construction quality. A regular inspection approach is adopted. Two parts are included in the evaluation: on-site actual testing measurement and engineering management system inspection.

Evaluation and rectification: In respect of projects consisting problems, related plans, programs and measures on rectification and closure shall be submitted to the subordinate engineering department within 7 days subsequent to project evaluation. The subordinate engineering department adopts random inspection to examine the rectification results and within 1 month, compiles a rectification report for submission to the headquarters of Engineering and Customer Service Department for record.

Irregular inspection: Headquarters of the Engineering and Customer Service Department conducts irregular spot checks on the assessment work of the subordinate engineering departments to ensure efficient operations of entire quality supervision system.

4.2.2 Service Quality

In strict compliance with *the Company Law of the People's Republic of China, the Regulation on Realty Management* and other rules and regulations, we have set up and improved the eight operational service systems of the industrial parks of Yida China, providing enterprise residents with diversified services on aspects of technology, policy, brand qualification, innovation incubation, finance, human resources, space management and park support, enabling them the enjoyment of total solution of enterprise management operations experience, and thriving for growth.

Industrial Park Eight Operational Service Systems (or Service Platforms)

Value-Added Services

Technical Services
- Technology Trading (Registrations and Subsidies)
- Industry-Academia-Research Pairing
- Outcome Conversion
- University and Research Institute Pairing
- Industrial Chains Pairing
- Project Pairing
- Academic Seminar
- Technical Training
- Industry Expert Induction

Policy Services
- Policy and Project Management Planning
- Industry Approval
- Project Launching
- Project Reporting
- Policy Training
- R&D Expenses' Addition and Deduction
- High-tech Enterprise
- Technology Enterprise Filings
- Recognition on High-quality Development of Technologically Advanced Enterprise
- Business Registration Service
- Tax Planning Service

Brand Qualification Services
- Information Management Planning
- Intellectual Property
- Industrial System Certification
- Double Soft Certification
- Corporate R&D Center
- Corporate Technology Center
- Quality Scale
- Smart Factory (Workshop)
- VI Design
- Public Account Operations
- Brand and Media Resources Induction
- Party Branch Joint Construction

Innovation Incubation Services
- Business Start-Up Seedling
- Business Start-up Counseling
- Company Accelerator
- Industry Resources Transfer
- Project Roadshow
- Listing Counseling
- Brokerage Counseling
- Clubhouse Counseling
- Law Firm Counseling
- Yijie Club Resource Transfer
- Entrepreneurial Networking Activities

Financial Services
- Financial Services
- Venture Capital
- Risk Investment
- Corporate Private Placement
- Financing Service
- Business Loans Matching
- Technology Loan Counseling
- Business Start-up Guarantee Loan

Human Resources Services
- Top Talents Induction
- Academician Workstation
- Professor R&D Team
- Admission of Doctorate and Master's Degree Talents
- University Training Base
- Outsourced Human Resources Service
- Clubhouse Service
- Law Firm Service
- Talent Recruitment
- Talent Settle-down Service
- Pre-employment Internship Base of University Students

Basic Services

Space Management Services
- Industry Approval Service
- Enterprise Admission Service
- Multimedia Conference Room Service
- Lecture Hall Service
- One-stop Office Service
- Resale and Sublease Service
- Hotel and Apartment Service
- Shared Office Service

Park Ancillary Services
- Design and Renovation Service
- Office Supplies Collective Procurement Service
- Paper Binding Service
- Smart Parking Service
- Park Restaurant Service
- Park Supermarket Service
- Outsourced Security Service
- Outsourced Cleaning Service
- Park Property Service

Eight Operational Service Systems

With an aim to offer a good operating experience to customers, we conduct customer demand research and module classification at each park to gain a thorough understanding and analysis on the real development, main business and urgent needs of the enterprises in the park, thereby providing supporting services such as space management, human resources, finance, innovation, policy and branding so as to address customers' concerns and assist them in research innovation and technology advancement for stability in the long run.

Case Shenyang Project Service System Classification

Based on the eight operational service systems, we have rendered basic services to our customers including space management and park support, as well as a variety of financial, policy, and technical support services through a modular classification of industrial distribution and individual need of our tenants. To facilitate convenient utilization of more resources and communication exchange of customers, we administer management of operational assets and customer relationship in the park, allowing enterprise customers on maximum value of resource deployment and stimulating their growth in our park.

Case Yida Zhengzhou Science and Technology City Helped Cultivate High-quality Development of Technologically Advanced Enterprises

Based on the eight operational service systems, Yida Zhengzhou Science and Technology City has rendered multiple forms of supporting services to enterprises in intelligent manufacturing and information communication, promoted cooperation between enterprises and higher education institutions and materialized the consolidation of industry, academia and research, as well as the provision of policy support and project application services to enterprises. In 2021, we have cultivated 3 SMEs in Zhengzhou to develop into high-quality development of technologically advanced enterprises.

List of High-quality Development of Technologically Advanced Enterprises in Yida Zhengzhou Science and Technology City

No.	2021 List of "High-quality Development of Technologically Advanced" SMEs
1	Zhengzhou Senpeng Electronic Technology Co., Ltd. (鄭州森鵬電子技術有限公司)
2	Henan Bosean Electronic Technology CO., Ltd. (河南省保時安電子科技有限公司)
3	Henan Guanqing Industrial Co., Ltd. (河南冠卿實業有限公司)

4.2.3 Customer Satisfaction

The Group treasures the voice of customers. We have formulated the *"Customer Service Management System"* and the *"Customer Relationship Management Guidelines"*, conducted customer satisfaction research on a regular basis and regulated the processes of acceptance, processing and feedback in surveys for a solid increase in customer satisfaction.

Customer Relationship Management System

Residential products:

We ensure the provision of follow-up services to customers at all stages from pre-project, delivery to after-sales service through pre-intervention, household acceptance and examination assistance. At the same time, in order to handle customer complaints, we have formulated the *"Handling Customer Complaint Working Guidelines"*, explicitly stipulating the complaint management requirements in respect of channels, acceptance and processing, feedback time frame and so forth to address the problems reflected by customers and improve customer complaint service experience. In 2021, there were 181 residential customer complaints, and 169 were actually closed, with a complaint closure rate of 93%.

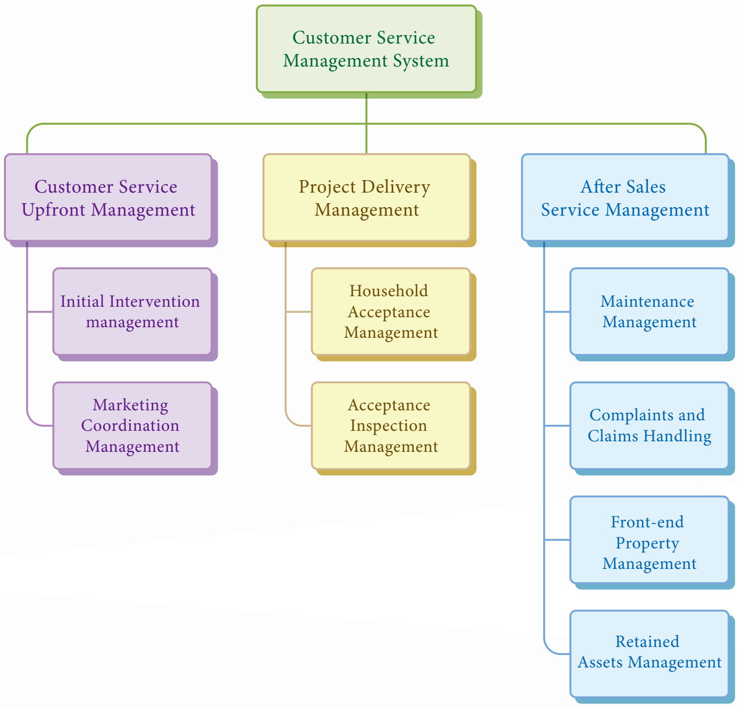


Diagram of Residential Customer Service Management System

Park Services:

We have developed the "Customer Relationship Management Guidelines, introduced service contents and activities carried out in the park to our customers and attained full understandings on their current needs by means of regular visits and inquiries such that our customer service management system is improved with personalized and targeted quality services provided to our customers. At the same time, we standardize handling procedures of customer demands and complaints, furnishing customers with a developed complaint handling process, and optimizing customer satisfaction. In 2021, there were about 300 industrial customer needs and complaints, of which the main needs of tenant owners.

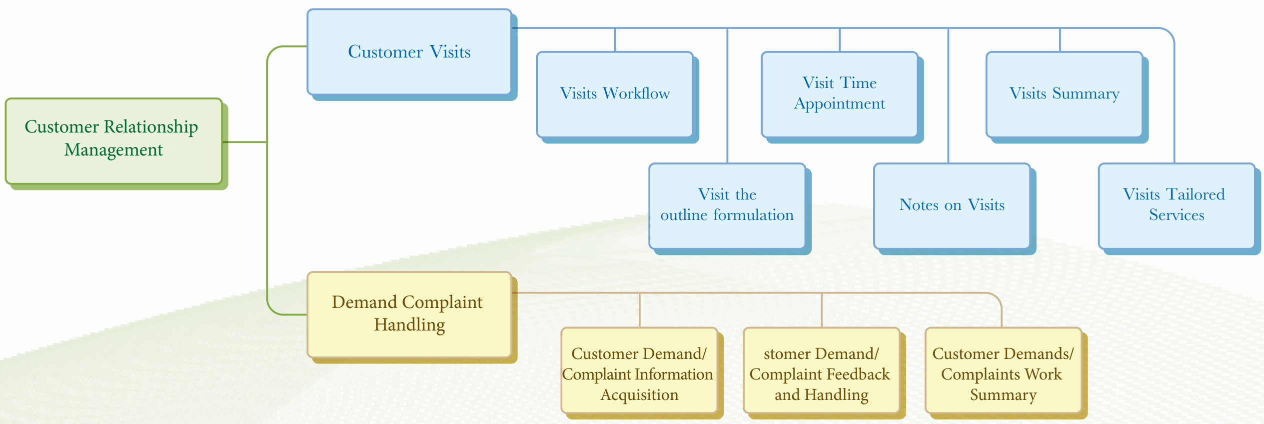


Diagram of Customer Service Management System in the Park

4.2.4 Intellectual Property and Privacy Protection

Intellectual Property Protection

The Group strictly abides by the requirements of the laws and regulations of *the Trademark Law of the People's Republic China, the Patent Law of the People's Republic China, the Copyright Law of the People's Republic China* and *the Civil Code of the People's Republic of China*, and places strong emphasis on intellectual property protection.

- **Protection of owned intellectual property rights:** Following the principle of centralized management and normative use, the Company standardizes the workflow related to intellectual property protection for effective protection of its intellectual property rights. As of 2021, we hold 151 trademarks and 16 software copy rights.

- **Respect intellectual property rights of other persons:** The Group fully respects the intellectual property rights of our partners and strengthens external publicity and advocacy for the strict use of intellectual property of our partners within the scope of authorization.

Customer Privacy Protection

In the course of operations, the Group acquires operations-related information and materials from customers in conformance with legal channels. We have adopted information security measures to prevent leakage and theft of customer information and to handle customer privacy in an appropriate manner. The Group clearly depicts the definition, classification and management approaches of confidential information, including the collection, storage and proper handling of customer information, and regularly destroys customer information to safeguard the security of customers' personal information; meanwhile, we have also established numerous measures relating to personal management, restricted area operations and electronic access to confidential and customer information to enhance the protection of customers' personal information and privacy. Besides, we further prevent theft of customer information and protect security of customer information by means of authorization setting, technical protection and other measures.

5. Collaboration for Win-win Benefits

Yida China has established well-developed systems and processes to standardize supplier management, deepen strategic cooperation with suppliers, and promote fulfillment of social responsibility in value chain. We actively participate in industrial peer-to-peer exchanges and embrace partners from various industries with a focus on industry-academia-research cooperation for continuous promotion of industry development. In addition, as manifestations of our corporate responsibility, we actively participate in public welfare and charity and work together with various stakeholders to build a better society.

This chapter responds to the following SDGs targets:

5.1 Win-win Cooperation

Embracing the concept of win-win cooperation, Yida China actively seeks to establish a long-term relationship of mutual trust and reciprocity with key resources' holders in the industry chain, sharing the harvest of sustainable development with domestic and international partners.

5.1.1 Supply Chain Management

The Group has established a Tender Committee who is responsible for the decision-making, approval and supervision on the work related to tenders handling. In 2021, we have updated the *Tender and Procurement Management System* to standardize supplier management procedures and simplify procurement tender and approval procedures thereby sourcing efficiency is enhanced and unified management of suppliers' approval and removal is accomplished from perspectives on qualification examination, procurement process and others.

Induction Management: We obtain potential supplier resources via channels such as media, industry associations, industrial peer referrals, public inquiries or employee recommendations. Supplier is admitted to the "observation" program of Mingyuan System provided that initial screening is passed. Thereafter, on-site observation dependent on the content of procurement project will be performed to suppliers who passed initial screening in terms of financial status, management level, product quality and other factors, and suppliers will only be included in the shortlist subsequent to qualified assessment.

Management Evaluation: Dynamic management will be applied on shortlisted suppliers. We have developed supplier management and evaluation procedures and tools which cover the aspects on supplier resource pool, evaluations on qualification and performance, annual review, and comprehensive supplier rating, etc., to continuously monitor, evaluate and review the performance of suppliers in contract period. In addition, we have set up the *Supplier Blacklist System* in the events that suppliers who: occur behaviors on bid-rigging, colluded-bidding, bribery and others occurred; happen accidents on significant quality and safety in the contract performance process; and have legal disputes with the Company and are reported significant problems in the media and network, will be blacklisted, and all our affiliated companies are prohibited from any further working relationship with these suppliers.

Procurement Integrity: In conformance with industry norms and business ethics, the Company actively undertakes its commitment on integrity and compliance procurement and formulates *the Integrity Cooperation Protocols* (the "Protocols") whereby all employees are required in strict compliance with the Protocols and employees' behaviors are regulated in procurement process, maintaining fair competition, practicing recusal system, and fulfilling confidentiality system of procurement information. In the meantime, we also require all suppliers to sign the Protocols as per which the responsibilities of building integrity of both parties and the penalties on violations of relevant integrity are clearly defined to safeguard the building and implementation of high standards of business ethical practices.

Education and Training: To promote fulfillment of social responsibility in value chain, we strive to regulate the behavior of suppliers in the areas of environmental, social and labour rights. We also organize regular supplier training activities, conveying the concept of social responsibility in environmental protection, safety, health and anti-corruption to our suppliers such that the abilities of each partner company in the supply chain are strengthened in assuming social responsibility and complying with integrity.

5.1.2 Industrial Exchange and Cooperation

The Group is committed to innovation and value-creation together with various partners by consistently centering on the development trend of the industry, focusing on the importance of exchange and cooperation within and outside the industry and actively participating in various activities in the industry. In 2021, Yida China has actively built a cooperation and sharing platform, strengthened the partnership with stakeholders including the governmental departments, enterprises, universities, industry associations and others, enlarged public resources and provided sufficient resources for execution of the Company's strategy. Riding on the platform, high-quality development of relevant enterprises is propelled such as Dalian Software Park, Wuhan New Software City and other parks.

2021 Strategic Partners

Government Bodies

- Shaoguan, Wujiang People's Government
- Meishan Dongpo People's Government
- Qingdao, Chengyang People's Government

Higher Education Institutions

- Industrial Technology Research Institute of Southwest University
- Science and Technology Park of Beibei National University
- Zhengzhou University of Industrial Technology

Corporate Enterprises

- Neusoft Group Limited
- Zhengzhou Zhengfang Technology Co. Ltd.
- Rockwell Automation (China) Company Limited

Industry Associations

- Shenzhen Association of Internet of Things
- Guangdong Province San Jiu Recreation Association
- Digital Zhengzhou Industrial Ecological Alliance
- Hunan Electronic Commerce Association

In-Depth Government Cooperation

In 2021, Yida China has deepened cooperation with the local governments where the parks operate. Based on the government's support to enterprises in R&D funding, talent introduction and policy guidance, we are committing to continuously improving industrial support and infrastructure for SMEs to promote high-quality development of industrial gathering in the parks.

Case: Yida China helped industrial revolutionary upgrade of Shaoguan Wujiang District

On January 22, 2021, Yida Future (China) Technology Co. Ltd. ("Yida Future"), a subsidiary of Yida China, and the Shaoguan, Wujiang People's Government had reached a cooperation agreement in respect of the development and urban and rural construction of Wujiang District, investment promotion and commissioned operations of the park, brand building and project promotion, industrial research and consulting planning, land investment and project introduction, thereby an cooperation agreement was entered. Yida China will provide a systematic service in the entire process for Shaoguan Wujiang District to develop a new economy, build new industries, cultivate new business models and promote high-quality development of the park that constitute further strong momentum in the construction and development of Guangdong-Hong Kong-Macao Greater Bay Area.

Agreement Signing Ceremony of Yida China and Wujiang People's Government

Engagement in Extensive Exchanges

Yida China actively participates in industry exchanges, conducts inter-industry dialogues, joins industry associations and promotes the development of partners. Leveraging on the industry platform, we play the database roles of information, expertise and "magnet" of project database, pulling the linkage between upstream and downstream industries, performing function of service platform to high-tech industry, and providing precise services to enterprises in the park. In 2021, Yida China respectively held the first and second quarter industrial investment system work conference and the 2021 Yida China customer conference.

Case: Changsha Yida WCD was appointed as the "Governing Unit of Hunan Electronic Commerce Association"

On May 25, 2021, Zhang Xinliang, Executive Chairman of Hunan Electronic Commerce Association and secretariat members of the association made a visit to Yida & CSCEC Intelligent Technology Centre and awarded a plaque of governing unit to Changsha Yida Wisdom Created Industry Development Co., Ltd.. ("Changsha Yida WCD"). With our admission, Hunan Electronic Commerce Association and the Company are able to achieve resources sharing of the industry and branding, and in the provision of more comprehensive services to the e-commerce industry, bilaterally aim at boosting the development of e-commerce enterprises and serving the upgrading of e-commerce industry.

Changsha Yida WCD was presented with the plaque of governing unit

Case: "Yida With You, Always – Our Reunion" – 2021 Yida China Customer Conference was held with success

From September 16, to September 17, 2021, nearly 100 entrepreneurs of different industries across China were invited to Dalian to join 2021 Yida China Customer Conference – "Yida With You, Always – Our Reunion", and drew together with us a blueprint on industrial development.

2021 Yida China Customer Conference

A bridge of communication, interaction and recognition among participating entrepreneurs was built in the customer conference where a solid foundation was laid for the future in-depth cooperation among participants.

Strengthening of Industry and Research Integration

Under the guiding concept of "development desire, contributions to the society, people-centric, and cultural prosperity", Yida strongly stresses on talent training, technological innovation and business incubation. By building employment internship platforms with colleges and universities and establishing off-campus training bases, etc., we provide internship positions to expand the employment of students, promote the expeditious employment of college graduates and unemployed youth and assist enterprises in talent resources reserve, making positive efforts in various aspects.

Leverage on the edges of employment internship base and innovation and start-up incubation, Yida China will continue to focus on science and technology innovation and core on people-centric and talent-centered promotion on science and technology innovation in order to actively assume our social responsibility. We also furnish the youth employment interns with practical exercise opportunities, enhanced practical work experience and advanced employment and entrepreneurial ability, making due contributions to talent raisings.

Yida is committed to providing all-inclusive supporting services to the enterprises in the park. By focusing on the pairing of innovative resource needs of enterprise technology, talents and others and connecting Zhengzhou University, Zhengzhou University of Light Industry, Henan University of Technology, and research institutes and others, we have fully integrated the resources of all parties, building a talent cultivation base and an industry-university-research cooperation platform for enterprises in the park.

Case: Promoting in-depth integration of Industry-Academia-Research, Yida helped industrial upgrading of enterprises in the park

On March 22, 2021, Zhengzhou Zhengfang Technology Co. Ltd., a resident enterprise of the Yida Park, had reached a cooperation with the Zhengzhou University of Industrial Technology. Leverage on the scientific research advantages of Zhengzhou University of Industrial Technology, Zhengzhou Zhengfang Technology will assist the enterprises in solutions to smart bi-directional management algorithm of power lithium battery and basic model building of lithium battery big data platform.

Yida promotes the integration of Industry-Academia-Research for enterprises in the park

5.2 Social Charity

Yida China firmly upholds its basic vision of "enterprises survive for the sake of society" and closely attends to the needs of the community while developing the companies, actively fulfilling our social responsibility in accordance with the "*Activities Management System*" formulated by the Company. Apart from generous donations to social charity activities such as poverty alleviation and disaster relief, we also make outstanding contributions to the cultural construction in cities where we operate via the "Sound of Yida" series of public charity activities, in form of an elegant art to contribute the city and society, shaping a unique model of corporate social responsibility.

5.2.1 Warm-hearted Charity

Cultural and Charitable Activities of "Sound of Yida" series

Being a Company benefited from the city and people, Yida China does not only contribute to the upgrade of city's industries and economic development, but also devoted to the efforts and passions on enriching cultural life of citizens. Founded in 1994, the cultural charitable activities of "Sound of Yida" series have been successfully held in forms of diverse comprehensive public events in various communities over the past 27 years. The cultural charitable commitment of "Sound of Yida" remains unchanged, and its sound will resonate indefinitely.

It is our deep belief that appreciation of music should not be an exclusive right limited to a group of individuals, for the purpose of providing the opportunity on enjoying world-class music performance to the public, we organize a New Year's Concert on an annual basis, and people and groups from all walks of life are invited to join, including volunteers, teachers, traffic police officers, children and teenagers in remote mountainous areas who love art, etc.

Case: 2022 Sound of Yida New Year's Concert

On December 9, 2021, co-hosted by Yida China and Hubei Radio & Television Station, the 2022 Sound of Yida New Year's Concert was the 9th times of Yida to sending the most sincere New Year wishes to the land of Hubei. On the stage this year, Wuhan Philharmonic Orchestra performed the repertoire in a style varied to their past, mixing the classic red film songs of patriotism and heroism with orchestral music of western romanticism.

The wonderful live of 2022 Sound of New Year's Concert was deeply hailed by the audiences. The concert was on cloud live-streaming on the entire network, simultaneously, live web-casting on the mini-applets of Sound of Yida, Yangshipin and other media platforms, drawing widespread attention and earning overwhelming responses.

2022 Sound of Yida New Year's Concert

Honors and Awards

In the meantime, YIDA China's contribution to the society is well-recognized in the community. Some of the comparatively representing awards received during the reporting period are shown below, recognizing the Group's performance in philanthropy.

Issuing Organization	Award Titles
CRIC	2021 Ranked 30 at the Industrial Town Developers in terms of Comprehensive Strengths (2021年產城發展商綜合實力30強)
China Property News	2021 Top 100 Real Estate Brand Value in China(2021中國房地產企業品牌價值 TOP100)
EH Consulting	2021 Top 30 Overall Strength of Featured Town Operators in China(2021中國標杆產城運營商綜合實力 TOP30)
China Index Academy	2020 Leading brand of Green Ecological Urban Development Operator in China (2020中國綠色生態城區發展運營商領先品牌)
Guardian Property	2021 Top 20 Influential Cultural Tourism Development Enterprises(2021年度影響力文旅發展企業 TOP20)
The Economic Observer	2021 Outstanding Contributor to Smart City Construction of the Year(2021年度智慧城市建設突出貢獻者)
hexun.com	Leading Enterprise of the Year(年度領軍企業)

Case: Yida China garnered award as a "Responsible Enterprise of 2021 Annual Red List of China Real Estate" (2021中國房地產年度紅榜責任企業)

On January 19, 2022, co-organized by China.org.cn(中國互聯網新聞中心) and House of China (house.china.com.cn(中國網 • 地產)), the 13th Real Estate China Forum-cum-China Real Estate Red List was held in Beijing. With the event theme of "New Trends, New Brands, New Marketing", the new trend of real estate industry in China was examined pursuant to which, and the road of development was explored. The 2021 Annual Red List of China Real Estate was released at the award ceremony. By virtue of our years of public cultural and charitable practices, Yida China was honored as the "Responsible Enterprise of 2021 Annual Red List of China Real Estate".

Yida China garnered the award "Responsible Enterprise of 2021 Annual Red List of China Real Estate"

5.2.2 Collective Fight Against the Pandemic

In 2021, notwithstanding the impact of the pandemic, the Group keeps its commitment on social responsibility by extending a helping hand to the people affected in the epidemic area, as well as protecting the daily supply of materials to frontline medical staff. Moreover, Yida will continue to closely monitor the pandemic development and the prevention and control progress to consistently assume its corporate social responsibility, making additional contributions on the prevention and control of the pandemic.

Case: A Garden of Love at Yida Technology New Town, immediate aid of prevention materials rendered by the enterprises to the front line of the pandemic

At the beginning of 2021, the COVID-19 pandemic in Hebei and Northeast China moved the hearts of the caring enterprises in the Hi-tech Industrial Zone of Zhengzhou Science and Technology City. Since January 13, 2021, containing full of masks, forehead thermometer guns and other epidemic prevention supplies, transport vehicles set off at Zhengzhou Yida Science and Technology New City to embark on its journey of aid in Hebei and Northeast China, bringing along with them the care of the people in the district.

This batch of caring supplies was donated by Zhengzhou Senpeng Electronic Technology Co., Ltd., an enterprise stationed in Zhengzhou Science and Technology City, to Hebei and Northeast China, including 680,000 masks and over 1,400 forehead thermometer guns. This batch of supplies was designated to bus companies in 36 cities in Hebei and Northeast China for protection and monitoring of front-line staff in the bus system, aiding the prevention and control of local pandemic.

Enterprises in the Zhengzhou Science and Technology City helped prevent and control the pandemic.

Enterprises in the Zhengzhou Science and Technology City helped prevent and control the pandemic.

6. Appendixes

6.1 List of Policies

ESG indicators	Complied Laws and regulations	2021 Internal Policies
A1 Emissions	*Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution* *Law of the People's Republic of China on the Prevention and Control of Water Pollution* *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*	*Program For Environmental Monitoring And Measurement Control* *Identification and Evaluation Control Program for Environmental Factor* *Control Program for Environmental Operations*
A2 Use of Resources	*Energy Conservation Law of the People's Republic of China*	*Control Program for Environmental Monitoring and Measurement* *Identification and Evaluation Control Program for Environmental Factor* *Control Program for Environmental Operations* *Environment and Occupational Health and Safety Management Manual*
A3 The Environment and Natural Resources	*Environmental Protection Law of the People's Republic of China* *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*	*Control Program for Environmental Monitoring and Measurement* *Identification and Evaluation Control Program for Environmental Factor* *Control Program for Environmental Operations*
A4 Climate Change	/	/
B1 Employment	*Civil Code of the People's Republic of China* *Labour Law of the People's Republic of China* *Labour Contract Law of the People's Republic of China* *Employment Promotion Law of the People's Republic of China* *Social Insurance Law of the People's Republic of China* *Minimum Wage Regulations*	*Yida China Staff Handbook* *Probationary Work Objectives*

ESG indicators	Complied Laws and regulations	2021 Internal Policies
B2 Health and Safety	*Labour Law of the People's Republic of China* *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* *Law of the People's Republic of China on Work Safety* *Fire Protection Law of the People's Republic of China* *Law of the People's Republic of China on Emergency Response* *Regulations on the Safety Management of Hazardous Chemicals* *Regulations on the Reporting and Investigation of Production Safety Accidents* *Interim Provisions on the Investigation and Governance of Hidden Dangers of Work Safety Accidents* *Regulation on Work-Related Injury Insurance* *Provisions on the Administration of Occupational Health in the Workplace* *Classification and Catalogue of Occupational Disease*	*Yida China Staff Handbook* *Administration System*
B3 Development and Training	/	*Yida China Staff Handbook* *Mentorship Program* *Internal Trainer Management System*
B4 Labour Standards	*Labour Law of the People's Republic of China* *Regulations on the Prohibition of Using Child Labour* *Law of the People's Republic of China on the Protection of Minors*	*Yida China Staff Handbook*
B5 Supply Chain Management	*Construction Law of the People's Republic of China (2019 Amendment)* *Law of the Republic of China on Tendering and Bidding* *Regulation on the Implementation of Bidding Law of the People's Republic of China (2019 Amendment)* *Government Procurement Law of the People's Republic of China* *Civil Code of the People's Republic of China*	*Tender and Procurement Management System* *Integrity Cooperation Protocols*

ESG indicators	Complied Laws and regulations	2021 Internal Policies
B6 Product Responsibility	*Civil Code of the People's Republic of China* *Product Quality Law of the People's Republic of China* *Urban Real Estate Administration Law of the People's Republic of China* *Procedures for the Administration of Advance Sale of Commodity Houses in Urban Areas* *Regulatory Measures on the Sale of Commercial Houses* *Regulation on the Quality Management of Construction Projects* *Administrative Ordinance on Development and Management of Urban Real Estate* *Regulation on Realty Management* *Advertising Law of the People's Republic of China* *Patent Law of the People's Republic of China* *Copyright Law of the People's Republic of China* *Trademark Law of the People's Republic of China* *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* *Cybersecurity Law of the People's Republic of China* *Personal Information Protection Law of the People's Republic of China*	*Industrial Operations Management System* *Customer Relationship Working Guidelines* *Household Visits Working Guidelines* *Customer Visits Working Guidelines* *Key Business Accounts* *Handling Customer Complaint Working Guidelines* *Procedures for Handling Customer Demands/Complaints* *Handling Customer Complaint Working Guidelines* *Standardization Guidelines for Handling Work Reports of Incidents/Repairs* *Construction Project Quality Objective Management System* *Construction Quality Management System*
B7 Anticorruption	*Company Law of the People's Republic of China* *Anti-Money Laundering Law of the People's Republic of China* *Anti-Unfair Competition Law of the People's Republic of China (2019 Amendment)* *Interim Provisions on Prohibition of Commercial Bribery* *Anti-Monopoly Law of the People's Republic of China* *Bidding Law of the People's Republic of China* *Civil Code of the People's Republic of China*	*Internal Audit Management System* *Audit Management System of Outgoing Economic Responsibility* *Prohibition of Commercial Bribery Liability* *Integrity Cooperation Protocols* *Whistleblowing Management System*
B8 Community Investment	*Charity Law of the People's Republic of China*	*Activities Management System*

6.2 ESG Key Performance Tables[1]

ESG Indicators	Unit	2019 Data	2020 Data	2021 Data
A Environmental [2]				
A1 Emissions				
A1.1 The types of emissions and respective emissions data				
NO_X emissions	Kg	Not counted	Not counted	3.26
SO_X emissions	Kg	Not counted	Not counted	111.05
PM	Kg	Not counted	Not counted	5.66
A1.2 Greenhouse gas emissions and intensity [3]				
GHG emissions	Metric tons of carbon dioxide	86,424.49	82,765.33	23,131.87
Direct GHG emissions (Scope 1)	Metric tons of carbon dioxide	30.02	162.85	527.94
Indirect GHG emissions (Scope 2)	Metric tons of carbon dioxide	86,394.47	82,602.48	22,603.93
Intensity of GHG emissions	Metric tons of carbon dioxide /m^2	0.004	0.003	0.004
A1.3 Total Hazardous waste produced and intensity [4]				
Total hazardous waste	tons	Not counted	Not counted	0.55
Hazardous waste intensity	tons/10,000 m^2	Not counted	Not counted	0.00088
A1.4 Total Non-hazardous waste produced and indensity[4]				
Total non-hazardous waste	tons	Not counted	Not counted	3,064
Non-hazardous waste intensity	tons/10,000 m^2	Not counted	Not counted	4.89

ESG Indicators		Unit	2019 Data	2020 Data	2021 Data
A2 Use of Resources					
A2.1 Energy consumption by type in total and intensity					
Overall energy consumption		tons of standard coal	13,907.21	13,390.58	5,947.65
Petrol consumption[5]		Litre	8,979	42,269	97,154.46
Diesel consumption[5]		Litre	3,683	25,582	114,251.48
Electricity consumption[6]		kWh	113,042,244	108,324,310	22,856,908.31
Natural gas consumption		m^3	0	0	0
Purchased heat consumption		GJ	Not counted	Not counted	84,764
Other energy consumption		tons of standard coal	Not counted	Not counted	0
Energy consumption intensity		tons of standard coal/m^2	Not counted	Not counted	0.00095
A2.2 Water consumption in total and intensity					
Total water consumption		m^3	1,638,004	1,095,367	565,623
Water intensity		m^3/m^2	0.073	0.034	0.090
B. Social					
B1. Employment					
B1.1 Total workforce by gender, employment type, age group and geographical region[7]					
Total number of employees		Persons	Not counted	1,848	955
Gender	Male	Persons	Not counted	1,277	584
	Female	Persons	Not counted	571	371
Employment type	Full-time	Persons	Not counted	1,848	955
	Part-time	Persons	Not counted	0	0
Employee category	Senior management	Persons	Not counted	–	7
	Middle management	Persons	Not counted	278	128
	Junior staff	Persons	Not counted	1,570	820
Age	29 and below	Persons	Not counted	333	185
	30-49	Persons	Not counted	1,195	712
	50 and above	Persons	Not counted	320	58
Geographical region	Mainland China	Persons	Not counted	Not counted	953
	Hong Kong, Macau and Taiwan	Persons	Not counted	Not counted	2
	Overseas	Persons	Not counted	Not counted	0

ESG Indicators		Unit	2019 Data	2020 Data	2021 Data
B1.2 Employee turnover rate by gender, age group and geographical region[8]					
Total employee turnover rate		%	Not counted	Not counted	31.1
Employee category	Senior management	%	Not counted	Not counted	14.3
	Middle management	%	Not counted	Not counted	20.3
	Junior staff	%	Not counted	Not counted	32.9
Geographical region	Mainland China	%	Not counted	Not counted	31.2
	Hong Kong, Macau and Taiwan	%	Not counted	Not counted	0.0
	Overseas	%	Not counted	Not counted	0.0
B2. Health and Safety					
B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year					
Number of work-related fatalities		Persons	0	0	0
Rate of work-related fatalities		%	0	0	0
B2.2 Lost days due to work injury					
Number of hours lost due to work injury		Hour(s)	0	0	0
B3. Development and Training					
B3.1 The percentage of employees trained by gender and employee category					
Total number of employees trained		Persons	Not counted	Not counted	952
Percentage of employees trained		%	Not counted	Not counted	99.69
Gender	Male	%	94.00	77.00	99.66
	Female	%	91.00	77.00	99.73
Employee category	Senior management	%	Not counted	Not counted	85.71
	Middle management	%	86.80	64.00	100.00
	Junior staff	%	94.00	79.00	99.76
B3.2 The average training hours completed per employee by gender and employee category					
Average training hours trained employees		Hour(s)	Not counted	152	54.83
Gender	Male	Hour(s)	54	126	49.1
	Female	Hour(s)	83	114	45.4
Employee category	Senior management	Hour(s)	Not counted	Not counted	16.9
	Middle management	Hour(s)	94	118	44.9
	Junior staff	Hour(s)	58	121	48.8

<table>
<tr><th colspan="2">ESG Indicators</th><th>Unit</th><th>2019 Data</th><th>2020 Data</th><th>2021 Data</th></tr>
<tr><td colspan="6">B5. Supply Chain Management</td></tr>
<tr><td colspan="6">B5.1 Number of suppliers by geographical region</td></tr>
<tr><td colspan="2">Total number of suppliers</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>1,792</td></tr>
<tr><td rowspan="3">Geographical region</td><td>Mainland China</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>1,771</td></tr>
<tr><td>Hong Kong, Macau and Taiwan</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>21</td></tr>
<tr><td>Overseas</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>0</td></tr>
<tr><td colspan="6">B5.2 Number of suppliers where the practices are being implemented</td></tr>
<tr><td colspan="2">New product category suppliers</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>175</td></tr>
<tr><td colspan="2">New engineering suppliers</td><td>No. of suppliers</td><td>Not counted</td><td>Not counted</td><td>187</td></tr>
<tr><td colspan="6">B6. Product Responsibility</td></tr>
<tr><td colspan="6">B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons</td></tr>
<tr><td colspan="2">Percentage of recalled or rectified residential projects</td><td>%</td><td>Not counted</td><td>Not counted</td><td>0</td></tr>
<tr><td colspan="6">B6.2 Number of products and service related complaints received</td></tr>
<tr><td colspan="2">Number of products and service related complaints received</td><td>No. of times</td><td>Not counted</td><td>Not counted</td><td>481</td></tr>
<tr><td colspan="6">B7 Anticorruption</td></tr>
<tr><td colspan="6">B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period</td></tr>
<tr><td colspan="2">Number of brought and concluded legal cases during the reporting period</td><td>No. of cases</td><td>Not counted</td><td>Not counted</td><td>0</td></tr>
<tr><td colspan="6">B7.3 Anti-corruption training provided to directors and staff</td></tr>
<tr><td colspan="2">Number of directors and employees attended anti-corruption training</td><td>Persons</td><td>Not counted</td><td>Not counted</td><td>955</td></tr>
<tr><td colspan="6">B8. Community Investment</td></tr>
<tr><td colspan="6">B8.2 Resources contributed to the focus area</td></tr>
<tr><td colspan="2">Number of employees participated in volunteer services</td><td>Persons</td><td>Not counted</td><td>Not counted</td><td>700</td></tr>
<tr><td colspan="2">Number of hours of employees participated in volunteer services</td><td>Hour(s)</td><td>Not counted</td><td>Not counted</td><td>3,000</td></tr>
</table>

Notes:

1. Unless otherwise stated, the data scope contained in this report is in consistent with 2021 annual financial report of Yida China.

2. The Group's environmental data for 2021 is derived from the Group's operating statistics, such as expense bills.

3. The Group disposed of Yida Property (億達物業) and its subsidiaries in 2021, thus the scope of data statistics is narrowed compared to 2020; coupled with the emission factors of State Grid Corporation of China (中國電網) were adjusted in a decrease to 0.5810 tCO_2/MWh (source: Notice on Key Work Related of GHG Emissions Reporting Management of Enterprises in 2022 – the Ministry of Ecology and Environment), hence, GHG emissions of Yida China reflected a decrease in 2021 compared to 2020.

4. As the scope and calculation standards of quantitative waste data do not truly reflect the effectiveness of Yida China's work in this aspect, Yida China will gradually improve its statistical ledger system for quantitative waste data to enhance the completeness and accuracy of the data.

5. Compared to 2020, the significant increase in petrol and diesel fuel consumption in 2021 was attribute to the decrease in petrol and diesel fuel consumption in our main business area Dalian where was affected by consecutive rounds of pandemic in 2020. Subject to the gradual control of the pandemic, alongside our business growth, it has reflected a rapid increase in petrol and diesel consumption in FY2021.

6. The significant decrease in purchased electricity was attribute to the disposal of Yida Property and its subsidiaries by the Company in 2021, which resulted in a reduction in the scope of purchased electricity statistics. Meanwhile, on the scope of statistics in 2020, it had included the electricity consumption collected and paid on behalf of tenants by Dalian Software Park Co., Ltd that resulted in a comparatively high figure, thus it had led to a sharp decrease in the overall data in 2021.

7. As a result of the disposal of Yida Property and its subsidiaries by the Company in 2021, the scope of data statistics of employee count was narrowed, resulting in a significant decrease in the number of employees in 2021 compared to 2020.

8. The calculation formula of the employee turnover rate of each category is based on total number of employees resigned in this category at the end of the reporting period divided by total number of employees in this category, of which, the resigned employees is inclusive of those who leave the Company on their own accord only and exclusive of any termination, retirement or death in service. As the current management system of the Group does not yet support the statistics of employee turnover rate indicators other than rank and region, it is unable to disclose employee turnover rate indicators by gender and age. In the future, the system will be further improved to add subdivision disclosure dimensions.

6.3 ESG Indicators Index

<table>
<tr><th colspan="2">Scope of Environmental, Social and Governance, General Disclosure and Key Performance Indicators (KPI)</th><th>Corresponding Section(s)</th></tr>
<tr><td colspan="3">A Environmental</td></tr>
<tr><td rowspan="7">A1 Emissions</td><td>General Disclosure
Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer
relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.
Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
Hazardous wastes are those defined by national regulations.</td><td>2 Green and Low-carbon Co-Development
6.1 List of Policies</td></tr>
<tr><td>A1.1 The types of emissions and respective emissions data.</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>A1.5 Description of emissions target(s) set and steps taken to achieve them.</td><td>2.2 Green Construction
2.3 Green Operations</td></tr>
<tr><td>A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</td><td>2.3.2 Waste Management</td></tr>
<tr><td>A2 Use of Resources</td><td>General Disclosure
Policies on the efficient use of resources, including energy, water and other raw materials.
Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</td><td>2.3 Green Operations
6.1 List of Policies</td></tr>
</table>

Scope of Environmental, Social and Governance, General Disclosure and Key Performance Indicators (KPI)		Corresponding Section(s)
A2 Use of Resources	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.2 ESG Key Performance Tables
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2 ESG Key Performance Tables
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	2.2 Green Construction 2.3.1 Energy Saving and Consumption Reduction
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.2 Green Construction
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to principal activities
A3 The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.2 Green Construction 6.1 List of Policies
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.2 Green Construction
A4 Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.4 Responses to Climate Change
	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.4.1 Climate Change Mitigation 2.4.2 Responses to Extreme Weather Conditions

<table>
<tr><th colspan="2">Scope of Environmental, Social and Governance, General Disclosure and Key Performance Indicators (KPI)</th><th>Corresponding Section(s)</th></tr>
<tr><td colspan="3">B Social</td></tr>
<tr><td rowspan="3">B1 Employment</td><td>General Disclosure
Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer
relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</td><td>3.1.1 Fair Employment
3.1.2 Democratic Communication
3.2.2 Employee Benefits
3.4.2 Employee Promotion
6.1 List of Policies</td></tr>
<tr><td>B1.1 Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>B1.2 Employee turnover rate by gender, age group and geographical region.</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td rowspan="4">B2 Health and Safety</td><td>General Disclosure
Information on:
(a) the policies; and
(b) compliance with relevant laws and regulations that have a significant impact on the issuer
relating to providing a safe working environment and protecting employees from occupational hazards.</td><td>3.3.1 Safety Production Management
6.1 List of Policies</td></tr>
<tr><td>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>B2.2 Lost days due to work injury.</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</td><td>3.3.2 Occupational Health</td></tr>
<tr><td rowspan="3">B3 Development and Training</td><td>General Disclosure
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.
Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</td><td>3.4.1 Employee Trainings
6.1 List of Policies</td></tr>
<tr><td>B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</td><td>6.2 ESG Key Performance Tables</td></tr>
<tr><td>B3.2 The average training hours completed per employee by gender and employee category.</td><td>6.2 ESG Key Performance Tables</td></tr>
</table>

Scope of Environmental, Social and Governance, General Disclosure and Key Performance Indicators (KPI)		Corresponding Section(s)
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.1.1 Fair Employment 6.1 List of Policies
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	3.1.1 Fair Employment
	B4.2 Description of steps taken to eliminate such practices when discovered.	3.1.1Fair Employment
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	5.1.1 Supply Chain Management 6.1 List of Policies
	B5.1 Number of suppliers by geographical region.	6.2 ESG Key Performance Tables
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	5.1.1 Supply Chain Management 6.2 ESG Key Performance Tables
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.1.1 Supply Chain Management
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.1.1 Supply Chain Management
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.2.1 Product Responsibility 6.1 List of Policies
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to principal activities
	B6.2 Number of products and service related complaints received and how they are dealt with.	6.2 ESG Key Performance Tables
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	4.2.4 Intellectual Property and Privacy Protection
	B6.4 Description of quality assurance process and recall procedures.	4.2.1 Product Responsibility
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.2.4 Intellectual Property and Privacy Protection

Scope of Environmental, Social and Governance, General Disclosure and Key Performance Indicators (KPI)		Corresponding Section(s)
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.1.3 Building Integrity 6.1 List of Policies
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6.2 Not applicable to principal activities
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.1.3 Building Integrity
	B7.3 Description of anti-corruption training provided to directors and staff.	6.2 ESG Key Performance Tables
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	5.2 Social Charity 6.1 List of Policies
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	5.2.1 Warm-hearted Charity
	B8.2 Resources contributed (e.g. money or time) to the focus area.	6.2 ESG Key Performance Tables

Profile of Directors and Senior Management

Executive Directors

Mr. Jiang Xiuwen (姜修文), aged 45, was appointed as an executive Director of the Company on 16 December 2013 and the Chairman of the Board on 22 June 2018. He is the chief executive officer of the Group and also the chairman of the nomination committee and a member of the remuneration committee of the Company, responsible for the comprehensive operating management of the Group and material matters authorized by the Board. Mr. Jiang joined the Group in July 2000 and received his bachelor's degree in thermal treatment of metal from Dalian Jiaotong University (大連交通大學) in July 2000 and an executive master's degree in advanced business administration from Dalian University of Technology (大連理工大學) in July 2011. Mr. Jiang is a vice president of China Real Estate Association (中國房地產業協會), an executive director of China Society for Promotion of the Guangcai Program (中國光彩事業促進會) and a vice chairman of Dalian Federation of Industry and Commerce (大連市工商業聯合會). Mr. Jiang also won several awards, namely the "Liaoning May 1st Labour Medal" (遼寧五一勞動獎章) of the General Labor Union of Liaoning Province in 2010 and the "Model Worker" (勞動模範) by the People's Government of Liaoning Province in 2012.

Non-Executive Directors

Mr. Lu Jianhua (盧劍華), aged 54, was appointed as a non-executive director and vice chairman of the Company on 29 September 2021. Since July 2021, Mr. Lu has been the vice president of China Minsheng Jiaye Investment Co., Ltd. (being the controlling shareholder of the Company) and a non-executive director of SRE Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1207). He was vice chairman and vice principal of Xianda College of Economics and Humanities Shanghai International Studies University from 2020 to 2021. From 2004 to 2020, he successively worked as vice president, secretary of the disciplinary committee and deputy secretary of the party committee at CITIC Pacific (China) Investment Co., Ltd.. He worked as manager of No.2 Engineering Department and deputy general manager of the subsidiary, Jiuchuang Ltd., responsible for managing general work at the construction supervisory department of the Shanghai Maglev Project* (上海磁懸浮工程) from 2000 to 2004. He successively served as deputy director in various offices and in the engineering department responsible for managing general work at the construction supervisory department of Shanghai Pudong International Airport from 1995 to 2000. From 1994 to 1995, he worked as general manager at the Shanghai Housing System Reform Office* (上海市住房制度改革辦公室). He worked at the secretariat and the administration office of the General Office of Shanghai Municipal People's Government from 1984 to 1994. Mr. Lu graduated from Shanghai Polytechnic University in computer applications profession in 1993, graduated from East China Normal University in real estate operation and management profession in 1997 and graduated from Party School of The Central Committee of Communist Party of China*(中共中央黨校函授學院)in economics and management profession (on-job postgraduate study) in 2003. Mr. Lu has extensive management experience in construction and real estate industries.

Mr. Wang Gang (王剛), aged 47, was appointed as a non-executive Director of the Company on 26 March 2018. He has been an executive president of Yida Holdings Ltd. (億達控股有限公司) and the chairman of Beijing Yida Investment Co., Ltd. (北京億達投資有限公司) since 2016. From 2015 to 2016, Mr. Wang worked at China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司) (Shanghai stock code: 600340) as the general manager of its investment management center. From 2006 to 2015, Mr. Wang worked at the Group as the general manager of investment department. From 2002 to 2006, Mr. Wang worked at Dalian Merro Pharmaceutical Co., Ltd. (大連美羅藥業股份有限公司) (the then Shanghai stock code: 600297) as the manager of securities department and the securities representative of its board. From 1997 to 2002, Mr. Wang worked at Liaoning Machinery Import & Export Co., Ltd. (遼寧機械進出口股份有限公司) as the manager of securities department. Mr. Wang obtained his bachelor's degree in currency and banking and master's degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in 1997 and 2009, respectively. Mr. Wang obtained the qualification certificate of the training for the secretary to the board of directors issued by Shanghai Stock Exchange and the securities industry qualification in Mainland China, and he was also granted the title of economist in Mainland China.

Ms. Jiang Qian (蔣倩), aged 33, was appointed as a non-executive director of the Company on 11 February 2022. In 2015, Ms. Jiang joined Zhongmin Investment Management Co., Ltd., a wholly-owned subsidiary of China Minsheng Investment Corp., Ltd. (the controlling shareholder of the Company), and is currently acting as the deputy general manager of the alternative investment department of the company. From 2012 to 2015, Ms. Jiang served as the senior project manager of the second trust and investment banking department of Hwabao Trust Co., Ltd. Ms. Jiang obtained a bachelor's degree in economics from Xi'an University of Finance and Economics in 2009 and a master's degree in finance from Fudan University in 2012. Ms. Jiang is a Chartered Financial Analyst.

Mr. Ni Jie (倪傑), aged 33, was appointed as a non-executive Director of the Company on 31 March 2021. Since October 2019, Mr. Ni has successively served as a deputy general manager of the finance and treasury department and a general manager of the finance management department at CMIG Jiaye (the controlling shareholder of the Company). From July 2016 to September 2019, Mr. Ni served as an assistant to the general manager at the finance and treasury department of SRE Group Co., Ltd. (上置集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1207). From September 2011 to July 2016, Mr. Ni worked as an auditor at the Shanghai office of Ernst & Young Hua Ming LLP (Special General Partnership). Mr. Ni obtained his bachelor's degree in accounting from Shanghai International Studies University (上海外國語大學) in June 2011. Mr. Ni was admitted as a certified public accountant by the China Association of Certified Public Accountants (中國註冊會計師協會) in June 2016.

Independent Non-Executive Directors

Mr. Yip Wai Ming (葉偉明), aged 57, was appointed as an independent non-executive Director of the Company on 1 June 2014. He is also the chairman of the audit committee and a member of the nomination committee of the Company. Mr. Yip has over 20 years of experience in accounting, capital markets and corporate finance. From 1987 to 1996, Mr. Yip worked at Ernst & Young. From 1996 to 1998, Mr. Yip served as an associate director of ING Bank N.V., where he was principally engaged in corporate finance. From 1999 till now, Mr. Yip has held positions in a number of companies listed on the Stock Exchange, including serving as the chief financial officer of China New Energy Power Group Limited (stock code: 1041) from 1999 to 2001; the vice president of Hi Sun Technology (China) Limited (stock code: 818) from 2001 to 2003; the chief financial officer of Haier Electronics Group Co., Ltd. (stock code: 1169) from 2004 to 2009; an independent non-executive director of Ju Teng International Holdings Limited (stock code: 3336) from 2006 till now; an independent non-executive director of BBMG Corporation (stock code: 2009) from 2009 to 2015; the deputy general manager of Yuzhou Properties Company Limited (stock code: 1628) in 2010; an independent non-executive director of PAX Global Technology Limited (stock code: 327) from 2010 till now; an independent non-executive director of Far East Horizon Limited (stock code: 3360) from 2011 till now; an independent non-executive director of Poly Culture Group Corporation Limited (stock code: 3636) from 2013 till now; an independent non-executive director of Huobi Technology Holdings Limited (stock code: 1611) from October 2018 till now; and an independent non-executive director of Peijia Medical Limited (stock code: 9996) from May 2020 till now. Mr. Yip holds a bachelor's degree in social sciences from the University of Hong Kong and a bachelor's degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, an associate of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants.

Mr. Guo Shaomu (郭少牧), aged 56, was appointed as an independent non-executive Director on 1 June 2014. Mr. Guo is also a member of both the audit committee and remuneration committee of the Company. Mr. Guo has over 13 years of experience in investment banking in Hong Kong. From February 2000 to February 2001, Mr. Guo served as an associate of corporate finance of Salomon Smith Barney, an investment bank principally engaged in providing financial services (an investment banking arm of Citigroup Inc.), where he was primarily responsible for supporting the marketing and execution efforts of the China team. From March 2001 to September 2005, Mr. Guo served as an associate and an associate director of global investment banking of HSBC Investment Banking, an investment bank principally engaged in providing financial services, where he was primarily responsible for the execution of China-related transactions. From October 2005 to April 2007, Mr. Guo served as a vice president and a director of the real estate team of J.P. Morgan Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was primarily responsible for marketing efforts covering the real estate sector in China. From April 2007 to April 2013, Mr. Guo served as a director and a managing director of the real estate team of Morgan Stanley Investment Banking Asia, an investment bank principally engaged in providing financial services, where he was one of the key members responsible for the business in the real estate sector in the Greater China region. Since February 2015, Mr. Guo has been an independent non-executive director of Fantasia Holdings Group Co., Limited (Hong Kong stock code: 1777), a real estate developer based in Shenzhen, PRC. Mr. Guo has been appointed as an independent non-executive director of Ganglong China Property Group Limited (Hong Kong stock code: 6968) and Sunkwan Properties Group Limited (Hong Kong stock code: 6900) since June 2020 and October 2020, respectively. Mr. Guo received his Bachelor's degree in electrical engineering from Zhejiang University in July 1989, a Master's degree in computer engineering from the University of Southern California in May 1993 and a Master's degree in business administration from the School of Management of Yale University in May 1998.

Mr. Wang Yinping (王引平), aged 61, was appointed as an independent non-executive Director of the Company on 31 December 2016. He is also the chairman of the remuneration committee, a member of the audit committee and nomination committee of the Company. Mr. Wang has extensive experience in corporate management. Mr. Wang joined China National Chemical Import & Export Corporation (中國化工進出口總公司) (now known as Sinochem Corporation) ("Sinochem") in 1987 until he tendered his resignation as Vice President of Sinochem in 2014. Mr. Wang had held various senior positions in Sinochem and its subsidiaries ("Sinochem Group"), including the deputy general manager of the Hainan branch of Sinochem, general manager of the Pudong branch of Sinochem, the deputy general manager of China Foreign Economic and Trade Trust Company Limited (中國對外經濟貿易信託有限公司), the general manager of the human resource department of Sinochem, the vice president of Sinochem Group, general manager of Sinochem International Trading Company Limited (now known as Sinochem International Corporation (中化國際(控股)股份有限公司)) (Shanghai stock code: 600500), the chairman of the China Foreign Economic and Trade Trust Company Limited and the chairman of the Sinochem Lantian Co., Ltd (中化藍天集團有限公司). Mr. Wang had also served as a director of the board of Bank of Communications Co., Ltd (交通銀行股份有限公司) (Hong Kong stock code: 03328) from 2001 to 2004, and non-independent Director of Zhejiang Int'l Group Co., Ltd (浙江英特集團股份有限公司) (Shenzhen stock code: 000411) from 2010 to 2014. From January 2015 to December 2016, Mr. Wang was an executive director of China Pioneer Pharma Holdings Limited (Hong Kong stock code: 1345) and was re-designated as a non-executive director from December 2016 to December 2019. From July 2017 to September 2020, Mr. Wang served an independent non-executive director of Western Resources Corp., Canada (TSX: WRX). Since March 2019, Mr. Wang has been an independent non-executive director of China Risun Group Limited (Hong Kong stock code: 1907). Mr. Wang obtained a bachelor's degree in law from Renmin University of China in 1985 and a master's degree in business administration from the China Europe International Business School in 2004.

Mr. Han Gensheng (韓根生), aged 67, was appointed as an independent non-executive Director of the Company on 31 December 2016. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Han has extensive experience in corporate management. Mr. Han has worked in various positions since August 1978, including the director of the logistics and warehousing division of China National Chemicals Import & Export Corporation (中國化工進出口總公司), the general manager of Sinochem International Storage & Transportation Co., Ltd (中化國際儲運有限公司), vice president of America West Pacific Refinery Co., the general manager of West Rockies Inc., the general manager of refined oil division of Sinochem Group, the vice president and a party member of Sinochem Group, the general manager of Sinochem International Oil Co., Ltd. (中化國際石油有限公司), the general manager of Sinochem Petroleum Exploration and Production Co., Ltd. (中化石油勘探開發有限公司), the general manager of Sinochem Corporation (中化股份有限公司) and a director and general manager of Sinochem Europe Holdings PLC (中化歐洲集團公司). From October 2016 to October 2020, Mr. Han served as an independent non-executive director of SRE Group Limited (Hong Kong stock code: 1207). Mr. Han obtained a bachelor's degree in Ocean Transportation from Shanghai Maritime University in 1978 and had participated in one month training sessions of business administration in both the Wharton School and University of Cambridge.

Senior Management

Mr. Li Yong (李勇), aged 44, is a vice president of the Group, responsible for assisting the Chief Executive Officer in the overall management of the Group's production and operations. Mr. Li joined the Group in 2019. From 2017 to 2019, Mr. Li served as the general manager of Zhoushan and Wenzhou Branch of Evergrande Real Estate Group East China Company. From 2004 to 2017, Mr. Li served as manager of tender procurement department, director of engineering and deputy general manager of Dalian Shengbei Real Estate Co., Ltd., general manager of Dalian Lanwan Property Company Limited, cost director of Yida Development Company Limited, project general manager of Dalian Ruanjing Property Development Company Limited, and Chinese general manager of Dalian Qingyun Sky Realty and Development Company Limited. Mr. Li obtained a master's degree in engineering from Karlsruhe University of Applied Sciences in Germany in 2002 and a bachelor's degree in architectural engineering from Dalian University of Technology in 2000. Mr. Li holds the technical title of senior engineer.

Ms. Zhou Zhilan (周芝蘭), aged 44, is a vice president of the Group, responsible for the Group's financial management, accounting, taxation management and related work. Ms. Zhou joined the Group in 2001. From 2001 to 2017, she served as a manager of the finance department, general manager of the Finance Department and Chief Financial Officer of Dalian Yida Property Company Limited, Dalian Yida Property Management Company Limited, Dalian Software Park Shitong Development Company Limited and Dalian Software Park Development Company Limited, subsidiaries of the Group. From 2018 to 2021, she served as the deputy general manager of Dalian region and has served as the vice president of the Company since March 2021. Ms. Zhou graduated with a master's degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in 2012 and a double bachelor's degree in statistics/economic law from Liaoning University in 2000. Ms. Zhou is an intermediate economist.

Ms. Zhang Lu (張璐), aged 39, is a vice president of the Group, responsible for the Group's internal control of the legal affairs. Ms. Zhang joined the Group in 2021. From 2017 to 2019, Ms. Zhang served as the deputy general manager in the Legal Department of Zhenro Properties Holdings Company Limited* (正榮地產控股股份有限公司). From 2013 to 2017, Ms. Zhang acted as the legal director of Shanghai Fosun High Technology (Group) Co., Ltd. From 2009 to 2013, Ms. Zhang served as a lawyer in Shanghai Allbright Law firm. From 2005 to 2009, Ms. Zhang served as the legal director of CITIC Pacific (China) Investment Co., Ltd. Ms. Zhang obtained a bachelor's degree in economic law from Shanghai University of Finance and Economics in 2005 and a master's degree in business administration from Fudan University in 2014. Ms. Zhang holds a Chinese legal professional qualification certificate.

Mr. Li Bing (李兵), aged 44, is a vice president of the Group, responsible for the Group's investment operations, investment and extension development, industry research, and brand management. Mr. Li joined the Group in 2010. From 2002 to 2010, Mr. Li served as a manager of the project development department of Rightway Real Estate Co., Ltd. (正源房地產有限公司) and director of operations of the Chongqing Branch of Rightway Real Estate Co., Ltd. Since 2010, Mr. Li has successively served as general manager of the development department of Yida Development Company Limited, vice president of Yida Technology New City Management Co., Ltd.（億達科技新城管理有限公司）and general manager of Zhengzhou Yida Technology New City Development Co., Ltd. (鄭州億達科技新城發展有限公司). Mr. Li obtained a bachelor's degree in finance from Dongbei University of Finance and Economics in 2001. Mr. Li is an intermediate economist.

Joint Company Secretaries

Mr. Sun Mingze (孫銘澤), a joint company secretary of the Company, is currently an assistant CEO. Since, joining the Group in 2013, Mr. Sun served as the general manager of the investment department of the Group and was appointed as a senior management of the Group since 2018. Mr. Sun graduated from the Acadia University in Canada majoring in Economics in 2005.

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

Directors' Report

The Board is pleased to present the report and audited financial statements of the Group for the year ended 31 December 2021.

Principal Activities

The Company is an investment holding company and its subsidiaries principally engage in the business of development and operation of business parks, the development and sales of multifunctional integrated residential community projects, the operation and management, construction, decoration, landscaping and the property management of business parks. In March 2021, the Company disposed of Yida Property Service Company Limited ("**Yida Property Service**") and its wholly-owned subsidiary. The Company's property management services business focused solely on elderly care, community retail services, food and beverage services and leasing.

Results

The results of the Group for the year ended 31 December 2021 are set out on page 109 of this annual report.

Business review

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

Environmental policy and performance

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

Compliance with relevant laws and regulations

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

Major risks and uncertainties

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

Relationships with major stakeholders

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

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

Dividends

The Board does not recommend any payment of final dividend for the year ended 31 December 2021.

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

AGM and Closure of Register of Members

The Company will further determine the date, time and place of the forthcoming annual general meeting of the Company (the "**AGM**") and the relevant period of closure of register of members. Notice convening the AGM will be published and despatched in the manner prescribed by the Listing Rules and the Article of Association in due course.

Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 199 of this annual report.

Property, Plant and Equipment and Investment Properties

The details of changes of the property, plant and equipment and investment properties of the Company and the Group during the Year are set out in notes 15 and 16 to the consolidated financial statements of the Group, respectively. Further details of the Group's major investment properties are set out on page 10 of this annual report.

Borrowings

Details of borrowings are set out in note 31 to the financial statements of the Group.

Reserves

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

Distributable Reserves

As at 31 December 2021, the available distributable reserves of the Company was approximately RMB1,288,734,000.

Donations

The donations made by the Group during the Year was approximately RMB454,800.

Pension Scheme

Employees in the Group's PRC subsidiaries are required to participate in a central pension scheme operated by the local municipal government. The Group's PRC subsidiaries are required to contribute certain percentages of their payroll costs to the scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme. As at 31 December 2021, no forfeited contributions were available to reduce the existing level of contributions payable by the Group.

Major Customers and Suppliers

For the year ended 31 December 2021, the sales attributable to the Group's five largest customers was less than 30% of the Group's total sales for the same period, while the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total purchases for the same period. None of the Directors, their close associates or any shareholder (who to the knowledge of the Directors owns more than 5% of the share capital of the Company) had any interest in the share capital of any of the five largest customers and suppliers of the Group for the year ended 31 December 2021.

Share Capital

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

Purchases, Sale or Redemption of Listed Securities of the Company

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

Debentures of the Company

References are made to the Company's announcements dated 25 February 2021 and 8 March 2021.

On 17 April 2017, the Company issued the US$300,000,000, 6.95% senior notes due 19 April 2020 (the "**2020 Notes**").

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

On 25 February 2021, the Company sought the consent of the bond holders for certain proposed waivers and proposed amendments under the 2022 Note Deed (the "**Consent Solicitation**"). Completion of the Exchange Offer and Consent Solicitation took place on 8 March 2021, which included (i) Hong Kong International Arbitration Centre issued a final award in relation to the arbitration on 20 October 2020 that the Company failed to pay the full put option price to the Claimants within 90 days and the breach of contract was exempted; (ii) the 2022 Notes holders may exercise the put option on 8 March 2021 and waive the Company's payment obligations under the put option; (iii) the interest rate on the Notes was reduced from 14.0% to 12.0% per annum for the period from 27 March 2021 to the maturity of the 2022 Notes.

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

1. The Disposal of Yida Property Service and its Subsidiaries

On 4 March 2021, four wholly-owned subsidiaries of the Company as vendors entered into an equity transfer agreement and a supplemental agreement with, inter alia, Longfor Jiayue Property Service Company Limited ("**Longfor**") as purchaser to dispose of the entire equity interests in Yida Property Service and its subsidiaries at a consideration of RMB1,273 million. Such disposal was completed on 10 March 2021 and the financial results of Yida Property Service together with its subsidiaries have been deconsolidated from the financial statements of the Group.

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 Disposal of 50% of the Equity Interest in the Joint Venture

On 21 May 2021, Dalian Software Park Company Limited, a wholly-owned subsidiary of the Company, as vendor entered into an equity transfer agreement with Ascendas (China) Pte Ltd as purchaser and DLSP Ascendas as the target company in relation to the disposal of 50% equity interest in DLSP Ascendas at a consideration of RMB501 million. Such disposal was completed on 21 May 2021 and the financial results of DLSP Ascendas have been deconsolidated from the financial statements of the Group.

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

Save as disclosed above, the Company has no other significant investments or material acquisitions of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Company did not have other plans for material investments or capital assets as at the date of this annual report.

Litigation and Arbitration

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

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

On 4 March 2021, the Respondents and the Claimants entered into the settlement agreement (the "**Settlement Agreement**"). The Respondents acknowledged that they are indebted to the Claimants for approximately USD209 million (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.

Pre-Emptive Rights

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

Professional Tax Advice Recommended

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

Permitted Indemnity Provision

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

Equity-linked Agreements

Save for the Company's share option scheme as disclosed below, during the year ended 31 December 2021, no equity-linked agreements were entered into by the Company or subsisted at the end of the year.

Share Option Scheme

The Company adopted a share option scheme on 1 June 2014 (the "**Share Option Scheme**"). During the period from the date of adoption to 31 December 2021, no share options have been granted under the Share Option Scheme.

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

1. **Purpose of the Share Option Scheme:**

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

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

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

2. **Participants of the Share Option Scheme:**

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

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

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

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

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

As at 31 December 2021, no share option has been granted under the Share Option Scheme.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not in aggregate exceed 258,000,000 Shares, representing approximately 9.98% of the total number of issued Shares as at the date of this report.

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

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

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

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

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

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

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

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

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

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

8. The basis of determining the exercise price:

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

9. The remaining life of the Share Option Scheme:

Subject to the earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption (i.e. expiring on 31 May 2024). The remaining life of the Share Option Scheme is approximately 2 years and 1 month.

Directors and Directors' Service Contracts

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

Executive Directors

Mr. Jiang Xiuwen *(Chairman and Chief Executive Officer)*
Mr. Yu Shiping *(resigned on 31 March 2021)*
Ms. Zheng Xiaohua *(resigned on 31 March 2021)*

Non-Executive Directors

Mr. Lu Jianhua *(Vice chairman) (appointed on 29 September 2021)*
Mr. Wang Gang
Mr. Zhang Xiufeng *(resigned on 29 September 2021)*
Mr. Cheng Xuezhi *(appointed on 31 March 2021 and resigned on 11 February 2022)*
Mr. Ni Jie *(appointed on 31 March 2021)*
Ms. Jiang Qian *(appointed on 11 February 2022)*

Independent Non-Executive Directors

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

Mr. Jiang Xiuwen, an executive Director, has entered into a service contract with the Company for a term of three years commencing from 1 June 2020. Mr. Lu Jianhua, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 29 September 2021. Mr. Wang gang, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 26 March 2021. Mr. Ni Jie, being the non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 31 March 2021. Ms. Jiang Qian, a non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 11 February 2022. Independent non-executive Directors Mr. Yip Wai Ming and Mr. Guo Shaomu have entered into a letter of appointment with the Company for a term of three years commencing from 27 June 2020. Independent non-executive Directors Mr. Wang Yinping and Mr. Han Gensheng have entered into a letter of appointment with the Company for a term of three years commencing from 31 December 2019. None of the Directors, including Directors being proposed for re-election at the forthcoming annual general meeting, has a service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payments of compensation other than statutory compensation.

In accordance with Article 83(3) and 84(1)(2) of the Articles of Association, Ms. Jiang Qian, Mr. Lu Jianhua, Mr. Jiang Xiuwen, Mr. Wang Gang and Mr. Han Gensheng shall retire and being eligible, intend to offer themselves for re-election at the AGM.

Remuneration of Directors and Five Highest Paid Individuals

The remuneration of the Directors are decided by the Board with reference to the recommendation given by the remuneration committee of the Company (the "**Remuneration Committee**"), having regard to their skills and knowledge, their job responsibilities, level of their involvement in the Group's affairs, their individual performance and comparable market statistics. For the year ended 31 December 2021, the details of the remuneration of the directors and five highest paid individuals of the Group are set out in notes 9 and 10 to the financial statements of the Group, respectively.

Directors' Interests in Contracts of Significance

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

Directors' Interests in a Competing Business

As at 31 December 2021, none of the Directors had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

Controlling Shareholders' Interests in Contract of Significance

Save as disclosed in the section headed "Connected Transactions" below, there was no contract of significance in relation to the Group's business to which the Company, any of its subsidiaries or its holding company was a party and in which a controlling shareholder had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries was entered into during the Year or subsisted at the end of the Year.

Management Contracts

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

Connected Transactions

Loan agreement

On 3 December 2019, Dalian Shengyue Property Development Company Limited, a wholly-owned subsidiary of the Company (the "**Borrower**") entered into the loan agreement (the "**Loan Agreement**") with Shanghai Jiayu Medical Investment Management Co., Ltd. (the "**Lender**") pursuant to which the Lender agreed to provide the loan of up to RMB288,500,000 in three tranches, bearing interest rate of 8% per annum. The Group also entered into the pledge agreement and the guarantee agreement in favor of the Lender as security for the loan. For details, please refer to the announcements of the Company dated 3 December 2019 and 15 January 2020, and the circular on 30 December 2019.

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

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

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

On 11 March 2021, the Borrower and the Lender entered into the third extension agreement (the "**Third Extension Agreement**") in order to extend the repayment date of the First Tranche Loan of RMB230,000,000 to 31 October 2021 and revised the loan amount by taking into account the unpaid interests charged on the First Tranche Loan. All other terms in the Loan Agreement shall remain valid and in force. For details, please refer to the announcements of the Company dated 11 March 2021 and 1 June 2021 and the circular dated 30 April 2021.

The Lender is a direct wholly owned subsidiary of China Minsheng Jiaye Investment Co., Ltd, the controlling shareholder of the Company, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules and the transactions under the Loan Agreement, the First Extension Agreement, the Second Extension Agreement and the third Extension Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31 December 2021.

Related Party Transactions

During the year ended 31 December 2021, the Group entered into transactions with related parties as disclosed in notes to the consolidated financial statements of the Group. The transactions set out in note 42(a). Related Party Transactions do not constitute connected transactions of the Group, and the transactions set out in note 42(b) constitute fully exempt connected transactions of the Group, for all of which the applicable requirements under the Listing Rules have been duly complied with.

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

As at 31 December 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 were as follows:

(I) Interest in the shares and underlying shares of the Company

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

Notes:

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

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

(3) Mr. Wang Gang beneficially owns the entire issued share capital of Mighty Equity Limited, which in turn owns 100% of the issued share capital of Grace Sky Harmony Limited. Grace Sky Harmony Limited owns 2.68% of the issued share capital of the Company. By virtue of the SFO, Mr. Wang Gang is deemed to be interested in the Shares held by Grace Sky Harmony Limited.

(II) Interest in associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares[1]	Percentage of the issued share capital of that associated corporation held
Mr. Jiang Xiuwen	Keen High Keen Source Limited	Interest of a controlled corporation	5,180(L)[2]	74.21%

Notes:

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

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

Save as disclosed above, as at 31 December 2021, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2021, so far as the Directors are aware, the following persons (other than the Directors and the chief executive of the Company) or institutions had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of shares held[1]	Approximate percentage in the Company's issued share capital
Jiayou (International) Investment Limited [2][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%
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 China Minsheng Jiaye Investment Co., Ltd ("**CMIG Jiaye**"). Shanghai Pinzui Enterprise Management Ltd. ("**Pinzui**") is beneficially owned by CMIG Jiaye. Jiahuang (Holdings) Investment Limited ("**Jiahuang**") is beneficially wholly-owned by Pinzui. Jiayou (International) Investment Limited ("**Jiayou**") is beneficially wholly-owned by Jiahuang. By virtue of the SFO, China Minsheng, CMIG Jiaye, Pinzui and Jiahuang are deemed to hold equity in 1,581,485,750 shares held by Jiayou.

(3) 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 31 December 2021, there was no other person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Adequacy of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2021 and up to the date of this annual report, the Company has maintained a sufficient public float of at least 25% of the total number of issued Shares as required under the Listing Rules.

Disclosure Pursuant to Rule 13.21 of the Listing Rules

Breach of significant loan agreements

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

1. In April 2019, China Minsheng, the controlling shareholder of the Company, had faced liquidity difficulties and which technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.

2. In February 2020, Mr. Chen Donghui, a previous executive Director, was detained by the authorities of the PRC. It has further resulted in the occurrence of certain triggering events under certain loan agreements.

3. On 17 April 2017, the Company issued the 2020 Notes. The remaining outstanding principal amount of USD52,854,000 was due on 20 April 2020, and the Company had repaid in full on 24 April 2020 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest) of the 2022 Notes on 16 April 2021, and the Company had repaid in full on 4 May 2021 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest), semi-annual interest and the principal amount of USD45,000,000 (together with the accrued interest) of the 2022 Notes on 27 August 2021, 27 September 2021 and 27 December 2021, respectively, and the Company's failure to make such payments constituted an event of default. Pursuant to the Consent Solicitation completed on 16 February 2022, among other things, the aforesaid events of defaults were waived.

4. According to the Final Award issued by the Hong Kong International Arbitration Centre dated 20 October 2020, the Respondents were required to pay the put option price and interest to the Claimants. The Respondents failed to comply with the award within 90 days resulting in a technical default on the 2022 Notes. In March 2021, the Respondents entered into the Settlement Agreement with the Claimants and the investors of the 2022 Notes have agreed to exempt the breach of contract. According to the payment schedule and the entitled grace period of ten days in the Settlement Agreement, USD50,000,000 (together with the accrued interests) shall be paid before 10 May 2021, and the Respondents has repaid in full on 24 May 2021. On 26 May 2021, the Claimants provided a written confirmation that the delay in payment will not give rise to an event of default. According to the payment schedule and the entitled grace period of ten day in the Settlement Agreement, USD50,000,000 shall be paid before 10 June 2021 and USD40,000,000 (together with the accrued interests) shall be paid before 10 October 2021. As at the date of this annual report, such amounts have not been paid and constituted an event of default.

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

6. The Company has failed to repay certain borrowings together with accrued interests under the corresponding agreements with lenders according to the respective scheduled repayment dates set out therein (the "**Borrowings Overdue**"). As at 31 December 2021, RMB2,154,149,000 remained unsettled, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of this annual report. The delay in payment of such aggregate sum has constituted an event of default.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders. As at the date of this annual report, no relevant lender had demanded for immediate repayment of the loans. In addition, the operation of the Group, including its pre-sale and receivables collection, remains normal. The Company and relevant banks and financial institutions continue to negotiate on the future financing arrangements with the Company, and at the same time is also exploring alternative sources of financing.

Specific performance of the controlling shareholder

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

Pledging of shares by the controlling shareholder

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

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

Subsequent Events

Reference is made to the announcements of the Company dated 7 February 2022 and 17 February 2022.

On 7 February 2022, there was a solicitation of consents (the "**Consent Solicitation**") entered into between the Company, certain of its subsidiaries (as subsidiary guarantors) and Citicorp International Limited (as trustee) in relation to the proposed waivers of certain defaults under the indenture dated as of 27 March 2020 (as supplemented or amended, the "**Indenture**") and the 2022 Notes and the proposed amendments to the Indenture. Completion of the Consent Solicitation took place on 16 February 2022, which mainly included, among other things, (i) the waiver of events of default relating to the failure to pay the outstanding principal amount and interest (including default interest) under the Indenture, and other payment defaults under other indebtedness and the waiver of other consequential breaches and defaults arising from such events of default; (ii) the extension of the maturity date of the 2022 Notes to 30 April 2025 and the amendment to the repayment schedule for the outstanding principal amount of the 2022 Notes; and (iii) the change in the interest rate of the 2022 Notes to 6.0% per annum and the default rate was changed to 2.0% per annum over the new interest rate and the interest payment dates were changed to 30 April and 30 October each year.

Auditor

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

By order of the Board
Yida China Holdings Limited
Jiang Xiuwen
Chairman and Chief Executive Officer

Hong Kong, 31 March 2022

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2021.

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

Throughout the Year, the Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules in force. Unless otherwise stated, reference made in this corporate governance report in relation to the CG Code is referred to the provisions contained in the Appendix 14 to the Listing Rules in force during the year ended 31 December 2021 and as at 31 December 2021.

The Board is of the view that, during the Year, except for the deviation from code provision A.2.1 of the CG Code, the Company has complied with the principles and the code provisions set out in the CG Code.

(A) The Board of Directors

Board Composition

During the Year and up to the date of this annual report, the Board consisted of Mr. Jiang Xiuwen (Chairman and Chief Executive Officer), Mr. Yu Shiping (resigned on 31 March 2021) and Ms. Zheng Xiaohua (resigned on 31 March 2021) as the executive Directors; Mr. Lu Jianhua (Vice Chairman) (appointed on 29 September 2021), Mr. Wang Gang, Mr. Zhang Xiufeng (resigned on 29 September 2021), Mr. Cheng Xuezhi (appointed on 31 March 2021 and resigned on 11 February 2022), Mr. Ni Jie (appointed on 31 March 2021) and Ms. Jiang Qian (appointed on 11 February 2022) as non-executive Directors; Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng as the independent non-executive Directors. The biographical details of the Directors as at the date of this report are set out in the section headed "Profile of Directors and Senior Management" of this annual report. The overall management of the Company's operation is vested in the Board. Saved as disclosed in this annual report, to the knowledge of the Company, the Board members have no financial, business, family or other material relationship with each other.

Board's Responsibilities

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

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

Delegation by the Board

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

Compliance with the Model Code for Directors' Securities Transactions

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

Directors' Responsibilities for Financial Statements

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

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

Chairman and Chief Executive Officer

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

Independent Non-Executive Directors

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

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

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

Board Meetings and General Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Pursuant to the code provision A.1.1 of the CG Code (renumbered as code provision C5.1 with effect from 1 January 2022), during the Year, the Company held six Board meetings. All Directors participated in the Board meetings. The attendance record of the Directors in the Board meetings are set out in the section headed “Meeting Attendance” in this annual report.

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

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

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

The Board procedures are in compliance with the articles of association (the “**Articles**”) of the Company, as well as relevant rules and regulations. During the Year, the Company held an extraordinary general meeting and an annual general meeting on 1 June 2021, respectively.

Appointment, Re-election and Removal of Directors

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

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

In accordance with Article 83(3) and 84(1)(2) of the Articles, Ms. Jiang Qian, Mr. Lu Jianhua, Mr. Jiang Xiuwen, Mr. Wang Gang and Mr. Han Gensheng shall retire by rotation, and being eligible, intend to offer themselves for re-election as Directors at the AGM.

Induction and Continuing Development for Directors

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

During the Year, all of the Directors, namely, Mr. Jiang Xiuwen, Mr. Yu Shiping (resigned on 31 March 2021), Ms. Zheng Xiaohua (resigned on 31 March 2021), Mr. Lu Jianhua, Mr. Wang Gang, Mr. Zhang Xiufeng (resigned on 29 September 2021), Mr. Cheng Xuezhi (resigned on 11 February 2022), Mr. Ni Jie, Ms. Jiang Qian, Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng have complied with code provision A.6.5 of the CG Code and participated in continuous professional development including attended a training course organized by the Company for Directors to update the Directors on the new amendments to the relevant code and the related Listing Rules. Some Directors also attended seminars, conferences and/or forums and read newspapers, journals, Company newsletters and updates relating to the economy, general business, real estate or Directors' duties and responsibilities, etc.

Board Diversity Policy

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

Board Committees

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

Nomination Committee

The Nomination Committee of the Company is established with written terms of reference in compliance with Rule 3.27A of the Listing Rules and code provision A.5 of the CG Code. The Nomination Committee was comprised of one executive director and three independent non-executive directors, namely Mr. Jiang Xiuwen as the chairman, and Mr. Yip Wai Ming, Mr. Wang Yinping and Mr. Han Gensheng as members.

The Nomination Committee is primarily responsible for recommending to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required as well as assessing the independence of each independent Director. Its written terms of reference cover recommendations to the Board on the appointment, succession or removal of Directors, evaluation of Board composition and the management of Board succession. The written terms of reference of the committee are in line with the provisions of the CG Code. During the Year, the Nomination Committee convened a meeting on 31 March 2021 to discuss the structure, size and composition of the Board, assess the independence of each independent non-executive Director and the change of Director, make recommendations to the Board on the re-appointment of Directors, review the policy on the Board Diversity Policy and measurable objectives for implementing such Board Diversity Policy, and review the nomination policy of the Company and convened a meeting on 29 September 2021 to discuss the change of Directors.

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

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

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

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

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

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

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

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

To ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance, selection of candidates is based on a range of diversified perspectives: nine Directors aged between 33 and 67; one is female and in terms of academic qualifications, there are six masters and three bachelors.

Audit Committee

The Audit Committee of the Company is established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provisions D.3 of the CG Code. The Audit Committee is comprised of all independent non-executive Directors. Mr. Yip Wai Ming is the chairman and Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng are members. The Group's accounting principles and practices, financial statements and related materials for the year ended 31 December 2021 had been reviewed by the committee.

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

During the Year, the Audit Committee convened a meeting on 31 March 2021 to review the Company's annual report for the year ended 31 December 2020, and convened a meeting on 20 August 2021 to review the Company's interim report for the six months ended 30 June 2021.

Remuneration Committee

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

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

During the Year, the Remuneration Committee convened a meeting on 31 March 2021 to discuss the reasonableness matters related to the remuneration of the Directors and senior management and convened a meeting on 29 September 2021 to discuss the appointment of Directors.

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

The emolument paid to four senior management members of the Company fall within the following categories:

Emolument bands (in HK dollar)	Number of individuals
HK$1,000,001 – HK$1,500,000	2
HK$1,500,001 – HK$2,000,000	2

Meeting Attendance

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

Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	General meetings
Executive Directors					
Jiang Xiuwen	6/6		2/2	2/2	2/2
Yu Shiping (1)	2/2				0/2
Zheng Xiaohua (2)	2/2				0/2
Non-executive Directors					
Lu Jianhua (3)	0/0				0/2
Wang Gang	6/6				2/2
Zhang Xiufeng (4)	6/6				2/2
Cheng Xuezhi (5)	4/4				2/2
Ni Jie (6)	4/4				2/2
Independent Non-executive Directors					
Yip Wai Ming	6/6	2/2	2/2		2/2
Guo Shaomu	6/6	2/2		2/2	2/2
Wang Yinping	6/6	2/2	2/2	2/2	2/2
Han Gensheng	6/6	2/2	2/2	2/2	2/2

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

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

(3) Mr. Lu Jianhua was appointed on 29 September 2021.

(4) Mr. Zhang Xiufeng resigned on 29 September 2021.

(5) Mr. Cheng Xuezhi was appointed on 31 March 2021 and resigned on 11 February 2022.

(6) Mr. Ni Jie was appointed on 31 March 2021.

Company Secretary

On 11 June 2021, Ms. Wang Huiting resigned as the joint company secretary of the Company and Mr. Sun Mingze was appointed as the joint company secretary of the Company. Ms. Kwong Yin Ping Yvonne is an external joint company secretary and assists Ms. Wang and Mr. Sun to discharge the functions. During the Year, three of them have confirmed that they have complied with Rule 3.29 of the Listing Rules.

The major contact person of the Company is Mr. Sun Mingze, the joint company secretary.

(B) Financial Reporting and Internal Control

Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2021, and for ensuring the financial statements are published in a timely manner.

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

Pursuant to the code provision C.1.1 (renumbered as code provision D.1.1 with effect from 1 January 2022) of the CG Code, the senior management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

The working scope and reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are set out on page 108 of the "Independent Auditor's Report" in this annual report.

In preparing the financial statements for the year ended 31 December 2021, the Directors have selected suitable accounting policies and applied them consistently, approved adoption of all applicable Hong Kong Financial Reporting Standards in effect, made judgments and estimates that are appropriate, and prepared the financial statements on a going concern basis. The management is of the view that the Group will continue as a going concern for the reasons stated as set out in note 2.1(c) to the consolidated financial statements.

External Auditor and Auditor's Remuneration

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

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

During the Year, the remuneration paid to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2021 amounted to approximately RMB4,350,000 and RMB800,000, respectively. The non-audit services include the work in relation to circular and tax consultant services.

There has been no change in the auditors of the Company in any of the preceding three years.

Risk Management and Internal Control

In order to standardise its business management, effectively prevent and properly deal with various types of risks, the Company focuses on sorting out problems that may affect its normal operations, including business operations, investment projects and financing, establishes a risk account, evaluates risks and classifies them according to high, medium and low levels (for medium and high level risks, the Company formulates remedial measures and designates relevant responsible personnels), strengthens risk monitoring, provides early warning and takes timely reports and countermeasures. In case of risk events, litigation and arbitration cases and other unexpected events, the handling company or department shall immediately report to the risk control department of the Company and the management of the Company when the matter is known or confirmed. The legal affairs and risk control department of the Company shall assist in the remedial actions to resolve such risks in accordance with laws and regulations and the Company's policies, and significant decisions shall be reported to the Board for decision-making and action plans in accordance with authorization and procedures.

The Company's risk management and internal control management system is implemented from three aspects: the organisational structure, system and process. With the goal of ensuring operation, compliance management, and risk prevention and control, the organizational risks are under the unified management of the risk management personnels, whereas major risks, major cases and major operation matters are managed by the legal affairs and risk control department in a centralized manner, so as to achieve overall consideration, co-ordination and concentration of strengths, and to ensure compliance in the prevention and control of major matters.

The risk control system assists the Company in formulating rules and regulations for each business, completing the organizational structure, and supplementing it with training to enhance employees' awareness of compliance operations and risk management and control. The Company revises and improves the authorization and approval system and process according to the Company's strategic organizational plan on an annual basis so as to match the system management and control requirements, and conducts internal monitoring and control through information-based automatic detection and manual reporting.

The Board conducts a review of the effectiveness of the risk management and internal control systems of the Group at least annually. The review covers the financial, operational compliance and risk management aspects of the Group. The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard shareholders' investments and the Group's assets, and reviewing the effectiveness of such on an annual basis through the Audit Committee. In addition to the external audit, the Company has established an internal audit department to conduct regular audits for the Company and its subsidiaries, whether the financial, operational and other functional systems are complete, the compliance of the system implementation, the performance of senior employees, and report to the Board and make suggestions. The work of the internal audit department will ensure the proper operation and effective implementation of the risk management and internal control systems as planned; protect the Group's assets from unauthorized misappropriation or disposal; ensure compliance with relevant laws, regulations and internal policies and procedures.

During the Year, the Board has conducted a review of the effectiveness of the risk management and internal control systems of the Company covering all material controls, including financial, operational and compliance control. It has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions. No significant control failings or weaknesses had been identified during the Year. The Board considers that the existing risk management and internal control systems are reasonably effective and adequate.

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

Further, the Company has developed its disclosure policy which provides a general guide to the directors, senior management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

(C) Dividend Policy

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

(D) Communications with Shareholders and Investors

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

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

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

There were no changes to the Company's constitutional documents during the year ended 31 December 2021. The Company's existing constitutional documents have been published at the website of the Company and the website of Hong Kong Exchanges and Clearing Limited and are available for access.

(E) General Meetings and Shareholders' Rights

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

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

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

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

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

Independent Auditor's Report

羅兵咸永道

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

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Yida China Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 109 to 198, which comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

As described in note 2.1(c) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB6,468,987,000 as at 31 December 2021. At the same date, its current borrowings amounted to RMB10,870,260,000 while its cash and cash equivalents amounted to RMB443,200,000 only. During the year ended 31 December 2021, the Group failed to repay certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"), and total borrowings of RMB2,154,149,000 remained unsettled as at 31 December 2021, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of this report. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties (the "**Aetos Parties**") amounted to RMB824,904,000 as at 31 December 2021. Subsequent to 31 December 2021, the Aetos Parties formally demanded the Group to settle the unpaid balance or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Borrowings Overdue and the Aetos Parties Matter, together with other matters described in note 2.1(c), constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders. These events or conditions, along with other matters as set forth in note 2.1(c) to the consolidated financial statements, indicate that material multiple uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the delayed repayments to financial institutions, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including (i) the successful and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group; (ii) the successful negotiation with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings; (iii) the successful obtaining of additional new sources of financing as and when needed; (iv) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows; and (v) the successful disposal of relevant assets and investments at reasonable prices and timely collection of the proceeds.

As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

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

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

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

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements due to the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements.

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

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 31 March 2022

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Continuing operations			
Revenue	5	**5,395,065**	4,848,906
Cost of sales	8	**(3,761,063)**	(3,678,887)
Gross profit		**1,634,002**	1,170,019
Other income	6	**18,307**	36,479
Gains arising from acquisition of subsidiaries	36	**–**	454,889
Fair value (losses)/gains on investment properties	16	**(117,238)**	81,073
(Provision for)/net reversal of impairment losses on financial and contract assets	45	**(15,947)**	2,663
Other (losses)/gains – net	7	**(473,900)**	78,920
Selling and marketing expenses	8	**(220,957)**	(165,041)
Administrative expenses	8	**(341,198)**	(409,613)
Finance costs-net	11	**(821,294)**	(832,091)
Share of profits and losses of joint ventures and associates	19,20	**90,953**	87,198
(Loss)/profit before income tax		**(247,272)**	504,496
Income tax expenses	12	**(620,694)**	(336,191)
(Loss)/profit from continuing operations		**(867,966)**	168,305
Profit from discontinued operation (attributable to equity holders of the Company)	28	**890,156**	28,534
Profit for the year		**22,190**	196,839
Attributable to:			
Owners of the Company		**2,934**	172,576
Non-controlling interests		**19,256**	24,263
		22,190	196,839
(Losses)/earnings per share for (loss)/profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted (RMB per share)	14	**(34.34) cents**	5.58 cents
Earnings per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	14	**0.11 cents**	6.68 cents

The notes set out on pages 117 to 198 are an integrated part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

	2021 RMB'000	2020 RMB'000
Profit for the year	**22,190**	196,839
Other comprehensive income which may be reclassified to profit or loss in subsequent periods	–	–
Total comprehensive income for the year	**22,190**	196,839
Attributable to:		
Owners of the Company	**2,934**	172,576
Non-controlling interests	**19,256**	24,263
	22,190	196,839
Total comprehensive income for the period attributable to owners of the Company arises from:		
Continuing operations	**(867,966)**	168,305
Discontinued operations	**890,156**	28,534

The notes set out on pages 117 to 198 are an integrated part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Non-current assets			
Property, plant and equipment	15	**86,421**	114,831
Investment properties	16	**18,662,149**	18,982,717
Investments in joint ventures	19	**798,438**	1,644,408
Investments in associates	20	**4,785**	4,927
Prepayments for acquisition of land		**3,153,481**	3,036,113
Prepayments and other receivables	26	**518,886**	836,973
Intangible assets	18	**21,770**	36,727
Deferred tax assets	33	**380,535**	264,543
Total non-current assets		**23,626,465**	24,921,239
Current assets			
Inventories	24	**85,380**	20,262
Land held for development for sale	17	**938,059**	784,753
Properties under development	21	**8,901,556**	10,289,518
Completed properties held for sale	22	**6,154,363**	4,938,899
Prepayments for acquisition of land		**24,867**	751,252
Contract assets	23	**121,020**	93,872
Trade receivables	25	**545,628**	590,435
Prepayments, deposits and other receivables	26	**1,677,286**	1,118,185
Prepaid corporate income tax		**127,177**	117,537
Prepaid land appreciation tax		**247,429**	259,485
Financial assets at fair value through profit or loss		**–**	6,260
Restricted cash	27	**330,685**	1,002,551
Cash and cash equivalents	27	**443,200**	572,237
Total current assets		**19,596,650**	20,545,246
Total assets		**43,223,115**	45,466,485

Consolidated Statement of Financial Position (continued)

As at 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Non-current liabilities			
Interest-bearing bank and other borrowings	31	**2,040,200**	3,410,200
Deferred tax liabilities	33	**2,851,617**	2,935,334
Lease liabilities	15,16,18	**37,975**	11,673
Other non-current liabilities		**26,945**	24,598
Total non-current liabilities		**4,956,737**	6,381,805
Current liabilities			
Contract liabilities	5	**5,802,521**	5,841,962
Trade payables	29	**4,067,022**	3,724,570
Other payables and accruals	30	**3,113,910**	3,755,401
Interest-bearing bank and other borrowings	31	**10,870,260**	11,869,159
Corporate income tax payable		**945,035**	624,311
Provision for land appreciation tax	32	**1,252,425**	893,613
Lease liabilities	15,16,18	**14,464**	63,882
Total current liabilities		**26,065,637**	26,772,898
Total liabilities		**31,022,374**	33,154,703
Equity			
Equity attributable to owners of the Company			
Issued capital	34	**159,418**	159,418
Reserves	35	**11,873,090**	11,870,156
		12,032,508	12,029,574
Non-controlling interests		**168,233**	282,208
Total equity		**12,200,741**	12,311,782
Net current liabilities		**(6,468,987)**	(6,227,652)
Total assets less current liabilities		**17,157,478**	18,693,587

Jiang Xiuwen *Director*	**Lu Jianhua** *Director*

The notes set out on pages 117 to 198 are an integrated part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 35)	Other reserves RMB'000 (note 35)	Retained profits RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021	**159,418**	**1,288,734**	**1,105,924**	**9,475,498**	**12,029,574**	**282,208**	**12,311,782**
Comprehensive income							
Profit for the year	–	–	–	2,934	2,934	19,256	22,190
Total comprehensive income for the year	–	–	–	2,934	2,934	19,256	22,190
Transactions with owners							
Decrease of non-controlling interests in connection with loss of control over subsidiaries	–	–	–	–	–	(133,231)	(133,231)
Appropriation to surplus reserve	–	–	80,660	(80,660)	–	–	–
Balance at 31 December 2021	**159,418**	**1,288,734**	**1,186,584**	**9,397,772**	**12,032,508**	**168,233**	**12,200,741**

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2021

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 35)	Other reserves RMB'000 (note 35)	Retained profits RMB'000 (note 35)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2020	159,418	1,288,734	1,079,473	9,329,373	11,856,998	678,523	12,535,521
Comprehensive income							
Profit for the year	–	–	–	172,576	172,576	24,263	196,839
Total comprehensive income for the year	–	–	–	172,576	172,576	24,263	196,839
Transactions with owners							
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	56,225	56,225
Appropriation to surplus reserve	–	–	26,451	(26,451)	–	–	–
Decrease of non-controlling interests in connection with loss of control over subsidiaries	–	–	–	–	–	(476,803)	(476,803)
Balance at 31 December 2020	159,418	1,288,734	1,105,924	9,475,498	12,029,574	282,208	12,311,782

The notes set out on pages 117 to 198 are an integrated part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Cash flows from operating activities			
Profit before income tax from			
Continuing operations		**(247,272)**	504,496
Discontinued operations		**1,012,751**	31,988
Profit before income tax including discontinued operations		**765,479**	536,484
Adjustments for:			
Depreciation		**35,555**	51,241
Amortisation of intangible assets		**16,569**	11,995
Net (gains)/losses on disposal of items of property, plant and equipment		**(3,395)**	10,927
Fair value losses/(gains) on investment properties	16	**117,238**	(81,073)
Net losses on derivative financial instruments	7	**–**	171,605
Share of profits and losses of joint ventures and associates		**(91,002)**	(86,876)
Gains arising from acquisition of subsidiaries	36	**–**	(454,889)
Losses arising from disposal of a subsidiary and a joint venture		**443,985**	–
Gains arising from disposal of Yida Property Service	28	**(1,013,847)**	–
Gains arising from loss of control over subsidiaries		**–**	(199,074)
Fair value gains on financial assets at fair value through profit or loss		**(3)**	–
Finance costs-net	11	**821,294**	832,091
Interest income		**(5,276)**	(11,518)
Impairment of properties under development and completed properties held for sale	8	**1,558**	22,623
Net impairment losses/(reversal of losses) on financial and contract assets		**15,947**	(2,635)
Others		**(91,736)**	54,044
		1,012,366	854,945
Increase in inventories		**(65,327)**	(12,342)
(Increase)/decrease in properties under development		**(1,326,675)**	1,171,053
Decrease/(increase) in completed properties held for sale		**2,177,826**	(489,210)
Increase in land held for development for sale		**(2,388)**	(144,352)
Decrease/(increase) in prepayments for acquisition of land		**851**	(222,035)
(Increase)/decrease in contract assets		**(27,176)**	44,613
(Increase)/decrease in trade receivables		**(15,853)**	269,536
(Increase)/decrease in prepayments, deposits and other receivables		**(285,931)**	885,286
Increase in trade payables		**421,119**	320,207
Increase/(decrease) in other payables and accruals		**333,876**	(249,880)
Increase in contract liabilities		**65,508**	1,015,617
Increase in other non-current liabilities		**2,347**	21,939
Cash generated from operations		**2,290,543**	3,465,377
Interest received		**5,320**	11,518
PRC corporate income tax paid		**(160,520)**	(147,066)
PRC land appreciation tax paid		**(88,599)**	(180,082)
Net cash flows from operating activities		**2,046,744**	3,149,747

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2021

	Notes	2021 RMB'000	2020 RMB'000
Cash flows from investing activities			
Decrease in amounts due from joint ventures and associates		**2,582**	2,917
Purchases of property, plant and equipment		**(21,276)**	(30,440)
Purchases of intangible assets		**(13,954)**	(15,096)
Proceeds from disposal of an associate		**–**	9,000
Proceeds from disposal of/(investment in) joint ventures		**498,969**	(35,997)
Net payment for acquisition of subsidiaries		**(584,780)**	(2,646,579)
Additions to investment properties		**(13,715)**	(105,033)
Proceeds from disposal of investment properties		**–**	19,249
Proceeds from disposal of intangible assets		**2,020**	–
Net payment for loss of control over subsidiaries		**(240)**	(46,539)
Net proceeds from disposal of a subsidiary		**37,695**	–
Net proceeds from disposal of Yida Property Service		**986,029**	–
Proceeds from disposal of items of property, plant and equipment		**3,183**	11,124
Decrease in restricted cash		**671,866**	13,644
Dividends received		**3,013**	1,523
Proceeds from/(investment in) financial assets at fair value through profit or loss		**5,003**	(4,986)
Net cash generated from/(used in) investing activities		**1,576,395**	(2,827,213)
Cash flows from financing activities			
Decrease in amounts due to non-controlling interests		**(20,230)**	(96,816)
Capital contribution from non-controlling interests		**–**	56,225
Interest paid		**(1,251,731)**	(1,268,435)
Dividends paid		**–**	(226,838)
Principal elements of lease payments		**(24,521)**	(51,913)
Proceeds of bank and other borrowings		**902,517**	6,246,951
Repayment of bank and other borrowings		**(3,358,211)**	(5,442,137)
Net cash used in financing activities		**(3,752,176)**	(782,963)
Net decrease in cash and cash equivalents		**(129,037)**	(460,429)
Cash and cash equivalents at beginning of year		**572,237**	1,032,666
Cash and cash equivalents at end of year			
Representing cash and bank balances	27	**443,200**	572,237
Cash flows of discontinued operation	28		

The notes set out on pages 117 to 198 are an integrated part of these consolidated financial statements.

1 Corporate and group information

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

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

The Company is an investment holding company. During the year ended 31 December 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 in Dalian, Wuhan, Shenyang, Beijing, Shanghai, Chongqing, Zhengzhou, Hefei, Suzhou, Ningbo, Qingdao, Nanchang, Xuchang, Shenzhen, Changsha and Chengdu, the People's Republic of China (the "**PRC**").

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

The consolidated financial information is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

Information about subsidiaries

As at 31 December 2021, particulars of the Company's principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company		Principal activities
			Direct (%)	Indirect (%)	
Yida Development Company Limited (億達發展有限公司) @ #	PRC/ Mainland China	RMB1,043,316,491	–	100	Property development
Dalian Yitong Property Development Company Limited (大連益通房地產開發有限公司) * #	PRC/ Mainland China	RMB10,000,000	–	100	Property development
Dalian Software Park Company Limited (大連軟件園股份有限公司) * #	PRC/ Mainland China	RMB1,010,000,000	–	100	Property investment
Yida Construction Group Company Limited (億達建設集團有限公司) * #	PRC/ Mainland China	RMB431,770,000	–	100	Construction
Dalian Software Park Rongda Development Co., Ltd. (大連軟件園榮達開發有限公司)* #	PRC/ Mainland China	RMB660,000,000	–	100	Property development
Dalian Software Park Zhongxing Development Co., Ltd. (大連軟件園中興開發有限公司)* #	PRC/ Mainland China	RMB1,900,000,000	–	100	Property development
Dalian Software Park Dejia Development Co., Ltd. (大連軟件園德嘉開發有限公司)* #	PRC/ Mainland China	RMB600,000,000	–	100	Property investment
Dalian Service Outsourcing Base Development Company Limited (大連服務外包基地發展有限公司) * #	PRC/ Mainland China	RMB210,000,000	–	100	Property development
Dalian Shengyue Property Development Company Limited (大連聖躍房地產開發有限公司)* #	PRC/ Mainland China	RMB10,000,000	–	100	Property development

1 Corporate and group information (continued)

Information about subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct (%)	Percentage of equity attributable to the Company Indirect (%)	Principal activities
Dalian Gaoji Property Development Company Limited (大連高基房地產開發有限公司) * #	PRC/ Mainland China	RMB561,000,000	–	100	Property development
Dalian Shengbei Development Company Limited (大連聖北開發有限公司) * #	PRC/ Mainland China	RMB10,000,000	–	100	Property development
Dalian Yida Meijia Property Development Company Limited (大連億達美加房地產開發有限公司) * #	PRC/ Mainland China	RMB120,000,000	–	100	Property development
Dalian Lanwan Property Company Limited (大連藍灣房地產有限公司) * #	PRC/ Mainland China	RMB250,000,000	–	100	Property development
Dalian Software Park Rongtai Development Co., Ltd. (大連軟件園榮泰開發有限公司) * #	PRC/ Mainland China	RMB100,000,000	–	100	Property development
Changsha Yida Wisdom Created Industry Development Co., Ltd. ("Changsha Yida WCD") (長沙億達創智置業發展有限公司) * # Ω	PRC/ Mainland China	RMB60,000,000	–	51	Property development
Dalian BEST City Taifeng Development Company Limited (大連科技城泰楓開發有限公司) * #	PRC/ Mainland China	RMB12,000,000	–	100	Property investment
Dalian BEST City Xintong Development Company Limited (大連科技城欣同開發有限公司) * #	PRC/ Mainland China	RMB10,000,000	–	100	Property investment
Dalian Jiadao Information Co., Ltd. (大連嘉道科技發展有限公司) * #	PRC/ Mainland China	RMB300,000,000	–	100	Property investment
Dalian Software Park Rongyuan Development Co., Ltd. (大連軟件園榮源開發有限公司) * #	PRC/ Mainland China	RMB350,000,000	–	100	Property investment
Dalian Shenghe Property Development Company Limited (大連聖和房地產開發有限公司) * #	PRC/ Mainland China	RMB10,000,000	–	100	Property development
Dalian Yida Property Company Limited (大連億達房地產股份有限公司)* #	PRC/ Mainland China	RMB150,000,000	–	100	Property development
Dalian Changhe Property Development Company Limited (大連昌和房地產開發有限公司)* #	PRC/ Mainland China	RMB10,000,000	–	100	Property development
Dalian Software Park Development Company Limited (大連軟件園發展有限公司)* #	PRC/ Mainland China	RMB200,000,000	–	100	Property development
Yida Landscaping Engineering Company Limited (億達園林綠化工程有限公司) * #	PRC/ Mainland China	RMB200,000,000	–	100	Landscaping
Sichuan Yixing Real Estate Development Company Limited (四川億興置業發展有限公司)* #	PRC/ Mainland China	RMB30,000,000	–	100	Property development
Dalian Ruanjing Property Development Company Limited (大連軟景房地產開發有限公司)* #	PRC/ Mainland China	RMB30,000,000	–	100	Property development
Yida Tech Town Development Co., Ltd. (億達科技新城管理有限公司)* #	PRC/ Mainland China	RMB8,854,646	–	30	Business park investment and management
Yifeng Tech Development Co., Ltd. (北京億鋒科技發展有限公司) * #	PRC/ Mainland China	RMB10,000,000	–	30	Property investment

1 Corporate and group information (continued)

Information about subsidiaries (continued)

Company name	Place of incorporation/ registration and business	Issued ordinary share capital/ paid-up capital	Percentage of equity attributable to the Company Direct (%)	Indirect (%)	Principal activities
Zhengzhou Yida Technology New City Development Co., Ltd.(鄭州億達科技新城發展有限公司) * #	PRC/ Mainland China	RMB100,000,000	–	100	Property development
Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd.(長沙億達智造產業小鎮發展有限公司) * #	PRC/ Mainland China	RMB100,000,000	–	70	Property development
Dalian Qingyun Sky Realty and Development Company Limited ("Qingyun Sky Realty and Development") (大連青雲天下房地產開發有限公司)* #	PRC/ Mainland China	RMB2,963,280,000	–	100	Property development
Dalian Yize Property Development Company Limited ("Dalian Yize") (大連億澤房地產開發有限公司)* #	PRC/ Mainland China	RMB314,770,000	–	100	Property development
Dalian Yihong Property Development Company Limited ("Dalian Yihong") (大連億鴻房地產開發有限公司)* #	PRC/ Mainland China	RMB347,230,000	–	100	Property development
King Equity Holdings Limited △	Hong Kong	HK$2	–	100	Investment holding

* Registered as domestic limited liability companies under PRC law.

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

△ Registered as domestic limited liability company under HK law.

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

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

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

2 Summary of Significant Accounting Policies

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

2.1 Basis of Preparation

(a) Compliance with HKFRs and HKCO

The consolidated financial statements of the Company for the year ended 31 December 2021 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the requirements of the Hong Kong Companies Ordinance Cap. 622.

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

(b) Historical cost convention

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

(c) Going concern basis

As at 31 December 2021, the Group's current liabilities exceeded its current assets by RMB6,468,987,000. At the same date, its current borrowings amounted to RMB10,870,260,000 while its cash and cash equivalents amounted to RMB443,200,000 only.

During the year ended 31 December 2021, the Group failed to repay certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"). Although the Group managed to settle some of these borrowings during the year after the due dates, RMB2,154,149,000 remained unsettled as at 31 December 2021, out of which RMB805,900,000 have not been subsequently repaid, renewed or extended up to the date of the approval of these consolidated financial statements.

On 18 January 2021, the Group failed to settle a payable with interest accrued thereon to certain parties ("**Aetos Parties**") according to a final award issued by Hong Kong International Arbitration Centre (see Note 30). On 4 March 2021, the Group and Aetos Parties entered into a settlement agreement which stipulates that the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed repayment schedule. However, the Group failed to fulfill the settlement agreement and the unpaid balance amounted to RMB824,904,000 as at 31 December 2021. Subsequent thereto, Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties' satisfaction, or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Group has since then proposed settlement plans to and has been actively negotiating with Aetos Parties.

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

Since 2018, the financial conditions of the Group's controlling shareholder, China Minsheng Investment Corp., Ltd. ("**China Minsheng**"), changed in such a way that triggered certain terms specified in the Group's borrowing agreements. In addition, the Company publicly announced on 20 February 2020 that Mr. Chen Donghui, a then executive Director who was subsequently removed since 15 June 2020, was detained by the relevant authorities in the PRC. These matters, together with the Borrowings Overdue and the Aetos Parties Matter, constituted events of default and resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB7,758,039,000 in total as at 31 December 2021 becoming immediately repayable if requested by the lenders, of which RMB5,098,762,000 represented borrowings with scheduled repayment dates within one year, while RMB2,659,277,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2022 that were reclassified as current liabilities.

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

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

i) The Group has proposed settlement plans and has been actively negotiating with Aetos Parties. Up to the date of the approval of these consolidated financial statements, Aetos Parties have not presented a winding-up petition to the court. The Directors are confident that the Group will reach a final settlement agreement with Aetos Parties in due course and Aetos Parties will not exercise their rights to present a winding-up petition to the court.

ii) In respect of Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders preliminarily intended to renew or extend the certain overdue borrowings, no formal agreement has been reached yet. The Directors are confident that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings and the Group will reach final agreements with such lenders in due course.

iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Directors are confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their scheduled contractual repayment dates.

iv) Subsequent to 31 December 2021, the Group has also been negotiating with various banks and financial institutions to secure new sources of financing. The Directors believe that, given the Group's long-term relationship with the banks and financial institutions and the availability of the Group's properties as collateral for the borrowings, the Group will be able to renew or extend existing borrowings and obtain new borrowings when needed. In this connection, the Group was able to renew, extend or obtain new borrowings of RMB258,000,000, although the agreements of all of such new borrowings contain terms that would cause such borrowings to be immediately repayable if so requested by the lenders.

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

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(c) Going concern basis (continued)

vi) The Group will strive to maintain a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled. The Group will also continue to take active measures to control administrative costs and capital expenditures.

vii) The Group will seek opportunities to dispose of certain assets and investments at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 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 31 December 2021. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

i) the successful and timely negotiation with Aetos Parties to reach a final settlement agreement so that they will not present a winding-up petition to the court, and the successful compliance with the terms and obligations under the final settlement agreement by the Group;

ii) the successful negotiations with the Group's existing lenders in respect of the borrowings that were either overdue or otherwise in default, so that the relevant lenders will not exercise their contractual rights to demand immediate repayment of the relevant overdue or defaulted borrowings;

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

iv) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed properties, speed up the collection of sales proceeds, maintenance of a continuing and normal business relationship with major constructors and suppliers to agree the payment arrangements with them and to complete the construction progress as scheduled, and control costs and contain capital expenditure so as to generate adequate net cash inflows; and

v) the successful disposal of relevant assets and investments at reasonable prices, and timely collection of the proceeds.

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

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

(d) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

i) Interest Rate Benchmark Reform – Phase 2 – amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16

ii) Annual Improvements to HKFRS Standards 2018-2020 Cycle

iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to HKAS 12, and

iv) Covid-19-Related Rent Concessions beyond 30 June 2021.

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

(e) New standards and interpretations not yet adopted

Certain accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Principles of consolidation and equity accounting

i. Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

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

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

2 Summary of Significant Accounting Policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

ii. Associates

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

iii. Joint arrangements

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

Joint ventures

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

iv. Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

2 Summary of Significant Accounting Policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

v. Changes in ownership interests

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

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

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

2.3 Business combinations

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

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

2 Summary of Significant Accounting Policies (continued)

2.3 Business combinations (continued)

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

2.4 Separate financial statements

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

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

2.5 Segment reporting

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

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

2 Summary of Significant Accounting Policies (continued)

2.6 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(iii) Group companies

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.6 Foreign currency translation (continued)

(iv) Disposal of foreign operation and partial disposal

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

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

2.7 Property, plant and equipment and depreciation

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

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

2 Summary of Significant Accounting Policies (continued)

2.8 Investment properties

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

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

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

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

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

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

2.9 Intangible assets

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

Licences

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

Software

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

2 Summary of Significant Accounting Policies (continued)

2.10 Impairment of non-financial assets

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

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

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

2.11 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.12 Investments and other financial assets

(i) Classification

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

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

- those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

2 Summary of Significant Accounting Policies (continued)

2.12 Investments and other financial assets (continued)

(iii) Measurement

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

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

Debt instruments

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

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

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

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

Changes in the fair value of financial assets at FVPL are recognised in other gains-net in the statements of profit or loss as applicable.

Equity instruments

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

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

2 Summary of Significant Accounting Policies (continued)

2.12 Investments and other financial assets (continued)

(iv) Impairment

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

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

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

2.13 Financial liabilities

(a) Initial recognition and measurement

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

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

(b) Subsequent measurement

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

Loans and borrowings

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

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

(c) Derecognition of financial liabilities

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

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

2 Summary of Significant Accounting Policies (continued)

2.14 Derivative financial instruments

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

2.15 Financial guarantee contracts

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

- the amount determined in accordance with the expected credit loss model under HKFRS 9; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

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

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

2.16 Offsetting financial instruments

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

2.17 Land held for development for sale

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

2.18 Properties under development

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.19 Completed properties held for sale

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

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

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

2.20 Inventories

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

2.21 Trade receivables

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

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

2.22 Cash and cash equivalents

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

2.23 Provisions

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

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

2 Summary of Significant Accounting Policies (continued)

2.24 Current and deferred income tax

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

Current income tax

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

Deferred income tax

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

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

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.25 Employee benefits

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

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

Pension scheme

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

2.26 Trade and other payables

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

2.27 Borrowings

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.28 Borrowing costs

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

2.29 Revenue recognition

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

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

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

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.29 Revenue recognition (continued)

(a) Sales of properties

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

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

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

(b) Construction service

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

(c) Property management services

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

(d) Business park operation and management services

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

(e) Rental income

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

2.30 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

2 Summary of Significant Accounting Policies (continued)

2.30 Earnings per share (continued)

(ii) Diluted earnings per share

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

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.31 Dividend income

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

2.32 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.32 Leases (continued)

To determine the incremental borrowing rate, the Group:

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

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

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

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

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

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

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

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

2 Summary of Significant Accounting Policies (continued)

2.33 Dividends distribution

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

2.34 Government grants

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

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

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

2.35 Interest income

Interest income from financial assets at FVPL is recognised in other (losses)/gains – net in the consolidated statement of profit or loss.

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

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

3 Critical Accounting Judgements and Estimates

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

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

3.1 Critical Accounting Judgments

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

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

3 Critical Accounting Judgements and Estimates (continued)

3.1 Critical Accounting Judgments (continued)

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

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information. The Group has engaged an external valuer to perform a valuation of the Group's properties under development and completed properties held for sale as at 31 December 2021 to assess if the net realisable values of these assets are lower than their carrying amounts.

Allocation of construction costs on properties under development

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

PRC corporate income tax ("CIT")

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

PRC land appreciation tax ("LAT")

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

Deferred tax assets

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

3 Critical Accounting Judgements and Estimates (continued)

3.1 Critical Accounting Judgments (continued)

Fair value of investment properties

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

Recoverability of other receivables for primary land development

The Group has entered into certain cooperation agreements with the local government authorities under which the Group provides funding to the local government authorities for the primary land development of certain land parcels. Management estimates the expected repayment schedule and amounts and considers the discounting impact of the receivables. The provision for impairment of other receivables for primary land development of the Group is based on the evaluation of collectability and ageing analysis of these receivables and on management's estimation. Significant estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of the local government authorities. If the financial conditions of the local government authorities were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of other receivables for primary land development at 31 December 2021 was RMB1,000,270,000 (2020: RMB974,789,000). Further details are set out in note 26 to the financial statements.

4 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments for the year ended 31 December 2021 as follows:

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

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

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

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

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

The property management segment, identified as a separate reportable segment in prior years, was sold effective from 10 March 2021. Information about this discontinued segment is provided in note 28. The Group re-presented the disclosures for discontinued operations for comparative period presented in the consolidated financial statements.

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

Segment assets exclude deferred tax assets, prepaid corporate income tax, prepaid land appreciation tax, prepaid other taxes, amounts due from related parties, financial assets at fair value through profit or loss, restricted cash and cash and cash equivalents as these assets are managed on a group basis.

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

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

For the year ended 31 December 2021, no single external customer's transaction generated revenue accounting for 10% or more of the Group's total revenue.

4 Operating Segment Information (continued)

Year ended 31 December 2021

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	4,041,138	510,303	404,124	1,553,097	–	6,508,662
Intersegment revenue	(31,829)	(279)	(128,017)	(953,472)	–	(1,113,597)
Sales to external customers	4,009,309	510,024	276,107	599,625	–	5,395,065
Segment results	783,030	222,985	7,275	19,920	(20,064)	1,013,146
Reconciliation:						
Interest income						5,276
Unallocated losses						(444,400)
Finance costs						(821,294)
Profit before income tax						(247,272)
Income tax expenses						(620,694)
Profit from continuing operations						(867,966)
Segment assets	62,998,354	24,738,005	433,061	8,795,313	12,115,179	109,079,912
Reconciliation:						
Elimination of intersegment receivables						(67,475,941)
Corporate and other unallocated assets						1,619,144
Total assets						43,223,115
Segment liabilities	45,844,682	9,391,873	489,254	8,255,361	15,893,325	79,874,495
Reconciliation:						
Elimination of intersegment payables						(67,475,941)
Corporate and other unallocated liabilities						18,623,821
Total liabilities						31,022,374
Other segment information:						
Depreciation and amortisation	12,608	7,307	17,668	11,707	2,834	52,124
Capital expenditure*	7,613	15,158	3,085	23,818	17,223	66,897
Fair value losses on investment properties	–	(117,238)	–	–	–	(117,238)
Share of profits and losses of joint ventures and associates	60,099	29,313	1,708	–	(167)	90,953
Investments in joint ventures	763,367	–	15,573	–	19,498	798,438
Investments in associates	–	1,000	–	–	3,785	4,785

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

4 Operating Segment Information (continued)

Year ended 31 December 2020

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Others RMB'000	Total RMB'000
Segment revenue:	3,664,719	545,015	460,663	1,137,314	–	5,807,711
Intersegment revenue	(96,189)	(7,509)	(136,440)	(718,667)	–	(958,805)
Sales to external customers	3,568,530	537,506	324,223	418,647	–	4,848,906
Segment results	543,672	496,254	(48,089)	505	49,548	1,041,890
Reconciliation:						
Interest income						11,413
Dividend income and unallocated gains						454,889
Corporate and other unallocated expenses						(171,605)
Finance costs						(832,091)
Profit before income tax						504,496
Income tax expenses						(336,191)
Profit from continuing operations						168,305
Segment assets	62,030,021	25,443,509	311,632	7,686,769	13,736,994	109,208,925
Reconciliation:						
Elimination of intersegment receivables						(66,085,641)
Corporate and other unallocated assets						2,343,201
Total assets						45,466,485
Segment liabilities	45,539,858	9,300,510	362,354	7,505,080	16,204,390	78,912,192
Reconciliation:						
Elimination of intersegment payables						(66,085,641)
Corporate and other unallocated liabilities						20,328,152
Total liabilities						33,154,703
Other segment information:						
Depreciation and amortisation	16,935	9,989	20,381	9,137	3,176	59,618
Capital expenditure*	16,160	100,908	7,501	23,730	18,474	166,773
Fair value gains on investment properties	–	81,073	–	–	–	81,073
Share of profits and losses of joint ventures and associates	786	82,131	4,442	9	(170)	87,198
Investments in joint ventures	667,077	943,537	13,395	–	20,399	1,644,408
Investments in associates	–	1,000	–	–	3,927	4,927

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

4 Operating Segment Information (continued)

Geographical information

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

5 Revenue

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

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

	Notes	2021 RMB'000	2020 RMB'000
Revenue from contracts with customers recognised at a point in time			
Sale of properties	(a)	**4,009,309**	3,568,530
Revenue from contracts with customers recognised over time			
Business park operation and management service income		**276,107**	324,223
Construction, decoration and landscaping income		**599,625**	418,647
		875,732	742,870
Revenue from contracts with customers		**4,885,041**	4,311,400
Revenue from other sources			
Rental income		**510,024**	537,506
		5,395,065	4,848,906

5 Revenue (continued)

Note:

(a) Revenue recognised in relation to contract liabilities:

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

	2021 RMB'000	2020 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**3,312,132**	2,023,385

6 Other Income

	2021 RMB'000	2020 RMB'000
Interest income	**5,276**	11,413
Government subsidies	**13,031**	25,066
	18,307	36,479

7 Other (losses)/gains – net

	2021 RMB'000	2020 RMB'000
Net foreign exchange gains	**41,469**	159,208
Gains arising from loss of control over subsidiaries (b)	**–**	199,074
Losses arising from disposal of a joint venture (a)	**(470,397)**	–
Gain arisings from disposal of a subsidiary	**26,412**	–
Net losses on derivative financial instruments (c)	**–**	(171,605)
Net losses on disposal of property, plant and equipment	**3,395**	(9,994)
Other items	**(74,779)**	(97,763)
	(473,900)	78,920

(a) 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 at a consideration of RMB501,000,000. The Group was also granted an option to repurchase 50% equity interests in DLSP Ascendas at a consideration of RMB526,300,500, which expired in November 2021. The disposal of DLSP Ascendas was completed on 21 May 2021, and the Group recognised a loss of RMB470,397,000 arising from the disposal in 2021.

7 Other (losses)/gains – net (continued)

(b) As at 31 December 2019, the Group held 50% effective equity interests in Wuhan New Software Park Development Company Limited ("**Wuhan NSP**"). The Group considered that it was in a position to exercise control over the relevant activities of Wuhan NSP, having considered that a joint venture partner of Wuhan NSP confirmed by entering into an agreement with a subsidiary of the Group that it will follow the Group on any decision regarding operational and financial activities of Wuhan NSP. As such, Wuhan NSP was accounted for as a subsidiary of the Group. In December 2020, the above-mentioned joint venture partner disposal its equity interests in Wuhan NSP, while the Group decided not to exercise its preemption right. As a result, the Group ceased to consolidate Wuhan NSP because of a loss of control, and Wuhan NSP became a joint venture of the Group. The Group recorded a gain of RMB199,074,000 on remeasurement of the fair value of the retained interests in Wuhan NSP to the fair value of date of losing control for the year ended 31 December 2020.

(c) As at 31 December 2019, the Group held 52.57% equity interests respectively in Dalian Yize and Dalian Yihong, which were previously recognised as joint ventures to the Group. Aetos Parties, joint venture partners to Dalian Yize and Dalian Yihong, were granted put options to sell their equity interests to the Group, which were recognised as derivative financial instruments.

On 20 October 2020, Hong Kong International Arbitration Centre issued a final award (the "**Final Award**"). The arbitral tribunal ordered that the Group shall pay the full put option price of USD108 million to Aetos Parties together with USD84 million being interest accrued up to the date of the Final Award, as well as Aetos Parties' related expenses. As a result, the Group should acquire the remaining equity interests in Dalian Yihong and Dalian Yize, and the Group hold 100% effective interests in Dalian Yihong and Dalian Yize. The Group recognised the fair value losses on derivative financial instruments of RMB229,416,000 and the gain of RMB57,810,000 on remeasurement of the fair value of pre-existing interests in Dalian Yihong and Dalian Yize to the fair value as of the date of the Final Award, included in "other gains – net losses on derivate financial instruments" in the consolidated statement of profit or loss for the year ended 31 December 2020.

8 Expenses by Nature

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

	Notes	2021 RMB'000	2020 RMB'000
Cost of properties sold		**2,799,045**	2,780,031
Cost of services provided		**770,923**	673,350
Impairment of properties under development and completed properties held for sale		**1,558**	22,623
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**189,537**	202,883
Employee benefit expenses	9	**213,031**	248,395
Office lease expenses		**6,612**	14,330
Depreciation	15	**35,555**	49,352
Amortisation of intangible assets	18	**16,569**	10,266
Auditor's remuneration			
– Audit services		**4,350**	5,080
– Non-audit services		**800**	2,315
Other costs and expenses		**285,238**	244,916
Total cost of sales, selling and marketing expenses and administrative expenses		**4,323,218**	4,253,541

9 Employee Benefit Expenses (including directors' emoluments)

	2021 **RMB'000**	2020 RMB'000
Wages, salaries and other benefit expenses	**172,114**	206,797
Pension scheme contributions	**40,917**	41,598
	213,031	248,395

(a) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2021 include one (2020: one) directors whose emoluments are reflected in the analysis presented in note 10. The emoluments payable to the remaining four (2020: four) individuals during the year are as follows:

	2021 **RMB'000**	2020 RMB'000
Wages, salaries and other benefit expenses	**5,400**	3,114
Discretionary bonuses	**–**	4,195
Pension scheme contributions	**482**	246
	5,882	7,555

The emoluments fell within the following bands:

	Number of individuals	
	2021	2020
Emolument bands (in HK dollar)		
HK$1,000,001 – HK$1,500,000	**1**	–
HK$1,500,001 – HK$2,000,000	**2**	3
HK$2,000,001 – HK$2,500,000	**1**	–
HK$3,500,001 – HK$4,000,000	**–**	1

10 Directors' and Chief Executives' Remuneration

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

	2021 **RMB'000**	2020 RMB'000
Fees	**1,200**	1,200
Other emoluments:		
Salaries, allowances and benefits in kind	**2,478**	2,925
Discretionary bonuses	**–**	2,393
Pension scheme contributions	**175**	189
	2,653	5,507
	3,853	6,707

10 Directors' and Chief Executives' Remuneration (continued)

The remuneration of each of the Directors and chief executives' for the year ended 31 December 2021 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	2,000	–	147	2,147
Mr. Yu Shiping^	–	165	–	14	179
Ms. Zheng Xiaohua^	–	123	–	14	137
	–	2,288	–	175	2,463
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Mr. Zhang Xiufeng#	–	41	–	–	41
Mr. Lu Jianhua@	–	13	–	–	13
Mr. Cheng Xuezhi*	–	41	–	–	41
Mr. Ni Jie&	–	41	–	–	41
	–	190	–	–	190
Independent non-executive directors:					
Mr. Yip Wai Ming	300	–	–	–	300
Mr. Guo Shaomu	300	–	–	–	300
Mr. Wang Yinping	300	–	–	–	300
Mr. Han Gensheng	300	–	–	–	300
	1,200	–	–	–	1,200
	1,200	2,478	–	175	3,853

^ Resigned as executive director on 31 March 2021.
# Resigned as non-executive director on 29 September 2021.
@ Appointed as non-executive director on 29 September 2021.
& Appointed as non-executive director on 31 March 2021.
* Appointed as non-executive director on 31 March 2021 and resigned as non-executive director on 11 February 2022.

10 Directors' and Chief Executives' Remuneration (continued)

The remuneration of each of the Directors and chief executives' for the year ended 31 December 2020 is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Jiang Xiuwen	–	1,408	877	78	2,363
Mr. Chen Donghui@	–	9	–	–	9
Mr. Yu Shiping^	–	667	704	47	1,418
Ms. Zheng Xiaohua^	–	561	812	47	1,420
Mr. Xu Beinan▲	–	149	–	17	166
	–	2,794	2,393	189	5,376
Non-executive directors:					
Mr. Wang Gang	–	54	–	–	54
Mr. Zhang Xiufeng#	–	18	–	–	18
Mr. Zhou Yaogen*	–	36	–	–	36
Mr. Zong Shihua&	–	23	–	–	23
	–	131	–	–	131
Independent non-executive directors:					
Mr. Yip Wai Ming	300	–	–	–	300
Mr. Guo Shaomu	300	–	–	–	300
Mr. Wang Yinping	300	–	–	–	300
Mr. Han Gensheng	300	–	–	–	300
	1,200	–	–	–	1,200
	1,200	2,925	2,393	189	6,707

@ Removed as non-executive director on 15 June 2020.

▲ Resigned as executive director on 1 April 2020.

Appointed as non-executive director on 15 September 2020.

& Resigned as non-executive director on 4 June 2020.

* Resigned as non-executive director on 15 September 2020.

11 Finance Costs – net

An analysis of finance income and costs is as follows:

	2021 RMB'000	2020 RMB'000
Finance costs		
Interest on bank loans and other loans	**1,586,267**	1,662,700
Interest on lease liabilities	**3,845**	27,240
Less: Interest capitalised	**(709,931)**	(800,120)
	880,181	889,820
Interest income	**(58,887)**	(57,729)
Finance costs – net	**821,294**	832,091

12 Income Tax Expenses

An analysis of the income tax charges arising from continuing operations is as follows:

	2021 RMB'000	2020 RMB'000
Current tax– PRC		
Corporate income tax charge for the year	**355,985**	96,033
Land appreciation tax charge for the year ("**LAT**") (note 32)	**459,467**	198,566
	815,452	294,599
Deferred income tax:		
Current year (note 33)	**(194,758)**	41,592
Total tax charge arising from continuing operations for the year	**620,694**	336,191

12 Income Tax Expenses (continued)

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

	2021	2020
	RMB'000	RMB'000
Profit before tax	**(247,272)**	504,496
At the statutory income tax rate (25%)	**(61,818)**	126,124
Tax losses utilised from previous periods	**(28,194)**	(101,428)
Gains attributable to joint ventures and associates	**(22,738)**	(21,799)
Income not subject to tax	**(22,932)**	(163,491)
Expenses not deductible for tax	**180,612**	40,426
Tax losses and temporary differences not recognised	**231,164**	307,435
LAT	**459,467**	198,566
Tax effect of LAT	**(114,867)**	(49,642)
Total tax charge arising from continuing operations for the year	**620,694**	336,191

The share of tax attributable to joint ventures and associates amounting to RMB27,235,000 (2020: RMB24,911,000) and no tax attributable to associates (2020: Nil) are included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss, respectively.

13 Dividend

	2021	2020
	RMB'000	RMB'000
Proposed no final dividend (2020: nil) per ordinary share	–	–

In addition, no interim dividend has been declared during the year (2020: nil).

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

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the consolidated profit for the year ended 31 December 2021 attributable to the ordinary equity holders of the Company of RMB2,934,000 (2020: RMB172,576,000), and the weighted average number of ordinary shares of 2,583,970,000 (2020: 2,583,970,000) in issue during the year ended 31 December 2021.

(b) Diluted earnings per share

Diluted earnings per share is same as basic earnings per share for the years ended 31 December 2021 and 2020 as the Group had no potentially dilutive ordinary shares in issue during those years.

The basic earnings per share and diluted earnings per share for the years ended 31 December 2021 and 2020 are as follows:

	2021 **RMB Cents**	2020 RMB Cents
From continuing operations attributable to the ordinary equity holders of the company	**(34.34)**	5.58
From discontinued operation	**34.45**	1.10
Total basic and diluted earnings per share attributable to the ordinary equity holders of the company	**0.11**	6.68

15 Property, Plant and Equipment

	Right-of-use Assets RMB'000	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
31 December 2021							
At 31 December 2020:							
Cost	71,570	155,487	52,383	11,953	31,653	1,531	324,577
Accumulated depreciation	(43,672)	(98,881)	(35,505)	(7,732)	(23,956)	–	(209,746)
Net carrying amount	27,898	56,606	16,878	4,221	7,697	1,531	114,831
At 1 January 2021, net of accumulated depreciation	27,898	56,606	16,878	4,221	7,697	1,531	114,831
Additions	3,145	21,965	7,423	1,372	1,375	–	35,280
Depreciation provided during the year	(16,721)	(11,737)	(3,905)	(839)	(2,353)	–	(35,555)
Write-off/disposal	–	(1,790)	(346)	(234)	(533)	–	(2,903)
Disposal of subsidiaries	–	(20,220)	(223)	(2,325)	(2,464)	–	(25,232)
At 31 December 2021, net of accumulated depreciation	14,322	44,824	19,827	2,195	3,722	1,531	86,421
At 31 December 2021:							
Cost	74,715	154,979	53,790	9,920	22,689	1,531	317,624
Accumulated depreciation	(60,393)	(110,155)	(33,963)	(7,725)	(18,967)	–	(231,203)
Net carrying amount	14,322	44,824	19,827	2,195	3,722	1,531	86,421

At 31 December 2021, a building of the Group with a carrying value of RMB30,466,000 (2020: RMB35,955,000) was pledged to a financial institution to secure the loans granted to the Group (note 31).

15 Property, Plant and Equipment (continued)

	Right-of-use Assets RMB'000	Buildings and leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and office equipment RMB'000	Assets under construction RMB'000	Total RMB'000
31 December 2020							
At 31 December 2019:							
Cost	45,847	167,264	40,901	15,711	42,347	–	312,070
Accumulated depreciation	(17,280)	(94,552)	(33,856)	(11,318)	(29,303)	–	(186,309)
Net carrying amount	28,567	72,712	7,045	4,393	13,044	–	125,761
At 1 January 2020, net of accumulated depreciation	28,567	72,712	7,045	4,393	13,044	–	125,761
Additions	25,723	10,909	13,709	1,737	2,556	1,531	56,165
Acquisition of subsidiaries	–	37	42	8	419	–	506
Depreciation provided during the year	(26,392)	(16,423)	(2,713)	(1,158)	(4,555)	–	(51,241)
Write-off/disposal	–	(7,058)	(1,205)	(626)	(3,044)	–	(11,933)
Loss of control over subsidiaries	–	(3,571)	–	(133)	(723)	–	(4,427)
At 31 December 2020, net of accumulated depreciation	27,898	56,606	16,878	4,221	7,697	1,531	114,831
At 31 December 2020:							
Cost	71,570	155,487	52,383	11,953	31,653	1,531	324,577
Accumulated depreciation	(43,672)	(98,881)	(35,505)	(7,732)	(23,956)	–	(209,746)
Net carrying amount	27,898	56,606	16,878	4,221	7,697	1,531	114,831

15 Property, Plant and Equipment (continued)

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

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Right-of-use assets		
– Buildings	**14,322**	27,898
Investment properties (note 16)	**44,000**	45,000
Intangible assets (note 18)	**12,202**	–
	70,524	72,898
Lease liabilities		
Current	**14,464**	63,882
Non-current	**37,975**	11,673
	52,439	75,555

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

	31 December 2021 RMB'000	31 December 2020 RMB'000
Depreciation charge of right-of-use assets		
– Buildings	**(16,721)**	(26,392)
Amortisation charge of right-of-use assets		
– Land-use rights	**(1,802)**	–
	(18,523)	(26,392)
Interest expense (included in finance costs – note 11)	**(3,845)**	(27,240)

The total cash outflow for leases in 2021 was RMB24,521,000 (2020: RMB51,913,000).

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

The Group leases various buildings. Rental contracts are typically made for fixed periods of 1 to 19 years.

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

16 Investment Properties

	Right-of-use Assets RMB'000	Completed RMB'000	Under construction RMB'000	Total RMB'000
Carrying amount at 1 January 2020	497,000	12,977,350	6,271,482	19,745,832
Additions	–	(9,521)	105,033	95,512
Transfer to properties under development	–	(38,700)	–	(38,700)
Derecognition of right-of-use assets	(450,000)	–	–	(450,000)
Loss of control over subsidiaries	–	(451,000)	–	(451,000)
Completion of under construction	–	744,000	(744,000)	–
Net gains/(losses) from fair value adjustments	(2,000)	24,371	58,702	81,073
Carrying amount at 31 December 2020 and 1 January 2021	45,000	13,246,500	5,691,217	18,982,717
Additions	**–**	**9,721**	**4,797**	**14,518**
Disposal of subsidiaries	**–**	**(121,899)**	**–**	**(121,899)**
Disposal of assets	**–**	**(95,949)**	**–**	**(95,949)**
Net losses from fair value adjustments	**(1,000)**	**(115,573)**	**(665)**	**(117,238)**
Carrying amount at 31 December 2021	**44,000**	**12,922,800**	**5,695,349**	**18,662,149**

As at 31 December 2021, certain of the Group's investment properties of RMB18,138,744,000 (2020: RMB15,983,217,000) were pledged to banks to secure the loans granted to the Group (note 31).

The Group's completed investment properties are leased to third parties under operating leases, further summary details of which are included in note 39 to the financial statements.

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

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

For investment properties under construction which were stated at fair value at 31 December 2021 and 2020, valuations were based on the residual and market approach and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

16 Investment Properties (continued)

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain completed investment properties measured at fair value in the aggregate carrying amount of RMB1,515,000,000 as at 31 December 2021 (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 development and outsourcing services.

	Valuation technique	Significant unobservable inputs	Range (weighted average) 2021	2020
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	**714-2,016**	296-2,016
Office		Estimated yearly rental value per square metre (RMB)	**439-915**	356-877
Car park		Estimated yearly rental value per lot (RMB)	**3,240-8,208**	3,526-8,208
Retail		Capitalisation rate	**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)	**1,011-1,079**	848-1,061
Office		Estimated yearly rental value per square metre (RMB)	**439-714**	439-704
Car park		Estimated yearly rental value per lot (RMB)	**4,325-4,959**	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

	2021 RMB'000	2020 RMB'000
Carrying amount at beginning of year	**784,753**	768,008
Additions	**170,355**	144,352
Transfer to properties under development	**(17,049)**	–
Loss of control over subsidiaries	**–**	(127,607)
Carrying amount at end of year	**938,059**	784,753
Current portion	**(938,059)**	(784,753)
Non-current portion	**–**	–

At 31 December 2021, certain of the Group's land held for development for sale of RMB935,669,000 (2020: RMB640,541,000) were pledged to banks to secure the bank and other loans granted to the Group (note 31).

18 Intangible Assets

	Right-of-use assets RMB'000	Licenses and software RMB'000	Total RMB'000
At 1 January 2020	–	32,597	32,597
Additions during the year	–	15,096	15,096
Acquisition of subsidiaries	–	1,029	1,029
Amortisation during the year	–	(11,995)	(11,995)
At 31 December 2020 and 1 January 2021	–	36,727	36,727
Additions during the year	14,004	3,095	17,099
Disposal	–	(6,479)	(6,479)
Disposal of subsidiaries	–	(9,008)	(9,008)
Amortisation during the year	(1,802)	(14,767)	(16,569)
At 31 December 2021	12,202	9,568	21,770

19 Investments in Joint Ventures

	2021 RMB'000	2020 RMB'000
Share of net assets	798,438	1,644,408

The Group's other receivable balances due from joint ventures are disclosed in note 26 to the financial statements. The Group's other payable balances due to joint ventures are disclosed in note 30 to the financial statements. Particulars of the joint ventures, all of which are unlisted corporate entities, are as follows:

Company name	Place of registration/ business	Percentage of ownership interest(%) 2021	2020	Principal activities
Dalian Software Park Ascendas Development Company Limited (大連軟件園騰飛發展有限公司)@@#(note 7)	PRC/Mainland China	–	50	Property investment
Hefei Yiyun Intelligent Industry Service Company Limited (合肥億雲智慧產業服務有限公司)@#(note 28)	PRC/Mainland China	–	40	Consulting service
Shenzhen Huaqiang Yida Industrial Operation Management Company Limited (深圳華強億達產業運營管理有限公司)#	PRC/Mainland China	50	N/A	Business park investment and management
Shenzhen Shenlong Yida BEST City Development Company Limited (深圳市深龍億達科技園發展有限公司)@#	PRC/Mainland China	55	55	Business park investment and management
Chengdu Yida Chuangzhi Park Zone Operation Management Company Limited (成都億達創智園區運營管理有限公司)@#	PRC/Mainland China	51	51	Business park investment and management
Beijing Shichuang Yida Technology Service Co., Ltd. (北京實創億達科技服務有限公司)@#	PRC/Mainland China	51	51	Consulting service
Eagle Fit Limited ("Eagle Fit")	BVI	35	35	Dormant
Wuhan New Software Park Development Company Limited ("Wuhan NSP") (武漢軟件新城發展有限公司)@@#^	PRC/Mainland China	50	50	Property development
Hefei Yida Smart Science and Technology City Development Company Limited 合肥億達智慧科技城發展有限公司@#	PRC/Mainland China	65	65	Property development

@ Registered as domestic limited liability companies under PRC law.

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

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

^ Material joint venture

19 Investments in Joint Ventures (continued)

(i) Summarized financial information for joint ventures

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

Wuhan NSP and it's subsidiaries:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Current assets	**1,779,421**	1,904,925
Non-current assets	**508,700**	455,427
Current liabilities	**(526,647)**	(466,353)
Non-current liabilities	**(498,641)**	(561,448)
	1,262,833	1,332,551

	2021 RMB'000	2020 RMB'000
Revenue	**470,260**	306,143
Cost of sales and operating expenses	**(281,897)**	(195,921)
Profit before income tax	**159,727**	41,102
Income tax expense	**(39,530)**	65
Profit and total comprehensive income for the year	**120,197**	41,167
The above profit for the year includes the following:		
Interest expenses – net	**(26,665)**	(42,010)

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

	2021 RMB'000	2020 RMB'000
Net assets of the joint venture	**1,262,833**	1,332,551
Group's effective interest	**50%**	50%
Carrying amount of the Group's interest in the joint venture	632,176	667,077
Dividends received from joint venture entities	95,000	–

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

19 Investments in Joint Ventures (continued)

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

Dalian Software Park Ascendas Development Company Limited:

	2020 RMB'000
Current assets	126,206
Non-current assets	3,056,710
Current liabilities	(302,267)
Non-current liabilities	(993,575)
	1,887,074

	For the period ended 31 May 2021 RMB'000	2020 RMB'000
Revenue	**65,750**	149,453
Cost of sales and operating expenses	**(16,090)**	(48,008)
Profit before income tax	**70,305**	209,939
Income tax expense	**(11,679)**	(45,676)
Profit and total comprehensive income for the year	**58,626**	164,263
The above profit for the year includes the following:		
Interest expenses – net	**(11,733)**	(25,249)

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

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

19 Investments in Joint Ventures (continued)

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

Aggregate information of joint ventures that are not individually material:

	2021 RMB'000	2020 RMB'000
The Group's share of profit	**1,640**	4,992
The Group's share of total comprehensive income	**1,640**	4,992
Aggregate carrying amount of the Group's interests in these joint ventures	**166,262**	33,794

(ii) Commitments in respect of joint ventures

	2021 RMB'000	2020 RMB'000
Commitment of capital injection into a joint venture	**2,040**	38,952

20 Investments in Associates

	2021 RMB'000	2020 RMB'000
Share of net assets	**4,785**	4,927

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

Company name	Place of registration/ business	Percentage of ownership interest(%) 2021	2020	Principal activities
Crown Speed Investments Limited	Hong Kong	**21.22**	21.22	Investment holding
Capital Chain Holdings Limited	Hong Kong	**7**	7	Investment holding
Better Chance Investments Limited	Hong Kong	**7**	7	Investment holding
Dalian Port Business Service Company Limited (大連航港商務服務有限公司)#	PRC/Mainland China	**NA**	30	Management service
Zhumadianshi Dongda Real Estate Company Limited (駐馬店市東達置業有限公司)#	PRC/Mainland China	**10**	10	Property management
Heilongjiang Yida Jinyuan Park Management Company Limited (黑龍江省億達金源園區管理有限公司)#	PRC/Mainland China	**30**	NA	Business park investment and management
Meishan Dongjia Laoxiang Industrial Company Limited (眉山東家老香實業有限責任公司)#	PRC/Mainland China	**10**	NA	Business park investment and management

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

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

21 Properties Under Development

	2021 RMB'000	2020 RMB'000
Properties under development expected to be completed:		
Within normal operating cycle included under current assets	**8,906,377**	10,300,039
Less: Provisions for impairment loss	**(4,821)**	(10,521)
	8,901,556	10,289,518
Properties under development expected to be completed within normal operating cycle and recoverable:		
– Within one year	**4,529,685**	5,268,328
– After one year	**4,371,871**	5,021,190
	8,901,556	10,289,518

At 31 December 2021, certain of the Group's properties under development of RMB6,324,475,000 (2020: RMB7,036,764,000) were pledged to banks to secure the loans granted to the Group (note 31).

22 Completed Properties Held for Sale

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

	2021 RMB'000	2020 RMB'000
Completed properties held for sale	**6,375,534**	5,195,574
Less: Provisions for impairment loss	**(221,171)**	(256,675)
	6,154,363	4,938,899

At 31 December 2021, certain of the Group's completed properties held for sale of RMB4,930,857,000 (2020: RMB3,335,863,000) were pledged to banks to secure the loans granted to the Group (note 31).

23 Contract Assets

	2021 RMB'000	2020 RMB'000
Contract assets	**121,146**	93,970
Less: Allowances for impairment of contract assets	**(126)**	(98)
	121,020	93,872

24 Inventories

	2021 RMB'000	2020 RMB'000
Construction materials	**85,380**	20,262

25 Trade Receivables

	2021 RMB'000	2020 RMB'000
Trade receivables – gross amount	**599,021**	631,949
Less: Allowances for impairment of trade receivables	**(53,393)**	(41,514)
	545,628	590,435

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

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

	2021 RMB'000	2020 RMB'000
Within 1 year	**258,913**	408,604
1 to 2 years	**121,096**	109,620
Over 2 years	**219,012**	113,725
	599,021	631,949

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2021, a provision of RMB53,393,000 (31 December 2020: RMB41,514,000) was made against the gross amount of trade receivables (note 45).

As at 31 December 2021, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB455,000(2020: RMB22,750,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

26 Prepayments, Deposits and Other Receivables

	2021	2020
	RMB'000	RMB'000
Prepayments	**407,471**	453,457
Deposits and other receivables – gross amount	**1,807,207**	1,517,729
Less: Allowances for impairment of deposits and other receivables	**(18,506)**	(16,028)
Carrying amount at end of year	**2,196,172**	1,955,158
Current portion	**(1,677,286)**	(1,118,185)
Non-current portion	**518,886**	836,973

As at 31 December 2021, certain of the Group's other receivables of RMB74,707,000 (2020: Nil) were pledged to banks to secure the loans granted to the Group (note 31).

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

As at 31 December 2021, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB28,662,000 (2020: RMB29,332,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2021, included in the Group's prepayments, deposits and other receivables due from joint ventures of RMB660,000 (2020: RMB1,119,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2021, included in the Group's other receivables are advances of RMB1,000,270,000 (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.

27 Cash and Cash Equivalents and Restricted Cash

	2021 RMB'000	2020 RMB'000
Cash and bank balances	**773,885**	1,574,788
Less: Restricted cash	**(330,685)**	(1,002,551)
Cash and cash equivalents	**443,200**	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 RMB755,250,000 (2020: RMB1,564,030,000).

Notes:

- According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. At 31 December 2021, such guarantee deposits amounted to RMB42,037,000 by certain subsidiaries of the Group (2020: RMB260,164,000).
- At 31 December 2021, the deposits of the Group amounted to RMB250,248,000 (2020: RMB425,987,000), which was the deposits placed at designated bank accounts by certain subsidiaries of the Group for potential industrial accidents during construction work and training talents, according to the relevant regulation implemented by the local government and contracts.
- At 31 December 2021, certain of the Group's time deposits of RMB38,400,000 (2020: RMB316,400,000) were pledged to banks to secure the bank and other loans granted to the Group (note 31).

28 Discontinued operation

(i) Description

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**") at a consideration of RMB1,273,000,000. On 10 March 2021, the disposal of Yida Property Service was completed. The Group recognised a gain on disposal after income tax of RMB897 million in 2021, and Yida Property Service is reported as a discontinued operation.

In the event the operations of Yida Property Service would not achieve the guaranteed profits for each of the four years ending 31 December 2024 as specified in the agreement, additional cash compensation will be paid to Longfor. As at 31 December 2021, the fair value of the compensation was determined to be nil.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

28 Discontinued operation (continued)

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period from 1 January 2021 to 10 March 2021 (2021 column) and the year ended 31 December 2020.

	2021 **RMB'000**	2020 RMB'000
Revenue	**68,932**	355,318
Cost of sales	**(68,136)**	(280,561)
Gross profit	**796**	74,757
Other income	**603**	1,438
Provision for impairment losses on financial and contract assets	**–**	(28)
Other gains	**6,071**	2,135
Selling and marketing expenses	**(356)**	(4,309)
Administrative expenses	**(8,260)**	(41,683)
Share of profits and losses of joint ventures and associates	**49**	(322)
(Loss)/profit before income tax	**(1,097)**	31,988
Income tax expense	**(5,363)**	(3,454)
(Loss)/profit after income tax of discontinued operation	**(6,460)**	28,534
Gain on disposal of Yida Property Service after income tax	**896,616**	–
Profit from discontinued operation	**890,156**	28,534
Other comprehensive income from discontinued operations	**–**	–
Net cash (outflow)/inflow from operating activities	**(62,666)**	20,049
Net cash inflow/(outflow) from investing activities (2021 includes an inflow of RMB986,029,000 from the disposal of Yida Property Service)	**971,678**	(4,363)
Net cash inflow/(outflow) from financing activities	**108,522**	(12,155)
Net increase in cash generated by Yida Property Service	**1,017,534**	3,531

28 Discontinued operation (continued)

(iii) Details of the disposal of Yida Property Service

	For the period ended 10 March 2021 RMB'000
Consideration received or receivable:	
Cash	**1,273,000**
Total disposal consideration	**1,273,000**
Total net assets of Yida Property Service	**261,184**
Non-controlling interest of Yida Property Service	**(2,031)**
	259,153
Gain on disposal of Yida Property Service before income tax	**1,013,847**
Income tax expense on gain	**(117,231)**
Gain on disposal of Yida Property Service after income tax	**896,616**

At year end, the profit of RMB890,156,000 is presented in discontinued operations, net of related income tax see analysis in (ii) above.

29 Trade Payables

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

	2021 RMB'000	2020 RMB'000
Within 1 year	**2,647,053**	2,374,200
Within 1 to 2 years	**1,419,969**	1,350,370
	4,067,022	3,724,570

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

30 Other Payables and Accruals

	2021 RMB'000	2020 RMB'000
Employee benefits payable	**203,803**	156,649
Accruals	**664,407**	597,584
Other payables	**2,245,700**	3,001,168
Carrying amount at end of the year	**3,113,910**	3,755,401
Current portion	**(3,113,910)**	(3,755,401)
Non-current portion	**–**	–

As at 31 December 2021, included in the Group's other payables are amounts due to joint ventures of RMB28,695,000 (2020: RMB123,371,000), which are unsecured, interest-free and repayable on demand.

As at 31 December 2021, included in the Group's other payables are amounts due to Main Zone Limited and Innovate Zone Group Limited of RMB26,310,000 (2020: RMB28,287,000) and RMB175,478,000 (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 2021, included in the Group's other payables were amounts due to Aetos Parties of RMB824,904,000 bearing interest rate of 21.9% per annum (31 December 2020: RMB1,340,187,000), which were in connection with the acquisition of the remaining equity interests in Dalian Yihong and Dalian Yize. Pursuant to the settlement agreement with Aetos Parties dated on 4 March 2021, the Group should settle the payables to Aetos Parties by instalments before 30 September 2021 in accordance with an agreed payment schedule. However, the Group failed to fulfill the settlement agreement till 31 December 2021. Subsequent thereto, Aetos Parties formally demanded the Group to settle the unpaid balance, among other actions, to Aetos Parties' satisfaction, or otherwise a winding-up petition may be presented to the court. The Group has since then proposed settlement plans to and has been actively negotiating with Aetos Parties.

31 Interest-Bearing Bank and Other Borrowings

	2021 Effective interest rate (%)	2021 RMB'000	2020 Effective interest rate (%)	2020 RMB'000
Current				
Bank loans – secured	**3.85-7.45**	**4,563,730**	4.30-9.50	5,492,626
Bank loans – unsecured	**4.25**	**1,600**	4.25	3,000
Other loans – secured	**6.00-14.30**	**4,450,298**	5.70-15.00	3,784,197
Other loans – unsecured	**1.20-12.00**	**1,854,632**	1.20-15.00	2,589,336
		10,870,260		11,869,159
Non-current				
Bank loans – secured	**4.55**	**354,000**	4.55	374,000
Other loans – secured	**6.00-13.00**	**1,686,200**	11.00-13.00	3,036,200
		2,040,200		3,410,200
		12,910,460		15,279,359

	2021 RMB'000	2020 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**4,565,330**	5,495,626
In the second year	**354,000**	40,000
In the third to fifth years, inclusive	**–**	334,000
	4,919,330	5,869,626
Other loans repayable:		
Within one year or on demand	**6,304,930**	6,373,533
In the second year	**1,686,200**	735,200
In the third to fifth years, inclusive	**–**	2,301,000
	7,991,130	9,409,733
	12,910,460	15,279,359

31 Interest-Bearing Bank and Other Borrowings (continued)

As at 31 December 2021, included in bank loans of the Group is an amount of RMB2,320,290,000 (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 loans and other loans included borrowings with principal amounts of RMB2,659,277,000 (2020: RMB1,992,400,000) with original maturity beyond 31 December 2022 which have been reclassified as current liabilities as at 31 December 2021 as a result of the matters described in note 2.1(c).

(a) As at 31 December 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 of the corporate bonds were issued by Yida Development Company Limited, an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

    As at 31 December 2021, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2022, bearing interest at a rate of 6% per annum (31 December 2020: 15%). Certain second tranche of corporate bond with the principal amount of RMB479,223,000 were extended to 31 December 2022 by respective bond holders, bearing interest at a rate ranging from 2% to 6% per annum (31 December 2020: 15%), while the remaining second tranche of corporate bond with the principal amount of RMB45,000,000 were extended to 9 March 2022, bearing interest a rate of 10% per annum (31 December 2020: 15%), and were settled subsequently.

(b) As at 31 December 2020, included in other loans of the Group were senior notes due on 27 March 2022 (the "**Senior Notes**") with carrying amount of RMB1,519,260,000. The Company shall, at the option of any Senior Notes holders, repurchase the outstanding Senior Notes in March 2021 as specified in the indenture of the Senior Notes. The Senior Notes were unsecured, bearing interest at a rate of 6.95% per annum, and were guaranteed by certain subsidiaries of the Group.

    In March 2021, the Company's obligation to repurchase the outstanding Senior Notes upon above-mentioned holders' option was waived by the respective holders with effect from 8 March 2021, and the Company shall repay the Senior Notes by instalments before 27 March 2022. However, the Company failed to pay the principal amount and interest of the Senior Notes according to the scheduled repayment dates and the carrying amount was RMB1,332,049,000 as at 31 December 2021.

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

31 Interest-Bearing Bank and Other Borrowings (continued)

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

(i) mortgages over the Group's properties under development with an aggregate carrying value at 31 December 2021 of approximately RMB6,324,475,000 (2020: RMB7,036,764,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2021 of approximately RMB18,138,744,000 (2020: RMB15,983,217,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2021 of approximately RMB935,669,000 (2020: RMB640,541,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2021 of approximately RMB4,930,857,000 (2020: RMB3,335,863,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2021 of approximately RMB30,466,000 (2020: RMB35,955,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB8,687,847,000 (2020: RMB10,414,238,000) as at 31 December 2021;

(vii) pledges of certain equity interests of the subsidiaries of the Company;

(viii) pledges of certain of the Group's time deposits with an aggregate carrying value at 31 December 2021 of approximately RMB38,400,000 (2020: RMB316,400,000); and

(ix) pledges of certain of other receivables of the Group with a carrying value at 31 December 2021 of approximately RMB74,707,000 (2020: nil).

(d) Other than certain other loans with a carrying amount of RMB1,381,141,000 (2020: RMB1,519,260,000) denominated in USD as at 31 December 2021 and RMB508,138,000 (2020: RMB523,079,000) denominated in HKD as at 31 December 2021, all bank and other loans of the Group are denominated in RMB as at 31 December 2021 and 2020.

(e) As at 31 December 2021, included in other loans of the Group were loans from related parties (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company with principal amounts of RMB657,289,000 (31 December 2020: RMB609,719,000), among which RMB405,730,000 were unsecured, borne interest at 6% per annum, while the remaining RMB251,559,000 were secured, borne interest at 6% per annum.

32 Provision for Land Appreciation Tax

	RMB'000
At 1 January 2020	875,513
Charged to the consolidated statement of profit or loss during the year (note 12)	198,566
Payments for the year	(180,466)
At 31 December 2020 and 1 January 2021	893,613
Charged to the consolidated statement of profit or loss during the year (note 12)	459,467
Payments for the year	(100,655)
At 31 December 2021	1,252,425

According to the requirements of the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated, made and included a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

33 Deferred Tax

	2021 RMB'000	2020 RMB'000
Deferred tax assets	**380,535**	264,543
Deferred tax liabilities	**(2,851,617)**	(2,935,334)
	(2,471,082)	(2,670,791)

33 Deferred Tax (continued)

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

	2021 RMB'000	2020 RMB'000
Opening balance	**(2,670,791)**	(2,252,143)
Credited/(Charged) to profit or loss	**194,758**	(41,592)
Decrease arising from acquisition of subsidiaries	**–**	(444,007)
Additions arising from loss of control over subsidiaries	**–**	66,951
Additions arising from disposal of subsidiaries	**4,951**	–
	(2,471,082)	(2,670,791)

As at 31 December 2021, deferred income tax assets and deferred income tax liabilities amounting to RMB80,160,000 (2020: RMB80,160,000) were offset.

The movements in deferred income tax assets and liabilities for both years ended 31 December 2021 and 2020 without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(a) Deferred tax assets

The movements in deferred tax assets before offsetting are as follows:

Movements	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Unrealised profits from intra-group transactions RMB'000	Provision for LAT RMB'000	Impairment provision on financial and contract assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2020	80,160	28,445	216,944	8,057	–	333,606
(Charged)/credited to profit or loss	–	5,336	10,913	(668)	6,150	21,731
Loss of control over subsidiaries	–	–	(9,897)	(737)	–	(10,634)
At 31 December 2020	80,160	33,781	217,960	6,652	6,150	344,703
Credited to profit or loss	–	19,749	91,914	3,742	587	115,992
At 31 December 2021	80,160	53,530	309,874	10,394	6,737	460,695

33 Deferred Tax (continued)

(b) Deferred tax liabilities

The movements in deferred tax liabilities before offsetting are as follows:

Movements	Provision for LAT RMB'000	Revaluation of investment properties RMB'000	Lease expenses RMB'000	Fair value adjustments of subsidiaries RMB'000	Total RMB'000
At 1 January 2020	(11,017)	(1,865,282)	(1,647)	(707,803)	(2,585,749)
(Charged)/credited to profit or loss	1,906	(45,900)	430	(19,759)	(63,323)
Acquisition of subsidiaries	–	–	–	(444,007)	(444,007)
Loss of control over subsidiaries	9,111	46,976	–	21,498	77,585
At 31 December 2020	–	(1,864,206)	(1,217)	(1,150,071)	(3,015,494)
(Charged)/credited to profit or loss	–	(16,114)	(4,750)	99,630	78,766
Disposal of subsidiaries	–	4,900	–	51	4,951
At 31 December 2021	–	(1,875,420)	(5,967)	(1,050,390)	(2,931,777)

The Group had unutilised tax losses of approximately RMB3,308,337,000(2020: RMB2,384,789,000) as at 31 December 2021, that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the tax entities in which the losses arose. Deferred tax assets are recognised for tax losses carried forward only to the extent that the realisation of the related benefits through future taxable profits is probable. The Group did not recognise deferred tax assets in respect of such unutilised tax losses as the realisation of the related benefits is uncertain.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be levied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 31 December 2021 and 2020, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, these subsidiaries will not distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB5,856,310,000 as at 31 December 2021 (2020: RMB4,436,283,000).

34 Share Capital

	2021 RMB'000	2020 RMB'000
Authorised:		
50,000,000,000 shares of US$0.01 each	**3,124,300**	3,124,300
Issued and fully paid:		
2,583,970,000 ordinary shares of US$0.01 each	**159,418**	159,418

35 Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2021	1,288,734	646,653	352,979	25,292	81,000	9,475,498	11,870,156
Comprehensive income							
Profit for the year	–	–	–	–	–	2,934	2,934
Total comprehensive income for the year	–	–	–	–	–	2,934	2,934
Transactions with owners							
Appropriation to surplus reserve	–	80,660	–	–	–	(80,660)	–
Balance at 31 December 2021	1,288,734	727,313	352,979	25,292	81,000	9,397,772	11,873,090

35 Reserves (continued)

	Share premium RMB'000	Statutory surplus reserve RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2020	1,288,734	620,202	352,979	25,292	81,000	9,329,373	11,697,580
Comprehensive income							
Profit for the year	–	–	–	–	–	172,576	172,576
Total comprehensive income for the year	–	–	–	–	–	172,576	172,576
Transactions with owners							
Appropriation to surplus reserve	–	26,451	–	–	–	(26,451)	–
Balance at 31 December 2020	1,288,734	646,653	352,979	25,292	81,000	9,475,498	11,870,156

- ### Statutory surplus reserve

  Transfers from retained profits to the statutory surplus reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC, and were approved by the respective boards of directors.

- ### Merger reserve

  The merger reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013.

- ### Share-based payment reserve

  The share-based payment reserve represents the reserve arising pursuant to the reorganisation of the Group in 2013. The amount of RMB81,000,000 represents the difference between the estimated fair value of the shares at the date of issue and the consideration paid by the companies owned by certain employees of the Group.

36 Gains arising from acquisition of subsidiaries

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

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

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

The consideration for the acquisitions of 75% equity interests in Qingyun Sky Realty and Development and 50% equity interests in the Qingyun Sky Service Company was RMB3,033 million. For the year ended 31 December 2020, the Group recorded a gain of approximately RMB455 million for the acquisitions of the entity interests in Qingyun Sky, including the gains of approximately RMB325 million on remeasurement of the fair value of pre-existing interests in Qingyun Sky as at the date of obtaining control and gains of approximately RMB130 million on bargain purchase, which were disclosed as gains arising from acquisition of subsidiaries in the consolidated statement of profit or loss.

37 Financial Guarantees

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

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

37 Financial Guarantees (continued)

(b) The Group provided guarantees to the extent of RMB319,804,000 (2020: RMB524,480,000) as at 31 December 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 financial statements and no expected credit losses has been recognised.

38 Pledge of Assets

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

39 Operating Lease Arrangements As A Lessor

The Group leases its investment properties (note 16) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and to provide for periodic rent adjustments according to the then prevailing market conditions. Certain contingent rent receivables are determined based on the turnover of the lessees.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2021 **RMB'000**	2020 RMB'000
Within one year	**294,142**	402,142
In the second to fifth years, inclusive	**645,328**	510,896
After five years	**578,902**	79,085
	1,518,372	992,123

40 Commitments

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

	2021 **RMB'000**	2020 RMB'000
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**4,092,076**	5,106,714
Capital contribution to a joint venture	**2,040**	38,952
	4,094,116	5,145,666

41 Notes to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease RMB'000	Total RMB'000
At 1 January 2021	**15,279,359**	**75,555**	**15,354,914**
Changes from financing cash flows	**(2,455,694)**	**(26,961)**	**(2,482,655)**
Foreign exchange movements	**(54,506)**	**–**	**(54,506)**
Changes in interest accruals	**(307,553)**	**–**	**(307,553)**
Other movements-net (note)	**448,854**	**3,845**	**452,699**
At 31 December 2021	**12,910,460**	**52,439**	**12,962,899**
At 1 January 2020	15,015,725	460,326	15,476,051
Changes from financing cash flows	873,748	(412,011)	461,737
Foreign exchange movements	(68,934)	–	(68,934)
Changes in interest accruals	(304,025)	–	(304,025)
Other movements-net	(237,155)	27,240	(209,915)
At 31 December 2020	15,279,359	75,555	15,354,914

42 Related Party Transactions

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2021 RMB'000	2020 RMB'000
Service fees from joint ventures	(i)	**8,499**	159,882
Service fees to a joint venture	(i)	**96**	7,925
Rental income from a joint venture	(ii)	**–**	1,892
Interest income from joint ventures	(iii)	**–**	18
Interest expenses to joint ventures	(iii)	**–**	14,055

Notes:

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

(ii) The rentals were determined at rates mutually agreed with the related parties.

(iii) The interest income was related to advances made by the Group to joint ventures. The interest expenses were related to loans from joint ventures to the Group. The interest rates were mutually agreed with the related parties.

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

42 Related Party Transactions (continued)

(b) Compensation of key management personnel of the Group

In the opinion of the Directors, the Directors represent the key management personnel of the Group and details of the compensation are set out in note 10 to the financial statements.

43 Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

At 31 December 2021

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 25)	**545,628**
Deposits and other receivables (note 26)	**1,788,701**
Restricted cash (note 27)	**330,685**
Cash and cash equivalents (note 27)	**443,200**
	3,108,214

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables (note 29)	**4,067,022**
Other payables and accruals (note 30)	**2,387,184**
Interest-bearing bank and other borrowings (note 31)	**12,910,460**
Lease liabilities	**52,439**
	19,417,105

43 Financial Instruments by Category (continued)

At 31 December 2020

Financial assets

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

Financial liabilities

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

44 Fair Value and Fair Value Hierarchy of Financial Instruments

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2021 and 2020 respectively.

Fair value hierarchy as at 31 December 2021

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	**–**	**–**	**18,150,400**	**18,150,400**
	–	**–**	**18,150,400**	**18,150,400**

Fair value hierarchy as at 31 December 2020

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

The fair values of the non-current portion of other receivables and interest-bearing bank and other borrowings are approximate to their carrying amounts as at 31 December 2021 and 2020.

The details of the valuation technique and inputs used in the fair value measurement of investment properties has been disclosed in note 16 to the financial statements.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2020: nil).

The Group's finance department determines the policies and procedures for recurring fair value measurement, such as investment properties and derivative financial instruments. The finance department comprises the head of the investment properties segment, head of the Group's investment team, chief financial officer and the managers of each property.

44 Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

External valuers are involved for the valuation of significant assets, such as investment properties. 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.

45 Financial risk management objectives and policies

The Group's principal financial instruments comprise bank and other borrowings and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

The Group's assets are predominantly in the form of land held for development for sale, investment properties, properties under development and completed properties held for sale. In the event of a severe downturn in the property market, these assets may not be readily realised.

The sensitivity analyses of fair value measurement of investment properties are disclosed in note 16 to the financial statements.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Other than deposits held at banks, the Group does not have significant interest-bearing assets. Restricted deposits were held at banks in Mainland China at the same savings rate of unrestricted deposits throughout the year. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. Since the Group has mainly entered into floating interest rate loans, there is no significant fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

45 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 basic points	Effect on profit before tax RMB'000
31 December 2021		
RMB	**50**	**(4,735)**
RMB	**(50)**	**4,735**
31 December 2020		
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.

45 Financial risk management objectives and policies (continued)

(c) Foreign currency risk (continued)

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration of Foreign Exchange, this could affect the Group's subsidiaries' ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Company.

The Group's financial assets and liabilities including certain short term deposits and borrowing denominated in United States dollars and Hong Kong dollars are subject to foreign currency risk. Therefore, the fluctuations in the exchange rates of RMB against foreign currencies could affect the Group's results of operations.

To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risk. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

As at 31 December 2021, if RMB had weakened/strengthened by 9% (2020: 9%) against the United States dollar, which was considered reasonably possible by management, the Group's profit before tax for the year would have been decreased/increased by RMB122,098,000 (2020: RMB175,271,000) and there would be no material impact on other components of the Group's equity.

(d) Credit risk

It is the Group's policy that all customers are required to pay deposits in advance of the purchase of properties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. There is no significant concentration of credit risk within the Group.

Trade receivables mainly represent receivables for contract works. Other receivables mainly comprise amounts due from related parties and advances to local government authorities in connection with primary land development. The Group closely monitors these trade receivables and other receivables to ensure actions are taken to recover these balances in case of any risk of default.

On top of the credit risk arising from the financial guarantees provided by the Group as detailed in note 37, 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.

45 Financial risk management objectives and policies (continued)

(d) Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for trade receivables and contract assets.

As at 31 December 2021, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

31 December 2021	Current RMB'000	Within 180 days RMB'000	More than 2 year past due RMB'000	Total RMB'000
Expected loss rate	0.95%	4.77%	100.00%	
Gross carrying amount	229,916	333,836	35,269	599,021
Loss allowance	(2,184)	(15,940)	(35,269)	(53,393)

45 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	Current RMB'000	More than 2 year past due RMB'000	Total RMB'000
Expected loss rate	0.95%	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, RMB126,000 as at 31 December 2021 and RMB98,000 as at 31 December 2020, were determined based on carrying amounts of RMB121,146,000 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.

45 Financial risk management objectives and policies (continued)

(d) Credit risk (continued)

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

As at 31 December 2021, the Group provides for loss allowance for other receivables as follows:

	Category	Expected credit loss rate	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
Amounts due from related parties	Stage one	**1.70%**	**28,662**	**(487)**	**28,175**
Receivables for primary land development	Stage one	**0.10%**	**1,000,270**	**(1,000)**	**999,270**
Others	Stage one	**0.94%**	**768,480**	**(7,224)**	**761,256**
Others	Stage three	**100.00%**	**9,795**	**(9,795)**	**–**
			1,807,207	**(18,506)**	**1,788,701**

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

	Category	Expected credit loss rate	Estimated gross carrying amount at default	Loss allowance	Carrying amount (net of impairment provision)
Amounts due from related parties	Stage one	1.70%	32,381	(550)	31,831
Receivables for primary land development	Stage one	0.10%	974,789	(975)	973,814
Others	Stage one	2.84%	510,559	(14,503)	496,056
			1,517,729	(16,028)	1,501,701

45 Financial risk management objectives and policies (continued)

(e) Liquidity risk

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents (note 27) on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group, in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities are available for contingency purposes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	At 31 December 2021				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 year RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 31)	**11,726,175**	**2,259.049**	**–**	**–**	**13,985,224**
Trade payables (note 29)	**4,067,022**	**–**	**–**	**–**	**4,067,022**
Other payables and accruals (note 30)	**2,387,184**	**–**	**–**	**–**	**2,387,184**
Lease liabilities	**17,390**	**9,390**	**17,508**	**20,453**	**64,741**
	18,197,771	**2,268,439**	**17,508**	**20,453**	**20,504,171**
Financial guarantees issued:					
Maximum amount guaranteed (note 37)	**1,348,587**	**–**	**–**	**–**	**1,348,587**

	At 31 December 2020				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 year RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 31)	10,772,669	1,970,835	3,513,025	813,166	17,069,695
Trade payables (note 29)	3,724,570	–	–	–	3,724,570
Other payables and accruals (note 30)	3,096,730	–	–	–	3,096,730
Lease liabilities	21,350	16,109	13,860	18,061	69,380
	17,615,319	1,986,944	3,526,885	831,227	23,960,375
Financial guarantees issued:					
Maximum amount guaranteed (note 37)	1,029,252	–	–	–	1,029,252

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

45 Financial risk management objectives and policies (continued)

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is subject to financial covenants attached to the interest-bearing bank and other borrowings that define capital structure requirements. The financial institutions have the right to call the bank and other borrowings immediately for breach of the relevant financial covenants. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net debt ratio, which is net debt divided by the capital. Net debt includes interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash. Capital represents total equity. The net debt ratios as at the end of the reporting periods were as follows:

	31 December 2021 RMB'000	31 December 2020 RMB'000
Interest-bearing bank and other borrowings (note 31)	**12,910,460**	15,279,359
Less: Cash and cash equivalents (note 27)	**(443,200)**	(572,237)
Less: Restricted cash (note 27)	**(330,685)**	(1,002,551)
Net debt	**12,136,575**	13,704,571
Total equity	**12,200,741**	12,311,782
Net debt ratio	**99.5%**	111.3%

46 Statement of Financial Position and Reserve Movements of the Company

	2021 RMB'000	2020 RMB'000
Non-Current Asset		
Investment in a subsidiary	–	–
Current Assets		
Due from subsidiaries	**2,895,138**	3,676,547
Cash and cash equivalents	**366**	4,353
Total current assets	**2,895,504**	3,680,900
Current Liabilities		
Interest-bearing bank and other borrowings	**1,889,280**	2,042,340
Trade payables	**153**	–
Other payables and accruals	**72,585**	8
Due to subsidiaries	**822,771**	1,017,723
Total current liabilities	**2,784,789**	3,060,071
Net Current Assets	**110,715**	620,829
Non-Current Liabilities		
Interest-bearing bank and other borrowings	–	–
Net assets	**110,715**	620,829
Equity		
Issued capital	**159,418**	159,418
Reserves	**(48,703)**	461,411
Total equity	**110,715**	620,829

Jiang Xiuwen
Director

Lu Jianhua
Director

46 Statement of Financial Position and Reserve Movements of the Company (continued)

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total reserves RMB'000
As at 1 January 2020	1,288,734	81,000	(767,965)	601,769
Loss for the year and total comprehensive loss for the year	–	–	(140,358)	(140,358)
As at 31 December 2020 and 1 January 2021	1,288,734	81,000	(908,323)	461,411
Loss for the year and total comprehensive gain for the year	–	–	(510,114)	(510,114)
As at 31 December 2021	1,288,734	81,000	(1,418,437)	(48,703)

47 Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors of the Company on 31 March 2022.

Financial Summary

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

	Year ended 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**5,395,065**	4,848,906	6,077,400	7,356,958	7,317,619
Cost of sales	**(3,761,063)**	(3,678,887)	(3,946,801)	(5,305,746)	(5,551,155)
Gross profit	**1,634,002**	1,170,019	2,130,599	2,051,212	1,766,464
Other income	**18,307**	36,479	52,733	51,927	70,491
Gains arising from acquisition of subsidiaries	**–**	454,889	49,389	790,959	–
Fair value gains on investment properties	**(117,238)**	81,073	147,396	6,586	341,216
Net impairment losses on financial and contract assets	**(15,947)**	2,663	(9,174)	(23,861)	–
Other (losses)/gains – net	**(473,900)**	78,920	297,643	(45,058)	19,998
Selling and marketing expenses	**(220,957)**	(165,041)	(208,086)	(192,886)	(236,083)
Administrative expenses	**(341,198)**	(409,613)	(520,801)	(502,698)	(478,585)
Finance costs – net	**(821,294)**	(832,091)	(683,098)	(659,853)	(334,461)
Share of profits and losses of joint ventures and associates	**90,953**	87,198	50,808	8,810	449,702
Profit before income tax	**(247,272)**	504,496	1,307,409	1,485,138	1,598,742
Income tax expenses	**(620,694)**	(336,191)	(669,306)	(681,552)	(504,480)
Profit for the year	**22,190**	196,839	638,103	803,586	1,094,262
Owners of the Company	**2,934**	172,576	450,164	833,919	984,302
Non-controlling interests	**19,256**	24,263	187,939	(30,333)	109,960
	22,190	196,839	638,103	803,586	1,094,262

Financial Summary (continued)

	As at 31 December				
	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS					
TOTAL ASSETS	**43,223,115**	45,466,485	43,873,463	43,086,362	37,097,484
TOTAL LIABILITIES	**(31,022,374)**	(33,154,703)	(31,337,942)	(31,247,803)	(25,954,578)
NON-CONTROLLING INTERESTS	**(168,233)**	(282,208)	(678,523)	(463,615)	(404,727)
	12,032,508	12,029,574	11,856,998	11,374,944	10,738,179

YIDA 亿达

商務園區運營專家

www.yidachina.com

億達中國控股有限公司
Yida China Holdings Limited

中華人民共和國（「中國」）總部
Headquarter In The People's Republic Of China ("PRC")
中國上海市黃浦區福佑路8號中國人保大廈5樓
5/F, People's Insurance Mansion, No. 8, Fuyou Road,
Huangpu District, Shanghai, PRC

香港主要營業地點
Principal Place Of Business In Hong Kong
香港金鐘金鐘道88號太古廣場二座12樓1215室
Suite 1215, Two Pacific Place, 88 Queensway,
Admiralty, Hong Kong