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

2024
INTERIM REPORT
中期報告

CONTENTS

CORPORATE OVERVIEW

Yida China Holdings Limited (the "**Company**"), together with its subsidiaries (collectively referred to as the "**Group**"), founded in 1988, 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 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. Yuan Wensheng

Non-executive Directors

Mr. Lu Jianhua *(vice chairman)*
Mr. Wang Gang
Ms. Jiang Qian
Mr. Weng Xiaoquan *(resigned on 11 September 2024)*

Independent Non-executive Directors

Mr. Yip Wai Ming *(resigned on 26 July 2024)*
Mr. Guo Shaomu
Mr. Han Gensheng *(resigned on 13 January 2025)*
Mr. Tong Wing Chi *(appointed on 13 January 2025)*
Mr. Chen Yi Chuan *(appointed on 13 January 2025)*

Joint Company Secretaries

Mr. Sun Mingze
Ms. Kwong Yin Ping Yvonne

Authorised Representatives

Mr. Jiang Xiuwen
Mr. Sun Mingze

Board Committees

Audit Committee

Mr. Yip Wai Ming *(chairman, resigned on 26 July 2024)*
Mr. Han Gensheng *(resigned on 13 January 2025)*
Mr. Guo Shaomu
Mr. Tong Wing Chi *(appointed on 13 January 2025)*
Mr. Chen Yi Chuan *(chairman, appointed on 13 January 2025)*

Remuneration Committee

Mr. Jiang Xiuwen
Mr. Guo Shaomu *(chairman)*
Mr. Han Gensheng *(resigned on 13 January 2025)*
Mr. Tong Wing Chi *(appointed on 13 January 2025)*

Nomination Committee

Mr. Jiang Xiuwen *(chairman)*
Mr. Yip Wai Ming *(resigned on 26 July 2024)*
Mr. Han Gensheng *(resigned on 13 January 2025)*
Mr. Guo Shaomu *(appointed on 26 July 2024)*
Mr. Chen Yi Chuan *(appointed on 13 January 2025)*

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")

Block 4, Yida Plaza
93 Northeast Road
Shahekou District
Dalian, Liaoning Province
PRC

Principal Place of Business in Hong Kong

Room 2008, 20/F
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
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

CORPORATE INFORMATION (continued)

Auditor
Prism Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisors
As to Hong Kong Law
Sidley Austin

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 am pleased to present you the Group's interim results for the Period.

WWW.YIDACHINA.COM

Changsha Yida & CSCEC Intelligent Technology Centre

Dalian Yida Core Park

CHAIRMAN'S STATEMENT (continued)

During the Period, the Group recorded revenue of RMB667 million, of which sales income from residential properties within and outside business parks, office properties and standalone residential properties was RMB176 million; rental income from business parks was RMB244 million; business park entrusted operation and management income was RMB100 million; construction, decoration and landscaping income was RMB148 million, with a gross profit of RMB189 million and a gross profit margin of 28.4%. Net loss attributable to shareholders of the Company for the Period was RMB360 million.

Review of the First Half of 2024

In the first half of 2024, the real estate market exhibited a protracted modest recovery trajectory. The overall downward pressure on the real estate market has not abated while sporadic positive signals emerged. Despite ongoing policy enhancements, the market has shown limited responsiveness, which coupled with low real estate releases from companies, led to great operational headwinds on the entire real estate business.

During the Period, in the face of dual pressure from domestic and overseas financial and operating debts, as well as the overall sluggish market environment in the real estate industry, the Group's management led the team to work hard, diligently and collaboratively, and closely communicated with relevant government authorities, creditors' committee, suppliers and clients to ensure the continuous and stable operation of the Company. The Group will adhere to the development model of "city-industry integration", continue to optimize the organizational structure, enhance the efficiency of employees, and give full play to the core competitiveness of the enterprise.

As a leading business park operator in China, the Group adheres to the operating philosophy of "developing the city by production, city-industry integration, harmonious development and cocreating value". It has served more than 2,500 corporate clients and partners, including nearly 100 Fortune 500 companies and over 100 industry leaders. The Group has accumulated abundant experience in the development, construction, and operation and management of business parks, forming a unique business model and industry advantages.

I. Focusing on principal businesses and improving quality and efficiency of management

Facing the challenges in the industry, the Group remained focused on its principal businesses. For the real estate development business, we prioritized ensuring the delivery of key projects and fulfilling annual delivery targets. For the park operation business, we closely monitored the operational dynamics of key clients, actively introduced new client resources and expanded potential lease-ups in the parks, so as to achieve sustainable cash inflow from operations. During the Period, the total newly contracted park leasing area was approximately 8,782 square meters, and the total rental income was approximately RMB244 million. Meanwhile, adhering to the concept of lean management, the Group achieved cost reduction and efficiency improvement and improved per capita efficiency by optimizing organizational structure, strengthening budget control and digital upgrading. The Group focused on the full-cycle operation of business parks by implementing standardized operational processes and deploying intelligent systems to optimize labor and energy costs. Additionally, a real-time cost monitoring mechanism has been established to rigorously control non-essential expenditures, thereby enhancing service delivery capabilities and asset operational efficiency. During the Period, administrative expenses decreased by 23.4% year on year to approximately RMB58 million. Selling and marketing expenses amounted to approximately RMB23 million, representing a year-on-year decrease of 25.2%.

II. Mitigating debt risks and maintaining overall debt stability

During the Period, the Group was committed to stabilizing its existing debts, actively engaging with various financial institutions, and advancing the maturity extension and interest rate reduction of existing debts, replacement of loans for operating properties and incremental financing of projects.

III. Disposing of inefficient assets and intensifying efforts to rejuvenate assets

During the Period, amid persistently challenging sales and financing conditions, the Group proactively explored underperforming asset revitalization strategies, which included identifying potential buyers for held-for-investment assets and seeking debt-for-asset swaps through negotiations and other means to unlock asset value while alleviating repayment pressure on maturing debts.

Outlook for the Second Half of 2024

The national real estate market is expected to remain subdued in the second half of 2024, with a meaningful recovery requiring further time. The Group will vigorously mobilize limited resources and prudently arrange capital expenditures to actively respond to the government's policy arrangement of "ensuring delivery of presold properties", ensuring the fulfillment of annual delivery targets. Priority will be given to the delivery of the Group's flagship residential projects in Dalian and business park projects in Shenyang, Zhengzhou and Changsha.

I. Ensuring the smooth completion of the delivery project and maintaining the stability of the major operating businesses

The Group will vigorously mobilize limited resources and prudently arrange capital expenditures to actively respond to the government's policy arrangement of "ensuring delivery of presold properties", ensuring the fulfillment of annual delivery targets. Priority will be given to the delivery of the Group's flagship residential projects in Dalian and industrial park projects in Shenyang, Zhengzhou and Changsha.

II. Improving the quality of services for enterprises and building an enterprise cultivation system

The Group will continue to implement the tiered cultivation policy for high-quality SME customers within its parks, continuously improve the tiered cultivation system, addressing critical technical challenges for enterprises and building a professional enterprise service framework. Through targeted support initiatives of tiered cultivation of enterprises in the park such as one-on-one expert guidance and tailored policy consultation, Zhengzhou Yida Creation City of the Group effectively addresses growth challenges for specialized and sophisticated enterprises, guides SMEs to follow the specialized and sophisticated development path and accelerates the development of a high-quality ecosystem within the park. As of 30 June 2024, Zhengzhou Yida Creation City has attracted more than 200 enterprises, and has incubated and cultivated 4 national-level specialized and sophisticated "little giant" SMEs, 77 provincial and municipal-level specialized and sophisticated SMEs, 1 national manufacturing single champion enterprise, 1 national CNAS certification laboratory, 1 national technological innovation demonstration enterprise, and 72 national high-tech enterprises, becoming a hub for high-tech innovation resources.

III. Increasing efforts in the disposal of underperforming assets and the revitalization of assets, and mitigating debt risks

The Group will further intensify sales and asset disposal efforts, accelerate capital recovery and promote the mitigation of debt risks. For slow-moving inventory, we will expedite destocking through a combination of sales and debt-for-property swaps. Idle assets will be revitalized through a combination of lease and sale. For land holdings, we will accelerate the realization of assets through government re-acquisition and equity transfers; we will ensure timely project delivery.

Dear shareholders, on behalf of the Board, 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 top management and employees for their tireless efforts and contributions.

Jiang Xiuwen
Yida China Holdings Limited
Chairman and Chief Executive Officer

3 April 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

I. Operation of Properties Owned by Business Parks

During the Period, the Group wholly owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed gross floor area ("**GFA**") of the above business parks was approximately 1.999 million square meters ("**sq.m.**"), with a leasable area of approximately 1.361 million sq.m.. During the Period, the Group recorded a rental income of approximately RMB244 million, which was similar to that for the corresponding period in 2023.

An overview of properties owned by the Group is as follows (unit: '000 sq.m.):

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area				Occupancy Rate at the End of the Period
			Office Buildings	Apartments	Shops	Parking Spaces	
Dalian Software Park	100%	635	367	180	35	41	84%
Dalian BEST City	100%	147	97	–	8	40	61%
Yida Information Software Park	100%	120	77	–	10	31	96%
Dalian Tiandi	100%	407	227	38	28	12	86%
Wuhan First City	50%	690	83	28	29	30	72%
Total		1,999	1,361				

Note:

1. The financial statements of Wuhan First City were not consolidated to the financial statements of the Group, therefore the rental income of the Group excludes the rental income from such park.

The Group created multi-dimensional value for its customers by organizing diverse activities for tenants in the parks in the long run. While strengthening tenants loyalty, we promoted resource sharing and business collaboration within the industrial ecosystem, enhanced the parks' competitiveness in investment attraction and brand recognition, and established a virtuous cycle of "mutual growth and success (共生共赢)" with our customer enterprises, laying a solid foundation for our sustainable operations. During the Period, the Group organized and hosted the 2024 Staff Shuttlecock Tournament in Dalian High-tech Zone, online knowledge quizzes, and the "Youth Online Run (五四線上跑)" and other themed activities, which saw active participation from over a thousand employees from more than 90 enterprises in the parks, further enhancing the cohesion of customer enterprises. In May 2024, following the joint establishment of the "University-Enterprise Cooperation Talent Training Base" by Dalian Software Park under the Group and the International Business School of Dongbei University of Finance and Economics, an in-depth collaborative event was held to help undergraduates familiarize themselves with workplace culture and bridge the gap between academic training and employment.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

In the first half of 2024, the activity level of clients in the business parks of the Group experienced a decline. Existing tenants had minor expansion needs due to project changes, while local market clients showed no immediate plans for relocation. Concurrently, due to the influence of international relations, the office space of some foreign enterprises reduced as a result of their labor and production cost control measures. A small number of small size customers exited the parks due to operational difficulties or were evicted due to payment defaults. The overall occupancy rate of and revenue from the park tenants remained largely stable. In May 2024, Hoshizaki (China) Investment Co., Ltd. (星崎(中國)投資有限公司) held the opening ceremony for its Dalian R&D Center at Building C5, the Spring Field Park, Dalian Eco-Tech Innovation City (大連生態科技創新城春田園區C5棟), marking the official establishment of the center, which is the first independent overseas R&D center established by Hoshizaki Group (星崎集團) in China.

Dalian Eco-Tech Innovation City attracted not only industrial enterprises but also various urban components, aiming to create a modern and international eco-smart city with low carbon, low-density, and low-energy consumption by integrating high-end industries, advanced talents, and premium living standards. The core startup area of 15 square kilometers invested in, constructed and operated by the Group, after more than a decade of continuous development, has developed five emerging industrial clusters, including digital economy, cultural creativity, mobile internet, R&D and design, and e-commerce, through which, it became the model demonstration zone for the construction of the new city, and was recognized as the "National High-Tech Service Industry Base", the "National Modern Service Industry Base", the "Pilot Zone for National Advertising Industry Development" and the "E-Commerce Cluster Demonstration Zone of Liaoning Province".

II. Sales of Properties

In the first half of 2024, the real estate sector across the nation was in a phase of profound adjustment and transformation. For the policies issued, although the policymakers maintained the accommodative stance of the previous year, and continued to introduce favorable policies to stabilize the real estate market, aiming to promote the steady and healthy development of the market, improve relevant fundamental systems, and accelerate the establishment of a new model for real estate industry development, the restoration of market confidence still required time.

Under such market atmosphere, the Group focused its efforts on core business such as "asset revitalization, debt decrease and risk control, sales collection and project construction". However, during the actual operation, we still faced numerous challenges. The disposal and revitalization of assets and land we held were relatively slow, failing to generate effective cash flow in a timely manner, and the slow progress in destocking put significant pressure on the Company's operating cash flow. Moving forward, the Group will actively respond to market changes, optimize operational strategies, striving to resolve current difficulties and seek new development opportunities.

During the Period, the Group achieved contracted sales of RMB432 million, contracted sales area of 34.4 thousand sq.m. and average contracted sales price of RMB12,581 per sq.m. The majority of projects sold were located in Dalian (73.4% of total contracted sales), Zhengzhou (16.2% of total contracted sales), Chongqing (7.5% of total contracted sales); while residential property sales accounted for 73.4% of total contracted sales.

During the Period, the sales revenue from the business was RMB176 million, representing a year-on-year decrease of 80.2%, which was mainly due to the decrease in projects delivered during the Period. The average sales price during the Period was RMB14,622 per sq.m., representing a year-on-year increase of 139.2%, mainly due to the main products carried forward during the Period are different from those of the same period of 2023. The projects carried forward during the Period were mainly ordinary residential properties with higher prices as compared to office buildings properties carried forward during the same period of 2023. Revenue-recognized projects were mainly located in Dalian (91.8% of revenue) and other cities.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Dalian

In the first half of 2024, the real estate market in Dalian witnessed a trend characterized by "policy support, regional differentiation, and moderate recovery". With the support of multiple favorable real estate policies, the city maintained market vitality through measures such as lowering mortgage interest rates and reducing down payment ratios. To adapt to the new dynamics of supply and demand in the real estate market and to meet the basic and improvement-oriented housing needs of residents, Dalian continuously optimized its regional policies and measures. These efforts contributed to stabilizing the real estate market and attracting talent, laying a foundation for the steady development of the market in the future.

It is anticipated that the real estate market of Dalian will stabilize and cease to decline, with a rebound in transactions of mid-to-high-end improvement-oriented residential properties in core areas. However, price recovery in non-core areas will be relatively slow, still in the phase of "price for volume". Overall market demands for basic and improved housing will be released, and the homebuyers will pay more attention to product quality and the fulfillment of supporting amenities. The "Dalian Glory of the City" project of the Group, located in the core development zone of the city, is centered on the concept of "eco-friendly living + smart life", aiming to create a high-end, low-density and high-quality residential community. Leveraging the Group's operating experience in city-industry integration and regional brand influence, the project has set a new benchmark for housing with its high deliverability. During the Year, the project achieved contracted sales of approximately RMB173 million and sales area of approximately 10,000 sq.m. with an average sales price of approximately RMB17,000 per sq.m..

Zhengzhou

In the first half of 2024, Zhengzhou actively adjusted its real estate policies to promote stable and healthy market development. In April 2024, six departments of Zhengzhou jointly issued the "Work Plan on Promoting the Real Estate Market through 'Sell Old, Buy New, and Replace Old with New' of Zhengzhou (Trial)", aiming to activate the second-hand housing market, support the demand for housing upgrades, and ensure competitive edge in talent policies. Meanwhile, with the goal of building a national advanced manufacturing base, Zhengzhou increased industrial support in key areas such as Zhongyuan Science and Technology City (中原科技城) and the Airport Economy Zone. Through land and tax policy incentives, it attracted emerging industries like intelligent manufacturing and biopharmaceuticals. Leveraging the strategy of creating "intelligent manufacturing heights", Zhengzhou accelerated the clustering of innovative enterprises in artificial intelligence and digital technology. It is expected that in the second half of the Year, the industrial real estate in Zhengzhou will continue along the path of "targeted tenant recruitment + technological empowerment", speeding up the transition between traditional and new growth drivers.

Zhengzhou Yida Creation City of the Group will continue to focus on the innovation and entrepreneurship needs of enterprises, and constantly increase investment in the research and development of smart park to accelerate innovation and development. Based on 5G and BIM+GIS, it aims to foster integration across the upstream and downstream of the industrial chain, constructing an innovative ecosystem that offers full lifecycle services, thereby achieving professional, regular, and precise enterprise services offering. By empowering and enhancing efficiency of the high-quality innovative development of enterprises with specialized innovative services, it will make new contributions to the high-quality development of software industry in Henan Province.

Chongqing

In the first half of 2024, Chongqing seized the opportunities which emerged in the development of the Chengdu-Chongqing Economic Circle, focusing on strategic industries such as intelligent manufacturing and the digital economy. The city issued policies such as the "Chain Leader System (鏈長制)", for targeted tenant recruitment and flexible industrial land transfer and other mechanisms to activate the market. In January 2024, Chongqing introduced the "Smart Equipment and Intelligent Manufacturing Industrial Cluster Action Plan (《智能裝備及智能製造產業集群行動計劃》)", which explicitly stated that it will provide land use quota allocation and tax incentives to core areas such as Liangjiang New Area (兩江新區) and the Western Science City (西部科學城), aiming to attract the "specialized and sophisticated" enterprises in sectors like new energy vehicles and integrated circuits.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

With the completion of Chongqing Yida Innovation Plaza, which occupies approximately 84,000 sq.m., and primarily focuses on digital industries such as software and information services, e-commerce, and artificial intelligence, Chongqing aims to establish a digital e-commerce industrial base in Beibei District and a demonstration building for software and information service industry under the "Starry Sky" initiative in Chongqing. Currently, the Chongqing Yida Innovation Plaza has attracted nearly a hundred enterprises from sectors, including software and information services, e-commerce, artificial intelligence and intelligent manufacturing. These efforts will promote the regional industrial transformation, refresh the city's image, and serve as a new engine driving local economic development, creating a benchmark for industry projects in Beibei District. In the future, the Group will further strengthen cooperation and exchange with the government, actively introduce more high-quality digital and high-tech enterprises, continuously improve the industrial ecosystem, and enhance the service standards and operational capacity of the base.

The following table sets forth the Group's contracted sales breakdown as at 30 June 2024:

	Sales Floor Area (sq.m.)	Sales Amount (RMB'0000)	Average Sales Price (RMB/sq.m.)	Percentage of Total Sales
Dalian	19,900	31,741	15,949	73.4%
Zhengzhou	8,927	6,992	7,832	16.2%
Chongqing	2,776	3,242	11,679	7.5%
Shenyang	2,530	1,043	4,123	2.4%
Changsha	232	218	9,396	0.5%
Total	34,365	43,236	12,581	100.0%
Dalian Software Park	3,760	4,548	12,096	10.5%
Dalian BEST City	462	260	5,618	0.6%
Information Software Park	1,093	1,340	12,263	3.1%
Dalian Tiandi	3,342	6,385	19,105	14.8%
Zhengzhou Yida Creation City	8,927	6,992	7,832	16.2%
Chongqing Yida Innovation Plaza	2,776	3,242	11,679	7.5%
Changsha Yida & CSCEC Intelligent Technology Centre	232	218	9,396	0.5%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	2,530	1,043	4,123	2.4%
Residential Properties outside Business Parks	11,244	19,208	17,083	44.4%
Total	34,365	43,236	12,581	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

III. Business Park Operation and Management

The Group is committed to developing smart park investment and operations, to create a national network matrix for industrial investment. During the Period, the Group had 3 business park operation and management projects with a total contracted operation and management area of approximately 420.9 thousand sq.m. During the Period, we achieved revenue of RMB100 million, representing a year-on-year decrease of 15.4%, which was mainly attributable to the gradual exit of certain existing projects which met completion conditions.

As a leading business park operator in China, the Group has been deeply engaged in city-industry integration development for over two decades. With the continuous expansion of the national industrial strategic layout, the Yida China Industrial Finance Research Institute was established. Since its inception in March 2023, the Yida China Industrial Finance Research Institute, based in Shanghai, has held nearly 20 public courses, exclusive meetings and customized corporate training sessions in cities such as Dalian, Wuhan, Changsha and Zhengzhou, with over a total of 200 companies participating in the offline course trainings, including more than 100 senior management such as chairpersons and CEOs of such companies. In the future, the Finance Research Institute will continue to incorporate knowledge database and financial and industrial resources from first-tier cities, to offer products and services integrating "training, consulting, and capital" to customer enterprises. This will provide more convenient and effective resources and services to the enterprises in the parks, supporting their high-quality development.

IV. Construction, Decoration and Landscaping

In recent years, due to the significant influence by the overall downturn in the real estate industry, market demands continued to shrink, competition became increasingly fierce, and the new business we undertook showed a significant contraction trend year by year. During the Period, the total revenue from the construction, decoration and landscaping business was RMB148 million, representing a decrease of 53.1% as compared with the same period of 2023, mainly due to the decrease in output value of construction projects during the Period.

In response to the severe industry situation, the Group actively sought changes and took proactive measures. Under the new circumstances, we promptly organized a professional team to visit various cities and regions for a comprehensive and in-depth study of passive buildings. The business team conducted a thorough analysis of the design concepts, construction techniques, and operational management models of passive buildings, through which, they not only broadened their horizons but also accumulated practical experience and developed their professional capabilities, striving to accurately align with the new industry development direction, and seeking breakthroughs and opportunities for growth amidst the challenges.

Meanwhile, the Group actively adopted a digital material management system, and applied it to various scenarios such as material price platforms, risk warnings, and mobile applications. Under such system, we also realized standardized, refined, and intensive management of our materials, which may promote control over both the quantity and price of material costs and regulate the whole business process, thereby enhancing inter-departmental communication efficiency, and comprehensively optimizing the material business processes.

V. Land Reserves

As at 30 June 2024, the total GFA of the Group's land reserve was approximately 6.276 million sq.m., among which the land reserve in Dalian accounted for 75.7% of the Group's land reserve. The GFA of land reserves attributable to the Group was approximately 5.743 million sq.m..

The following table sets forth a breakdown of the Group's land reserves as at 30 June 2024:

By City	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Dalian	4,751,964	75.7%	4,752,031	82.7%
Shenyang	37,951	0.6%	19,355	0.3%
Wuhan	622,947	9.9%	311,473	5.4%
Zhengzhou	297,535	4.7%	297,535	5.2%
Changsha	265,113	4.2%	135,208	2.4%
Chengdu	65,848	1.1%	45,063	0.8%
Chongqing	86,574	1.4%	86,574	1.5%
Hefei	147,911	2.4%	96,142	1.7%
Total	6,275,843	100.0%	5,743,381	100.0%

By Location	Total GFA of Land Reserves (sq.m.)	Proportion	Attributable GFA of Land Reserves (sq.m.)	Proportion
Business Parks	5,399,928	86.0%	4,867,466	84.7%
Residential Properties outside Business Parks	875,915	14.0%	875,915	15.3%
Total	6,275,843	100.0%	5,743,381	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Zhengzhou Yida Creation City

Projects Within/ Outside Business Parks	Equity Held by the Group	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%	622,288	–	–
Residential	100%	54,480	–	–
Subtotal		676,768	–	–
Dalian BEST City				
Office	100%	144,955	129,361	515,172
Residential	100%	99,623	7,088	22,152
Subtotal		244,578	136,449	537,324

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Projects Within/ Outside Business Parks	Equity Held by the Group	Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Wuhan First City				
Office	50%	220,769	93,124	291,635
Residential	50%	17,419	–	–
Subtotal		238,188	93,124	291,635
Yida Information Software Park				
Office	100%	102,813	–	118,798
Residential	100%	53,921	85,279	–
Subtotal		156,734	85,279	118,798
Dalian Tiandi				
Office	100%	270,027	220,912	1,349,889
Residential	100%	93,178	–	–
Subtotal		363,205	220,912	1,349,889
Chengdu Tianfu Intelligent Science and Technology City				
Office	60%	–	51,961	–
Subtotal		–	51,961	–
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	17,477	136,698	110,938
Subtotal		17,477	136,698	110,938
Zhengzhou Yida Creation City				
Office	100%	100,535	110,600	86,400
Subtotal		100,535	110,600	86,400
Chongqing Yida Innovation Plaza				
Office	100%	86,574	–	–
Subtotal		86,574	–	–

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Projects Within/ Outside Business Parks	Equity Held by the Group	Completed Saleable/ Leasable GFA (sq.m.)	GFA under Development (sq.m.)	GFA Held for Future Development (sq.m.)
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	37,951	–
Subtotal		–	37,951	–
Hefei Industrial Project				
Office	65%	–	–	147,911
Subtotal		–	–	147,911
Projects Within Business Parks Subtotal		**1,884,059**	**872,974**	**2,642,895**
Projects Outside Business Parks				
Dalian	100%	385,291	232,099	244,638
Chengdu	100%	13,887	–	–
Projects Outside Business Parks Subtotal		399,178	232,099	244,638
Total		**2,283,237**	**1,105,073**	**2,887,533**

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW

Revenue

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

During the Period, the revenue of the Group was RMB667.07 million, representing a decrease of 57.6% from the corresponding period of 2023. The following table sets forth a breakdown of the revenue for the periods indicated:

	For the six months ended 30 June			
	2024		2023	
	Amount RMB'000	**% of total amount**	Amount RMB'000	% of total amount
Revenue from sales of properties	**175,623**	**26.3%**	888,178	56.5%
Rental income	**243,798**	**36.5%**	251,186	16.0%
Business park operation and management services income	**100,080**	**15%**	118,310	7.5%
Construction, decoration and landscaping income	**147,564**	**22.2%**	314,797	20.0%
Total	**667,065**	**100%**	1,572,471	100.0%

(1) Revenue from sales of properties

The Group's revenue arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Period was RMB175.62 million, representing a decrease of 80.2% from the corresponding period of 2023, which was mainly attributable to the decrease in projects delivered during the Period.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Period amounted to RMB243.80 million, which was relatively stable as compared to the corresponding period of 2023.

(3) Business park operation and management services income

During the Period, the income arising from business park operation and management services provided by the Group amounted to RMB100.08 million, representing a decrease of 15.4% from the corresponding period of 2023, which was mainly attributable to the gradual withdrawal of some existing projects that met the completion conditions during the Period.

(4) Construction, decoration and landscaping income

During the Period, the income derived from construction, decoration and landscaping services provided by the Group amounted to RMB147.56 million, representing a decrease of 53.1% from the corresponding period of 2023, which was mainly attributable to the decrease in the construction output value during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Cost of Sales

The cost of sales of the Group during the Period amounted to RMB477.72 million, representing a decrease of 62.2% from the corresponding period of 2023, which was mainly attributable to the decrease in projects delivered during the Period.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Period amounted to RMB189.35 million, representing a decrease of 38.7% from the corresponding period of 2023; the gross profit margin increased from 19.7% for the corresponding period of 2023 to 28.4% during the Period, which was mainly attributable to different products carried forward during the Period and the increase in corresponding gross profit of each product carried forward as compared to the same period in 2023.

Selling and Marketing Expenses

The selling and marketing expenses of the Group for the Period decreased by 25.2% to RMB23.36 million from RMB31.25 million in the corresponding period of 2023, which was mainly attributable to the decrease in advertising expenses regarding property sales and sales commissions during the Period.

Administrative Expenses

The administrative expenses of the Group for the Period amounted to RMB58.26 million, representing a decrease of 23.4% from the corresponding period of 2023, which was mainly due to the adoption of active measures to control administrative costs during the Period.

Other loss – net

The net other loss of the Group recorded for the Period amounted to RMB58.46 million, representing a decrease of 57.0% from the corresponding period of 2023, which was mainly due to the decrease in the exchange losses resulting from US dollar exchange rate movements during the Period.

Fair Value Gains on Investment Properties

During the Period, the fair value gains on investment properties of the Group amounted to RMB0.23 million, As at 30 June 2024, the fair value of investment properties remained substantially the same as at 31 December 2023.

Finance Costs – net

The net finance costs of the Group increased by 61.3% to RMB399.79 million during the Period from RMB247.82 million in the corresponding period of 2023, which was mainly due to the increase in interest expenses and the decrease in interest capitalised during the Period.

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

During the Period, the Group recorded share of loss of joint ventures and associates amounted to approximately RMB0.06 million, representing a decrease of RMB7.52 million from profit of RMB7.46 million recorded during the corresponding period of 2023, which was mainly attributable to the decrease in income from equity investments in Wuhan New Software Park Development Company Limited.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group decreased by 55.1% to RMB16.19 million during the Period from RMB36.07 million in the corresponding period of 2023, which was mainly attributable to the decrease in corporate income tax and land appreciation tax as a result of the decrease in income carried forward during the Period.

Loss for the Period

As a result of the foregoing, the Group recorded a loss before tax of RMB345.24 million during the Period as compared to the loss before tax of RMB6.16 million for the corresponding period of 2023.

The Group recorded a net loss of RMB361.43 million during the Period as compared to the net loss of RMB42.24 million for the corresponding period of 2023.

The net loss attributable to equity owners for the Period amounted to RMB360.12 million, as compared to net loss attributable to equity owners in the amount of RMB35.72 million for the corresponding period of 2023.

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2024, the Group had cash and bank balances of approximately RMB349.23 million (including restricted cash of approximately RMB169.77 million) (31 December 2023: cash and bank balances of approximately RMB411.74 million, including restricted cash of approximately RMB236.69 million).

Debts

As at 30 June 2024, the Group had bank and other borrowings of approximately RMB11,913.44 million (31 December 2023: approximately RMB11,957.05 million), of which:

(1) By Loan Type

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Secured bank loans	**5,448,881**	5,591,014
Secured other borrowings	**4,346,404**	4,327,645
Unsecured other borrowings	**2,118,150**	2,038,389
	11,913,435	11,957,048

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

(2) By Maturity Date

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within one year or on demand	**11,913,435**	11,957,048
In the second year	**–**	–
	11,913,435	11,957,048

As at 30 June 2024, the Group's bank and other borrowing amounted to RMB11,615.43 million were charged with fixed interest rate of 1.2% – 12.00% per annum with the remaining balances of RMB298.00 million were charged with variable rates.

Debt Ratio

The net gearing ratio (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 123.9% as at 30 June 2024, which increased by 4.8 percentage points as compared to 119.1% as at 31 December 2023.

Pledge of Assets

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

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 30 June 2024, the Group had cash and bank balances (including restricted cash) of approximately RMB0.192 million and approximately RMB0.052 million denominated in Hong Kong dollars and USD, respectively. As at 30 June 2024, the Group had borrowings of approximately RMB1,693.08 million and approximately RMB377.82 million denominated in United States dollars and Hong Kong dollars, respectively, with the remaining borrowings all denominated in RMB. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 30 June 2024, the Group provided guarantees of approximately RMB191.15 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2023: approximately RMB263.70 million). Besides, the Group provided guarantees to the extent of RMB90.91 million as at 30 June 2024 (31 December 2023: RMB101.23 million) in respect of bank loans granted to a joint venture.

Employees and Remuneration Policies

As at 30 June 2024, the Group had 368 full-time employees (31 December 2023: 493). The Group pays 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 bring it in line with the industry salary standards.

Interim Dividend

The Board has resolved not to declare any payment of interim dividend for the Period.

Purchases, Sale or Redemption of Listed Securities of the Company

During the Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2024, the Company does not hold any treasury shares.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 22 April 2024, Dalian Science and Technology City Development Company Limited (大連科技城發展有限公司), a wholly-owned subsidiary of the Company (as the vendor), entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Dalian Junda Education Enterprise Management Co., Ltd. (大連鈞大教育企業管理有限公司) (as the purchaser) and Dalian Science and Technology City Xinrui Development Co., Ltd. (大連科技城欣鋭開發有限公司) and Dalian Science and Technology City Tairui Development Co., Ltd. (大連科技城泰鋭開發有限公司) (both as target companies, collectively the "**Target Companies**") in respect of disposal of 100% equity interests in each of the Target Companies by the vendor to the purchaser at a total consideration of approximately RMB112.6 million. As certain conditions precedent could not be fulfilled, on 22 August 2024, the parties have entered into a termination agreement, pursuant to which it was mutually agreed that the Equity Transfer Agreement shall be terminated with effect from 23 August 2024.

For details, please refer to the announcements of the Company dated 22 April 2024, 14 May 2024, 5 July 2024 and 22 August 2024, and the circular of the Company dated 12 July 2024.

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

Future Plans for Material Investments or Capital Assets

The Group had not authorised any plans for material investments or additions of capital assets as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Events after Reporting Period

1. Change of auditor

The Company was unable to reach a consensus with PricewaterhouseCoopers ("**PwC**"), the former auditor of the Company, on the auditor's remuneration for the financial year ended 31 December 2023, and on 31 August 2023, the Board has resolved not to re-appoint PwC as the auditor of the Company. The Company's extraordinary general meeting held on 25 March 2024 approved and confirmed the appointment of RSM Hong Kong ("**RSM**") as the auditor of the Company.

Subsequently, the Company worked closely with RSM to conduct the audit for the annual results of the Group for the year ended 31 December 2023 (the "**2023 Audit**"). On 26 November 2024, RSM considered that it was unable to complete the 2023 Audit in accordance with the agreed timetable. The Company was of the view that it would be in the best interests of the Company and the Shareholders of the Company to complete the 2023 Audit as soon as practicable. As such, the Company communicated and reached a mutual understanding with RSM that RSM would resign as auditor of the Company with effect from 24 December 2024.

With the recommendation from the Audit Committee, the Board has resolved to appoint Prism Hong Kong Limited as the new auditor of the Company with effect from 24 December 2024 to fill the casual vacancy following the resignation of RSM and to hold office until the conclusion of the next annual general meeting of the Company. Relevant details are set out in the announcement dated 24 December 2024 of the Company.

For details, please refer to the announcements of the Company dated 23 February 2024, 25 March 2024, 31 May 2024, 1 July 2024, 2 August 2024, 30 August 2024, 30 September 2024, 31 October 2024, 6 November 2024 and 24 December 2024, the circular of the Company dated 7 March 2024, and the interim report of the Company for the six months ended 30 June 2023.

2. Criminal order

Dalian Services Outsourcing Base Development Company Limited (大連服務外包基地發展有限公司) ("**Outsourcing Company**") (a wholly-owned subsidiary of the Company) received a criminal order (the "**Order**") issued by the Intermediate People's Court of Dalian Municipal Liaoning Province (遼寧省大連市中級人民法院) (the "**Dalian Court**") with effect from 17 January 2025 against, inter alia, two former employees of Outsourcing Company for bribery. As the bribes were provided for and on behalf of Outsourcing Company, Outsourcing Company was also convicted of bribery. The Company and the Board noted from the Order that Mr. Wen Hongyu (a former Director who had resigned on 31 December 2016) and a former employee of Outsourcing Company (who was neither a director nor senior management of the Company) provided bribes, individually or jointly, for and on behalf of Outsourcing Company to various third parties and state functionary since 2008 in order to assist Outsourcing Company to obtain commercial benefits in certain commercial projects. Meanwhile, the former employee also accepted bribes as a non-state functionary.

For details, please refer to the announcement dated 27 January 2025 of the Company.

DISCLOSURE OF INTERESTS

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

As at 30 June 2024, 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 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 were as follows:

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

Name of Director	Capacity/Nature of interest	Number of shares held[1]	Approximate percentage in the Company's issued share capital as at 30 June 2024
Mr. Jiang Xiuwen	Interest of a controlled corporation	68,600,000 (L)[2]	2.65%
Mr. Wang Gang	Interest of a controlled corporation	69,200,000 (L)[3]	2.68%

Notes:

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

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

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

DISCLOSURE OF INTERESTS (continued)

(II) Interest in associated corporations of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held[1]	Percentage of the issued share capital of that associated corporation held as at 30 June 2024
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 are held by Grace Excellence Limited with 3,000 shares, Everest Everlasting Limited with 180 shares and Wonderful High Limited with 2,000 shares, which are wholly owned by Mr. Jiang Xiuwen.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS (continued)

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

As at 30 June 2024, so far as the Directors are aware, the following persons (other than the Directors and the chief executives of the Company) or institutions have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Number of shares held[1]	Approximate percentage in the Company's issued share capital as of 30 June 2024
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%
Yeung Mei Lee	Joint and several receivers	516,764,000	19.99%
Chen Mingxiao	Joint and several receivers	516,764,000	19.99%
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" represents a long position in the Shares.

(2) China Minsheng owns 67.26% share equity of CMIG Jiaye. Pinzui is beneficially wholly-owned by CMIG Jiaye. Jiahuang is beneficially wholly-owned by Pinzui. 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) 516,764,000 Charged Shares were charged by Jiayou in favour of the Aetos Parties. On 11 May 2022, Mr. Chen Mingxiao (Jason Chen) and Ms. Yeung Mei Lee (Kitty Yeung) were appointed as the joint and several receivers of the Charged Shares.

(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.

(5) Mr. Jiang Xiuwen, an executive Director, is also a director of CMIG Jiaye; and Mr. Lu Jianhua, a non-executive Director, is also a director, the chairman of the board of directors and the general manager of CMIG Jiaye. Save as disclosed, as at 30 June 2024, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 30 June 2024, there was no other person, other than a Director or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules. During the Period, except for the deviation for reason set out below, the Company has applied the principles of good corporate governance and complied with the code provisions set out in Part 2 of the CG Code.

Pursuant to code provision C.2.1 of Part 2 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. 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 officer but is of the view that it is in the best interests of the Company to vest the two roles in Mr. Jiang Xiuwen as it will ensure the Company is under a consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Board will nevertheless review the relevant structure from time to time in light of the prevailing circumstances.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set forth in Appendix C3 to the Listing Rules as the code for securities transactions by the Directors. The Company has made specific enquiry with each of the Directors and all Directors have confirmed that they complied with the Model Code throughout the Period.

Share Option Scheme

The Company adopted a share option scheme (the "**Share Option Scheme**") on 1 June 2014. The Share Option Scheme has expired on 31 May 2024. No share options have been granted under the Share Option Scheme.

Audit Committee

The Company has established the Audit Committee on 1 June 2014. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. As at 30 June 2024, the Audit Committee consisted of three independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu and Mr. Han Gensheng, with Mr. Yip Wai Ming acting as the chairman of the Audit Committee. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee has appropriate professional qualifications. On 26 July 2024, Mr. Yip Wai Ming has resigned as an independent non-executive Director of the Company and ceased to be the chairman of the Audit Committee. Following the resignation of Mr. Yip, the Company failed to meet the requirements of Rules 3.10(1), 3.10(2), 3.10A and 3.21 of the Listing Rules. On 13 January 2025, Mr. Han Gensheng has resigned as an independent non-executive Director of the Company and ceased to be a member of the Audit Committee. On the same date, the Company has appointed Mr. Chen Yi Chuan and Mr. Tong Wing Chi as independent non-executive Directors. As at the date of this report, the Audit Committee consists of Mr. Chen Yi Chuan, Mr. Guo Shaomu and Mr. Tong Wing Chi, with Mr. Chen Yi Chuan, who has the appropriate professional qualifications, acting as the chairman. Since 13 January 2025, the Company has re-complied with Rules 3.10, 3.10A and 3.21 of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

Review of the Interim Results

The unaudited interim results of the Group for the six months ended 30 June 2024 have been reviewed and approved by the Audit Committee.

Litigation and Arbitration

Arbitrations in relation to Aetos

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 such parties.

On 20 October 2020, the Hong Kong International Arbitration Centre issued a final award (the "**Final Award**") comprising the full put option price of USD108 million, accrued interest of USD84 million, legal costs and expenses, and arbitration cost.

On 4 March 2021, a settlement agreement was entered into among Aetos Parties, the Obligors and the Yida Parties (all as defined in the announcement of the Company dated 5 March 2021) in relation to the settlement arrangement for the outstanding payments under the Final Award (the "**Settlement Agreement**"). Pursuant to the Settlement Agreement, the Obligors acknowledged that they are indebted to Aetos Parties for approximately USD209 million (the "**Total Payment Obligation**"), and it was agreed that such amount would be reduced to USD175 million.

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

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

A winding up petition against the Company filed by Equity Financial Press Limited

On 9 March 2024, the Company received a winding up petition (the "**Petition**") filed by Equity Financial Press Limited against the Company at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") in relation to the Company's overdue payment in a total outstanding amount of HK$889,261. On 25 June 2024, an order was made by the High Court that (among others) the Petition be withdrawn.

For details, please refer to the announcements of the Company dated 11 March 2024, 24 April 2024 and 27 June 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

Senior Notes

On 17 April 2017, the Company issued the 2020 Notes, i.e. the US$300,000,000, 6.95% senior notes due 19 April 2020.

On 27 March 2020, the Company issued the 2022 Notes, i.e. the US$224,899,000 senior notes (ISIN: XS2130508000; Common Code: 213050800) due 27 March 2022 (the "**2022 Notes**") pursuant to the Exchange Offer and Consent Solicitation of the holders of the 2020 Notes. The 2022 Notes are listed on the Singapore Exchange Securities Trading Limited.

On 7 February 2022, the Company entered into the solicitation of consents (the "**Consent Solicitation**") in relation to the proposed waivers of certain defaults under the indenture (as supplemented or amended, the "**Indenture**") of the 2022 Notes 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 (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.

Due to unfavorable factors in the macro economy, real estate market and financial environment, the Company did not pay the consent fee of US$3,450,000, the consent fee of US$3,450,000, the interest of US$5,734,470, the content fee of US$3,450,000, the interest of US$5,734,470, the interest of US$5,734,470 and the interest of US$5,734,470 to the 2022 Notes holders on 30 June 2022, 30 September 2022, 30 October 2022, 31 December 2022, 30 April 2023, 30 October 2023, and 30 April 2024 respectively pursuant to the terms of the Indenture.

On 21 May 2024, the Company announced that it has received an acceleration notice from the holders of the 2022 Notes by virtue of the non-payment and non-payment of related interest of the Company. On 13 June 2024, it came into the Company's attention that a winding up petition (the "**2nd Petition**") was filed against the Company at the High Court in relation to the 2022 Notes due 2025 with an outstanding principal amount of US$191,149,000 (plus accrued and unpaid interest). The High Court has set the first hearing date for the 2nd Petition on 14 August 2024. At the hearing on 20 January 2025, the High Court has approved the application of the withdrawal of the 2nd Petition filed on 15 January 2025.

For details, please refer to the announcements of the Company dated 7 February 2022, 17 February 2022, 21 March 2022, 30 June 2022, 3 October 2022, 14 November 2022, 3 January 2023, 14 May 2023, 21 May 2024, 14 June 2024, 27 June 2024, 14 August 2024, 23 September 2024, 14 November 2024 and 20 January 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

Disclosure Pursuant to Rule 13.21 of the Listing Rules

Breach of significant loan agreements

References are made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 23 April 2020, 5 March 2021, 4 May 2021, 30 June 2022, 3 January 2023 and 14 May 2023, the interim reports of the Company for the six months ended 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023, and the annual reports of the Company for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022.

1. In April 2019, China Minsheng, the controlling shareholder of the Company, had faced liquidity difficulties, 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. The Non-payment and Non-Payment of Related Interest constituted events of default.

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 Aetos Parties (as the Claimant). The failure to comply with the Final Award by the Respondents within 90 days resulted in a technical default on the 2022 Notes. In March 2021, the Settlement Agreement was entered into by the Respondents and the Claimant, 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, which was repaid in full on 24 May 2021 by the Respondents. On 26 May 2021, the Claimant 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 days 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 30 June 2024, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,346,216,000.

5. Since 2020, the Group failed to repay certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"). Although the Group managed to settle some of the Borrowings Overdue during the year after the due dates, an aggregate principal amount of RMB5,046,124,000 still remained unsettled as at 30 June 2024, out of which RMB80,500,000 has been subsequently extended up to the date of the approval of these consolidated financial statements although the extended borrowing agreements contain terms that cause such borrowing to be subject to immediate repayment if requested by the lender.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounting to RMB6,578,464,000 in total as at 30 June 2024 becoming immediately repayable if requested by the lenders. As at the date of this report, no relevant lenders have demanded immediate repayment of loans. Furthermore, the operations of our Group, including property pre-sales and collections, remained normal. The Company is in ongoing negotiations with relevant banks and financial institutions for future financing arrangements with the Company, while at the same time seeking alternative sources of financing.

Specific performance of the controlling shareholder

References are made to the announcement of the Company dated 5 March 2021, the interim reports of the Company for the six months ended 30 June 2021, 30 June 2022 and 30 June 2023 and the annual reports of the Company for the years ended 31 December 2021 and 31 December 2022. Pursuant to the Settlement Agreement as disclosed under the section headed "Litigation and Arbitration" in this report, China Minsheng Investment Corp., Ltd. 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 executed the Company Share Charge in favour of the Aetos Parties, pursuant to which Jiayou agreed to charge 516,764,000 Shares held by it in favour of Aetos Parties as security for the obligation of the Respondents under the Settlement Agreement. For details, please refer to the announcements of the Company dated 5 March 2021 and 11 March 2021.

On 12 May 2022, the Company received a letter regarding the appointment of the joint and several receivers over 516,764,000 Charged Shares (representing approximately 19.99% of the total issued shares of the Company) under the terms of the Company Share Charge on 11 March 2021, which stated that Jiayou shall no longer have any power or authority to deal with the Charged Shares nor exercise any rights attached to or in relation to the Charged Shares unless prior consent or authorization is given by the receivers. For details, please refer to the announcement of the Company dated 13 May 2022.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	7	**667,065**	1,572,471
Cost of sales	9	**(477,718)**	(1,263,392)
Gross profit		**189,347**	309,079
Other income	8	**5,165**	175,531
Fair value gains on investment properties	16	**233**	3,424
Provision for impairment losses on financial and contract assets		**(55)**	(10,622)
Other (losses)/gains – net	10	**(58,461)**	(135,930)
Selling and marketing expenses	9	**(23,363)**	(31,246)
Administrative expenses	9	**(58,255)**	(76,041)
Finance costs	11	**(399,786)**	(247,820)
Share of profits and losses of joint ventures and associates		**(63)**	7,461
Loss before income tax		**(345,238)**	(6,164)
Income tax expenses	12	**(16,191)**	(36,074)
Loss for the period		**(361,429)**	(42,238)
Attributable to:			
Owners of the Company		**(360,118)**	(35,720)
Non-controlling interests		**(1,311)**	(6,518)
		(361,429)	(42,238)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	14	**(13.94 cents)**	(1.4 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	**(361,429)**	(42,238)
Other comprehensive loss which may be reclassified to profit or loss in subsequent periods	**–**	–
Total comprehensive loss for the period	**(361,429)**	(42,238)
Attributable to:		
Owners of the Company	**(360,118)**	(35,720)
Non-controlling interests	**(1,311)**	(6,518)
	(361,429)	(42,238)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	15	**44,811**	52,667
Investment properties	16	**17,585,772**	17,628,849
Investments in joint ventures		**646,272**	647,056
Investments in associates		**1,000**	1,000
Prepayments for acquisition of land		**2,985,975**	2,985,975
Prepayments and other receivables	18	**516,405**	515,007
Intangible assets		**10,889**	13,567
Deferred tax assets		**548,733**	559,604
Total non-current assets		**22,339,857**	22,403,725
Current assets			
Inventories		**33,383**	60,336
Land held for development for sale	17	**784,724**	784,538
Properties under development		**6,052,128**	5,861,351
Completed properties held for sale		**5,213,100**	5,364,357
Contract assets		**121,644**	143,202
Trade receivables	19	**240,883**	325,644
Prepayments, deposits and other receivables	18	**1,099,112**	1,074,982
Prepaid corporate income tax		**110,046**	109,851
Prepaid land appreciation tax		**232,234**	238,015
Restricted cash	20	**169,770**	236,689
Cash and cash equivalents	20	**179,464**	175,047
Total current assets		**14,236,488**	14,374,012
Total assets		**36,576,345**	36,777,737

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**2,604,577**	2,606,181
Lease liabilities		**8,595**	9,361
Total non-current liabilities		**2,613,172**	2,615,542
Current liabilities			
Contract liabilities	21	**2,595,103**	2,377,969
Trade payables	22	**3,148,937**	3,388,927
Other payables and accruals	23	**3,913,412**	3,602,962
Interest-bearing bank and other borrowings	25	**11,913,435**	11,957,048
Corporate income tax payable		**1,097,460**	1,141,600
Provision for land appreciation tax		**1,963,038**	1,999,382
Lease liabilities		**1,359**	2,449
Total current liabilities		**24,632,744**	24,470,337
Total liabilities		**27,245,916**	27,085,879
Equity			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**9,081,071**	9,441,189
		9,240,489	9,600,607
Non-controlling interests		**89,940**	91,251
Total equity		**9,330,429**	9,691,858
NET CURRENT LIABILITIES		**(10,396,256)**	(10,096,325)
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,943,601**	12,307,400

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000 (note 33)	Other reserves RMB'000 (note 33)	Retained profits RMB'000 (note 33)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)							
Balance at 1 January 2024	**159,418**	**1,288,734**	**1,224,273**	**6,928,182**	**9,600,607**	**91,251**	**9,691,858**
Loss for the period	**–**	**–**	**–**	**(360,118)**	**(360,118)**	**(1,311)**	**(361,429)**
Total comprehensive loss for the period	**–**	**–**	**–**	**(360,118)**	**(360,118)**	**(1,311)**	**(361,429)**
Balance at 30 June 2024	**159,418**	**1,288,734**	**1,224,273**	**6,568,064**	**9,240,489**	**89,940**	**9,330,429**

	Attributable to owners of the Company						
	Issued capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)							
Balance at 1 January 2023	159,418	1,288,734	1,211,009	8,636,574	11,295,735	109,942	11,405,677
Loss for the period	–	–	–	(35,720)	(35,720)	(6,518)	(42,238)
Total comprehensive loss for the period	–	–	–	(35,720)	(35,720)	(6,518)	(42,238)
Transactions with owners in their capacity as owners:							
Appropriation to surplus reserve	–	–	13,729	(13,729)	–	–	–
Balance at 30 June 2023	159,418	1,288,734	1,224,738	8,587,125	11,260,015	103,424	11,363,439

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Loss before income tax	**(345,238)**	(6,164)
Adjustments for:		
Depreciation	**6,602**	10,987
Amortisation of intangible assets	**2,585**	2,435
Net losses/(gains) on disposal of items of property, plant and equipment	**346**	(7)
Loss on disposal of intangible assets	**–**	880
Fair value gains on investment properties	**(233)**	(3,424)
Share of losses/(profit) of joint ventures and associates	**63**	(7,461)
Reversal of Impairment of properties under development and completed properties held for sale	**–**	(14,972)
Net impairment losses on financial and contact assets	**55**	10,622
Finance costs	**399,786**	247,820
Interest income	**(444)**	(815)
Others	**13,191**	(170,596)
	76,713	69,305
Decrease in inventories	**26,953**	94,146
Increase in properties under development	**(126,511)**	(511,426)
Decrease in completed properties held for sale	**223,307**	923,542
Increase in land held for development for sale	**(186)**	–
Decrease/(increase) in contract assets	**21,558**	(20,247)
Decrease/(increase) in trade receivables	**91,998**	(38,022)
Increase in prepayments, deposits and other receivables	**(27,803)**	(59,447)
Decrease in trade payables	**(239,990)**	(291,282)
(Decrease)/increase in other payables and accruals	**(67,456)**	225,128
Increase in contract liabilities	**227,134**	39,150
Cash generated from operations	**205,717**	430,847
Interest received	**444**	815
Mainland China corporate income tax paid	**(51,753)**	(33,542)
Mainland China land appreciation tax paid	**(30,069)**	(21,105)
Net cash flows from operating activities	**124,339**	377,015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Decrease in amounts due from joint ventures and associates	**3,947**	–
Purchases of property, plant and equipment	**(31)**	(974)
Purchases of intangible assets	**–**	(17)
Investment in joint ventures	**(1,319)**	–
Net payment for acquisition of subsidiaries	**–**	(11,968)
Additions to investment properties	**(875)**	–
Proceeds from disposal of subsidiaries	**14,346**	4,226
Proceeds from disposal of items of property, plant and equipment	**1,032**	595
Proceeds from disposal of intangible assets	**–**	1
Proceeds from disposal of investment properties	**19,500**	–
Decrease/(increase) in restricted cash	**66,919**	(66,335)
Dividends received	**2,040**	–
Net cash flows generated from/(used in) investing activities	**105,559**	(74,472)
Cash flows from financing activities		
Interest paid	**(70,795)**	(239,797)
Principal elements of lease payments	**(2,393)**	(4,495)
Proceeds of bank and other borrowings	**950**	608,460
Repayment of bank and other borrowings	**(153,243)**	(681,547)
Net cash used in financing activities	**(225,481)**	(317,379)
Net increase/(decrease) in cash and cash equivalents	**4,417**	(14,836)
Cash and cash equivalents at beginning of period	**175,047**	127,519
Cash and cash equivalents at end of period	**179,464**	112,683
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**179,464**	112,683
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**179,464**	112,683

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2024

1. Corporate and Group Information

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

The Company is an investment holding company. During the six months ended 30 June 2024, 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, Shanghai, Chongqing, Zhengzhou, Hefei, Changsha and Chengdu, the People's Republic of China (the "**PRC**", "**Mainland China**" or "**China**").

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

The unaudited condensed consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated and were approved and authorized for issue by the board of Directors on 3 April 2025.

2. Basis of Preparation

These unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2024 have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and investment properties which are measured at fair value, and in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

These unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

Going concern basis

As at 30 June 2024, the Group's current liabilities exceeded its current assets by RMB10,396,256,000. At the same date, its current borrowings amounted to RMB11,913,435,000 while its cash and cash equivalents amounted to RMB179,464,000 only.

Since 2020, 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, an aggregate principal amount of RMB5,046,124,000 remained unsettled as at 30 June 2024, out of which RMB80,500,000 has been subsequently extended up to the date of the approval of these condensed consolidated financial statements although the extended borrowing agreements contain terms that cause such borrowing to be subject to immediate repayment if requested by the lender.

On 4 March 2021, the Group and certain parties ("**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. However, the Group failed to fulfill the settlement agreement, and therefore Aetos Parties formally demanded the Group several times 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**"). As at 30 June 2024, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,346,216,000.

2. Basis of Preparation (continued)

Going concern basis (continued)

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 RMB6,578,464,000 in total as at 30 June 2024 becoming immediately repayable if requested by the lenders, of which RMB655,427,000 represented borrowings with scheduled repayment dates within one year, while RMB5,923,037,000 represented non-current borrowings with original contractual repayment dates beyond 30 June 2025 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) Up to the date of the approval of these condensed consolidated financial statements, the Aetos Parties have not presented a winding-up petition to the court. The Group will negotiate with Aetos Parties to reach the final Settlement Agreement in due course to prompt Aetos Parties not to exercise their rights to present a winding-up petition to the court.

ii) In respect of the 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 have preliminary intention to renew or extend all overdue borrowings, no formal agreement has been reached yet. The Company will continue to endeavor to implement the relevant renewal or extension, so that such lenders will not exercise their rights to demand the Group's immediate repayment of the borrowings, and will reach final agreements with such lenders in due course.

2. Basis of Preparation (continued)

Going concern basis (continued)

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 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) The Group has also been conducting negotiations with relevant banks and financial institutions on renewal and extension for existing borrowings with scheduled repayment dates within one year. 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 strive to renew or extend existing borrowings with scheduled repayment dates within one year as and when needed. The Group will also actively negotiate with banks and financial institutions to secure new sources of financing.

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

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

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

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

2. Basis of Preparation (continued)

Going concern basis (continued)

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

i) the successful 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 non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

3. Accounting Policies

The accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2023, as described in those annual financial statements, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings, and the adoption of the new and amended standards of HKFRSs effective for the financial year ended 31 December 2024, which did not have any significant impact on the Group's financial statements and did not require retrospective adjustments.

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

4. Accounting Judgements And Estimates

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

In preparing these unaudited condensed consolidated financial statements, the significant judgements and estimates made by management in applying to the Group's accounting policies and the key resources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2023.

5. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial assets and liabilities are market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

The Group's assets are predominantly in the form of land held for development for sale, investment properties, properties under development and completed properties held for sale. In the event of a severe downturn in the property market, these assets may not be readily realised.

The sensitivity analyses of fair value measurement of investment properties is disclosed in note 16 to the unaudited condensed consolidated financial statements.

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. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

5. Financial Risk Management Objectives and Policies (continued)

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 loss before income tax and capitalised interest. There is no material impact on other components of the Group's equity.

	Increase/(decrease) in basic points	Effect on loss before income tax RMB'000
30 June 2024 (unaudited)		
RMB	**50**	**(1,490)**
RMB	**(50)**	**1,490**
31 December 2023 (audited)		
RMB	50	(1,495)
RMB	(50)	1,495

Foreign currency risk

All of the Group's revenue and substantially all of the Group's operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the existing PRC foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank and other borrowings denominated in foreign currencies.

Currently, the Group's PRC subsidiaries may purchase foreign currencies for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration of Foreign Exchange. The Group's PRC subsidiaries may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration of Foreign Exchange, this could affect the Group's subsidiaries' ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Company.

5. Financial Risk Management Objectives and Policies (continued)

Foreign currency risk (continued)

The Group's financial assets and liabilities including certain short term deposits and borrowings denominated in United States dollars ("**USD**") and Hong Kong dollars ("**HKD**") 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 30 June 2024, if RMB had weakened/strengthened by 9% (31 December 2023: 9%) against the USD, which was considered reasonably possible by management, the Group's loss before income tax for the period would have been increased/decreased by RMB321,534,000 (31 December 2023: RMB320,418,000).

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 arisen from sales of properties, lease of investment properties and other service businesses. Other receivables mainly comprise amounts due from related parties and advances to local government authorities in connection with primary land development. The Group closely monitors these trade receivables and other receivables to ensure actions are taken to recover these balances in case of any risk of default.

On top of the credit risk arising from the financial guarantees provided by the Group as detailed in note 26 to the unaudited condensed consolidated financial statements, the credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, restricted cash and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

5. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

(i) Trade receivables and contract assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for trade receivables and contract assets.

As at 30 June 2024, included in total trade receivables with gross amounts of RMB23,004,000 (31 December 2023: RMB23,784,000), which are individually subject to separate assessment for provision. The loss allowance of such trade receivables is RMB23,004,000 (31 December 2023: RMB23,784,000).

As at 30 June 2024, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

	30 June 2024 (Unaudited)		
	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss allowance RMB'000
Within 1 year	**15.17%**	**194,878**	**29,563**
1 to 2 years	**35.72%**	**101,933**	**36,410**
Over 2 years	**94.72%**	**190,332**	**180,287**
		487,143	**246,260**

As at 31 December 2023, the loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward-looking information.

	31 December 2023 (Audited)		
	Expected loss rate	Gross carrying amount RMB'000	Expected credit loss allowance RMB'000
Within 1 year	15.17%	223,895	33,966
1 to 2 years	35.72%	150,538	53,770
Over 2 years	80.20%	196,691	157,744
		571,124	245,480

For contract assets, the expected credit losses, RMB149,000 as at 30 June 2024 and RMB149,000 as at 31 December 2023, were determined based on carrying amounts of RMB121,793,000 and RMB143,351,000 respectively at expected loss rate of 0.12% and 0.10%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

5. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

(ii) Other receivables (excluding prepayments)

The Group uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flow	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected losses	Gross carrying amount
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

5. Financial Risk Management Objectives and Policies (continued)

Credit risk (continued)

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

As at 30 June 2024, the Group provides for loss allowance for other receivables as follows:

(Unaudited)	Category	Expected credit loss rate	Estimated gross carrying amount at default RMB'000	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Amounts due from related parties	Stage one	**0.10%**	**47,523**	**(48)**	**47,475**
Receivables for primary land development	Stage three	**27.73%**	**1,032,875**	**(286,376)**	**746,499**
Others	Stage one	**1.38%**	**332,960**	**(4,609)**	**328,351**
Others	Stage three	**73.93%**	**139,548**	**(103,169)**	**36,379**
			1,552,906	**(394,202)**	**1,158,704**

As at 31 December 2023, the Group provides for loss allowance for other receivables as follows:

(Audited)	Category	Expected credit loss rate	Estimated gross carrying amount at default RMB'000	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Amounts due from related parties	Stage one	0.10%	51,474	(51)	51,423
Receivables for primary land development	Stage three	27.76%	1,031,477	(286,375)	745,102
Others	Stage one	0.94%	342,362	(3,209)	339,153
Others	Stage three	73.55%	142,096	(104,512)	37,584
			1,567,409	(394,147)	1,173,262

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

5. Financial Risk Management Objectives and Policies (continued)

Liquidity risk

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. In addition, banking facilities are available for contingency purposes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	At 30 June 2024 (Unaudited)				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 24)	**12,582,333**	–	–	–	**12,582,333**
Trade payables (note 22)	**3,148,937**	–	–	–	**3,148,937**
Other payables and accruals (note 23)	**3,327,208**	–	–	–	**3,327,208**
Lease liabilities	**3,761**	**2,416**	**4,384**	**2,267**	**12,828**
	19,062,239	**2,416**	**4,384**	**2,267**	**19,071,306**
Financial guarantees issued:					
Maximum amount guaranteed (note 26)	**282,063**	–	–	–	**282,063**

	At 31 December 2023 (Audited)				
	On demand or within 1 year RMB'000	In the second year RMB'000	3 to 5 years RMB'000	Beyond 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings (note 24)	12,602,262	–	–	–	12,602,262
Trade payables (note 22)	3,388,927	–	–	–	3,388,927
Other payables and accruals (note 23)	2,996,321	–	–	–	2,996,321
Lease liabilities	4,041	3,069	5,213	2,898	15,221
	18,991,551	3,069	5,213	2,898	19,002,731
Financial guarantees issued:					
Maximum amount guaranteed (note 26)	364,926	–	–	–	364,926

Note:

The amounts of interest-bearing bank and other borrowings include future interest payments computed using contractual rates applicable at the end of reporting period.

5. Financial Risk Management Objectives and Policies (continued)

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:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Interest-bearing bank and other borrowings (note 24)	**11,913,435**	11,957,048
Less: Cash and cash equivalents (note 20)	**(179,464)**	(175,047)
Less: Restricted cash (note 20)	**(169,770)**	(236,689)
Net debt	**11,564,201**	11,545,312
Total equity	**9,330,429**	9,691,858
Net debt ratio	**123.9%**	119.1%

6. Operating Segment Information

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

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

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

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

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

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

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

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.

6. Operating Segment Information (continued)

For the six months ended 30 June 2024 (unaudited)

	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:						
Sales to external customers	**175,623**	**243,798**	**100,080**	**147,564**	**–**	**667,065**
Segment results	**(100,855)**	**160,099**	**(3,828)**	**7,358**	**(8,670)**	**54,104**
Reconciliation:						
Interest income						**444**
Finance costs						**(399,786)**
Loss before income tax						**(345,238)**
Income tax expenses						**(16,191)**
Loss for the period						**(361,429)**

For the six months ended 30 June 2023 (unaudited)

	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:						
Sales to external customers	888,178	251,186	118,310	314,797	–	1,572,471
Segment results	94,394	152,515	9,282	3,172	(18,523)	240,840
Reconciliation:						
Interest income						816
Finance costs						(247,820)
Loss before income tax						(6,164)
Income tax expenses						(36,074)
Loss for the period						(42,238)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

6. Operating Segment Information (continued)

Geographical information

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

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	**90,340**	N/A*
Customer B	**N/A***	694,302

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7. Revenue

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

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers recognised at a point in time		
Sale of properties	**175,623**	888,178
Revenue from contracts with customers recognised over time		
Business park operation and management service income	**100,080**	118,310
Construction, decoration and landscaping income	**147,564**	314,797
	247,644	433,107
Revenue from contracts with customers	**423,267**	1,321,285
Revenue from other sources		
Rental income	**243,798**	251,186
	667,065	1,572,471

8. Other Income

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	**444**	816
Government subsidies	**4,721**	4,119
Gain on debt arrangement	**–**	170,596
	5,165	175,531

9. Expenses by Nature

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	**171,599**	778,454
Cost of other services provided	**239,260**	406,123
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**66,859**	78,815
Employee benefit expenses	**34,505**	48,067
Short-term office lease expenses	**1,432**	1,115
Depreciation	**6,602**	10,987
Amortisation of intangible assets	**2,585**	2,435
Advertising	**2,106**	5,592
Other costs and expenses	**34,388**	39,091
Total cost of sales, selling and marketing expenses and administrative expenses	**559,336**	1,370,679

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

10. Other (Losses)/gains-Net

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange losses	**(19,590)**	(112,500)
Others	**(38,871)**	(23,430)
	(58,461)	(135,930)

11. Finance Costs

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans	**529,166**	470,105
Interest on lease liabilities	**537**	1,492
Less: Interest capitalised	**(129,917)**	(206,783)
	399,786	264,814
Interest income	**–**	(16,994)
	399,786	247,820

12. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2024 and 2023. The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the period.

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

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current:		
PRC corporate income tax	**7,418**	35,329
PRC land appreciation tax	**(494)**	19,772
	6,924	55,101
Deferred:		
Current period	**9,267**	(19,027)
Total tax charge for the period	**16,191**	36,074

13. Interim Dividend

The Company resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

14. Loss per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic loss per share is based on the loss for the period attributable to ordinary equity holders of the Company of RMB360,118,000 (six months ended 30 June 2023: RMB35,720,000), and the weighted average number of ordinary shares of 2,583,970,000 (six months ended 30 June 2023: 2,583,970,000) in issue during these periods.

Diluted loss per share is same as basic loss per share for the six months ended 30 June 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during those periods.

15. Property, Plant and Equipment

As at 30 June 2024, a building of RMB16,745,000 (31 December 2023: RMB19,489,000) was pledged to a financial institution to secure the loans granted to the Group (note 24).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

16. Investment Properties

	Right-of-use Assets RMB'000	Completed RMB'000	Under construction RMB'000	Total RMB'000
At 1 January 2024 (Audited)	–	**12,535,100**	**5,093,749**	**17,628,849**
Additions	–	**832**	**43**	**875**
Disposals	–	**(44,185)**	–	**(44,185)**
Net gains/(losses) from fair value adjustments	–	**253**	**(20)**	**233**
At 30 June 2024 (Unaudited)	–	**12,492,000**	**5,093,772**	**17,585,772**

	Right-of-use Assets RMB'000	Completed RMB'000	Under construction RMB'000	Total RMB'000
At 1 January 2023 (Audited)	42,000	12,864,400	5,095,605	18,002,005
Additions	–	–	41	41
Disposals	–	(68,145)	–	(68,145)
Net gains/(losses) from fair value adjustments	–	3,465	(41)	3,424
At 30 June 2023 (Unaudited)	42,000	12,799,720	5,095,605	17,937,325

As at 30 June 2024, certain of the Group's investment properties of RMB15,785,540,000 (31 December 2023: RMB15,879,723,000) were pledged to banks to secure the loans granted to the Group (note 24).

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

As at 30 June 2024, the Group performed internal valuations on completed investment properties and investment properties under construction, which were stated at fair value and included within level 3 of fair value hierarchy. 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. There were no significant changes to the valuation techniques from 31 December 2023.

The amount of the completed investment properties and investment properties under construction of the Group measured at fair value were RMB1,459,000,000 as at 30 June 2024 (31 December 2023: RMB1,459,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and outsourcing services. As at 30 June 2024, the investment property amounting to RMB138,000,000 (31 December 2023: RMB138,000,000) is restricted for sale and transfer and shall be held for at least 15 years (31 December 2023: 15 years).

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

17. Land Held for Development for Sale

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Carrying amount at the beginning of the period/year	**784,538**	761,226
Additions	**186**	23,312
Carrying amount at the end of the period/year	**784,724**	784,538

As at 30 June 2024, certain of the Group's land held for development for sale of RMB722,374,000 (31 December 2023: RMB722,188,000) were pledged to banks to secure the bank and other loans granted to the Group (note 24).

18. Prepayments, Deposits and Other Receivables

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Prepayments	**456,813**	416,727
Deposits and other receivables – gross amount	**1,552,906**	1,567,409
Less: Allowances for impairment of deposits and other receivables	**(394,202)**	(394,147)
Carrying amount at the end of the period/year	**1,615,517**	1,589,989
Current portion	**(1,099,112)**	(1,074,982)
Non-current portion	**516,405**	515,007

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

As at 30 June 2024, included in the Group's prepayments, deposits and other receivables are amounts due from associates of RMB32,006,000 (31 December 2023: RMB31,860,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2024, included in the Group's prepayments, deposits and other receivables due from joint ventures of RMB18,984,000 (31 December 2023: RMB23,077,000), which are unsecured, interest-free and repayable on demand.

As at 30 June 2024, included in the Group's other receivables are advances of RMB746,499,000 (31 December 2023: RMB745,102,000) to certain local government authorities in Dalian, the PRC, in connection with the primary land development of certain land parcels in Dalian, the PRC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

19. Trade Receivables

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables – gross amount	**510,147**	594,908
Less: Allowances for impairment of trade receivables	**(269,264)**	(269,264)
	240,883	325,644

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

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	**197,658**	223,895
1 to 2 years	**101,934**	150,538
Over 2 years	**210,555**	220,475
	510,147	594,908

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2024, a provision of RMB269,264,000 (31 December 2023: RMB269,264,000) was made against the gross amount of trade receivables.

20. Cash and Cash Equivalents and Restricted Cash

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances (Notes)	**349,234**	411,736
Less: Restricted cash	**(169,770)**	(236,689)
Cash and cash equivalents	**179,464**	175,047

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 RMB348,990,000 (31 December 2023: RMB411,039,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Notes:

(a) According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. As at 30 June 2024, such guarantee deposits amounted to RMB14,365,000 (31 December 2023: RMB17,381,000).

(b) As at 30 June 2024, the deposits of the Group amounted to RMB155,405,000 (31 December 2023: RMB219,308,000), were placed at designated bank accounts by certain subsidiaries of the Group for the payment of promissory notes, compensation of potential industrial accidents that would occur during construction work and the training of talents, in accordance with the relevant regulation implemented by contracts and local governments.

21. Contract Liabilities

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

22. Trade Payables

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

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 year	**1,871,179**	2,299,643
Above 1 year	**1,277,758**	1,089,284
	3,148,937	3,388,927

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

23. Other Payables and Accruals

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Employee benefits payable	**111,951**	121,691
Accruals	**1,434,396**	1,164,591
Other payables	**2,367,065**	2,316,680
Carrying amount at the end of the period/year	**3,913,412**	3,602,962
Current portion	**(3,913,412)**	(3,602,962)
Non-current portion	**–**	–

As at 30 June 2024, included in the Group's other payables were amounts due to Main Zone Limited and Innovate Zone Group Limited of RMB8,160,000 (31 December 2023: RMB8,160,000) and RMB50,840,000 (31 December 2023: RMB50,840,000) 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 Limited carried no interest arising from the late payment.

23. Other Payables and Accruals (continued)

As at 30 June 2024, included in the Group's other payables were amounts due to Aetos Parties of RMB1,346,216,000, bearing interest rate of 21.9% per annum (31 December 2023: RMB1,253,769,000), 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 30 June 2024. 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.

24. Interest-bearing Bank and Other Borrowings

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Effective interest rate (%)	**RMB'000**	Effective interest rate (%)	RMB'000
Current				
Bank loans — secured	**4.00-6.50**	**5,448,881**	4.00-6.50	5,591,014
Other loans — secured	**2.00-12.00**	**4,346,404**	2.00-12.00	4,327,645
Other loans — unsecured	**1.20-6.00**	**2,118,150**	1.20-6.00	2,038,389
		11,913,435		11,957,048

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,448,881**	5,591,014
Other loans repayable:		
Within one year or on demand	**6,464,554**	6,366,034
	11,913,435	11,957,048

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

24. Interest-bearing Bank and Other Borrowings (continued)

As at 30 June 2024, included in bank loans of the Group is an amount of RMB1,576,453,000 (31 December 2023: RMB1,581,483,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank and other borrowings included borrowings with principal amounts of RMB5,923,037,000 (31 December 2023: RMB3,702,521,000) with original maturity dates beyond 30 June 2025, which have been reclassified as current liabilities as at 30 June 2024 as a result of the matters described in note 2 to the unaudited condensed consolidated financial statements.

(a) As at 30 June 2024, 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 RMB471,223,000 respectively (31 December 2023: RMB800,000,000 and RMB479,223,000 respectively). The first tranche and the second tranche were issued by Yida Development Company Limited ("**Yida Development**"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

As at 30 June 2024, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2026, bearing interest at a rate of 4% per annum. As at 30 June 2024, certain second tranche of corporate bond with the principal amount of RMB200,000,000 were extended to 31 December 2024, bearing interest at a rate of 4% per annum, certain second tranche of corporate bond with the principal amount of RMB49,523,000 were extended to 30 September 2024, bearing interest at a rate of 2% per annum, and the remaining second tranche of corporate bond with the principal amount of RMB221,700,000 were extended to 15 May 2024, bearing interest at a rate of 6% per annum. In May 2024, the Group entered into an agreement with the bondholders, pursuant to which the Group shall transfer the certain investment properties to settle the certain second tranche of corporate bond with the principal amount of RMB221,700,000. As of 30 June 2024, both parties are continuing to implement the terms of the debt offset agreement, and the relevant bonds have been canceled subsequent to the reporting period.

(b) As at 30 June 2024, included in other loans of the Group were senior notes (the "**Senior Notes**") with carrying amount of RMB1,645,114,000 which constituted an event of default and were unsecured and guaranteed by certain subsidiaries of the Group.

On 17 February 2022, a solicitation of consents for the Senior Notes was completed. Previous events of default of the Senior Notes and other cross-default terms were waived. The maturity date of the Senior Notes was extended to 30 April 2025 while the interest rate of the Senior Notes changed to 6% per annum and the Company should pay consent fee and the lieu of accrued interest of USD11,500,000 in total. Pursuant to the solicitation of consents for the Senior Notes, the non-payment of lieu of accrued interest due and non-payment of accrued interest due may lead to holders of the Senior Notes ("**Holders**") demanding for acceleration of repayment under the Senior Notes.

As at 30 April 2022, the Company had paid the first consent fee and the interest due and payable according to the solicitation of consents. After April 30, 2022, the Company's failure to pay subsequent consent fees and the interest due and payable, which constituted an event of default.

The Company received a notice of acceleration (the "**Notes Acceleration Notice**") from the trustee by virtue of the non-payment of certain consent fee due, all lieu of accrued interest due and accrued interest due, which, according to the trustee, was instructed to be sent by the Holders, holding at least 25% of the aggregate principal amount of the Senior Notes. If the Notes Acceleration Notice has indeed been instructed by such Holders, the principal, the premium (if any), and accrued and unpaid interest on the Senior Notes would become immediately due and payable on demand.

24. Interest-bearing Bank and Other Borrowings (continued)

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

(i) pledges of the Group's properties under development with an aggregate carrying amount as at 30 June 2024 of approximately RMB4,893,633,000 (31 December 2023: RMB4,645,485,000);

(ii) pledges of the Group's investment properties with an aggregate carrying amount as at 30 June 2024 of approximately RMB15,785,540,000 (31 December 2023: RMB15,879,723,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying amount as at 30 June 2024 of approximately RMB722,374,000 (31 December 2023: RMB722,188,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying amount as at 30 June 2024 of approximately RMB3,124,599,000 (31 December 2023: RMB3,259,869,000);

(v) pledge of a building of the Group with a carrying amount as at 30 June 2024 of approximately RMB16,745,000 (31 December 2023: RMB19,489,000);

(vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB7,584,387,000 as at 30 June 2024 (31 December 2023: RMB7,709,520,000); and

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

(d) Other than certain other borrowings with a carrying amount of RMB1,693,080,000 (31 December 2023: RMB1,614,770,000) denominated in USD as at 30 June 2024 and RMB377,820,000 denominated in HKD as at 30 June 2024 (31 December 2023: RMB375,146,000), the remaining bank borrowings and other borrowings of the Group are denominated in RMB as at 30 June 2024 and 31 December 2023.

(e) As at 30 June 2024, included in other loans of the Group were loans from a related party (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company of the Company with principal amounts of RMB663,063,000 (31 December 2023: RMB662,751,000), among which RMB411,504,000 (31 December 2023: RMB411,192,000) were unsecured, bore interest at 6% per annum (31 December 2023: 6%) and were repayable within one year, while the remaining RMB251,559,000 (31 December 2023: RMB251,559,000) were subject to security agreements and bore interest at 6% per annum (31 December 2023: 6%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

25. Share Capital

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Authorised:		
50,000,000,000 shares of US$0.01 each	**3,124,300**	3,124,300
Issued and fully paid:		
2,583,970,000 ordinary shares of US$0.01 each	**159,418**	159,418

26. Financial Guarantees

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

(a) As at 30 June 2024, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB191,154,000 (31 December 2023: RMB263,699,000).

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

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

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

(b) The Group provided guarantees to the extent of RMB90,909,000 (31 December 2023: RMB101,227,000) as at 30 June 2024 in respect of bank loans granted to its joint ventures.

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

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

27. Pledge of Assets

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

28. Operating Lease Arrangements

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:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within one year	**195,803**	316,128
In the second to fifth years, inclusive	**350,304**	566,135
After five years	**163,845**	249,149
	709,952	1,131,412

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

29. Commitments

In addition to the operating lease commitments detailed in note 28 to the unaudited condensed consolidated financial statements, the Group had the following capital commitments at the end of the reporting period:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**3,371,326**	3,863,650
Capital contribution to a joint venture	**109,040**	110,359
	3,480,366	3,974,009

30. Related Party Transactions

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

		For the six months ended 30 June	
	Note	**2024 RMB'000 (Unaudited)**	2023 RMB'000 (Unaudited)
Service fees from a joint venture	(i)	–	44

Note:

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

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

31. 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 30 June 2024 (Unaudited)

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 19)	**240,883**
Deposits and other receivables (note 18)	**1,158,704**
Restricted cash (note 20)	**169,770**
Cash and cash equivalents (note 20)	**179,464**
	1,748,821

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables (note 22)	**3,148,937**
Other payables and accruals (note 23)	**3,327,208**
Interest-bearing bank and other borrowings (note 24)	**11,913,435**
Lease liabilities	**9,954**
	18,399,534

31. Financial Instruments By Category (continued)

At 31 December 2023 (Audited)

Financial assets

	Financial assets at amortised cost RMB'000
Trade receivables (note 19)	325,644
Deposits and other receivables (note 18)	1,173,262
Restricted cash (note 20)	236,689
Cash and cash equivalents (note 20)	175,047
	1,910,642

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables (note 22)	3,388,927
Other payables and accruals (note 23)	2,996,321
Interest-bearing bank and other borrowings (note 24)	11,957,048
Lease liabilities	11,810
	18,354,106

32. Fair Value and Fair Value Hierarchy of Financial Instruments

The following table presents the Group's assets that are measured at fair value at 30 June 2024 and 31 December 2023 respectively.

Fair value hierarchy as at 30 June 2024 (Unaudited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	–	–	**17,074,000**	**17,074,000**
	–	–	**17,074,000**	**17,074,000**

Fair value hierarchy as at 31 December 2023 (Audited)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value:				
Investment properties (note 16)	–	–	17,117,100	17,117,100
	–	–	17,117,100	17,117,100

The fair values of the non-current portion of other receivables and interest-bearing bank and other borrowings are approximate to their carrying amounts as at 30 June 2024 and 31 December 2023.

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 unaudited condensed consolidated financial statements. During the six months ended 30 June 2024 and 2023, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

For the six months ended 30 June 2024

32. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The Group's finance department determines the policies and procedures for recurring fair value measurement, such as investment properties and derivative financial assets. The finance department comprises the head of the investment properties segment, head of the Group's investment team, chief financial officer and the managers of each property.

External valuers are involved for the valuation of significant assets, such as investment properties. 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.

DEFINITIONS

"2020 Notes"	the USD300,000,000, 6.95% senior notes due 19 April 2020 issued by the Company on 17 April 2017
"2022 Notes"	the US$224,899,000 senior notes issued by the Company on 27 March 2020 due 27 March 2022 (ISIN: XS2130508000; Common Code: 213050800)
"Aetoes Parties"	Lorraine Investment, Ltd., Normandy Investment, Ltd., Capital Chain Holdings Limited and Better Chance Investments Limited
"Audit Committee"	the audit committee of the Company
"Borrowings Overdue"	has the meaning ascribed to it under the section headed "Breach of significant loan agreements" in this interim report
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"Change of Control"	has the meaning ascribed to it under the section headed "Specific performance of the controlling shareholder" in this interim report
"Charged Shares"	has the meaning ascribed to it under the section headed "Pledging of shares by the controlling shareholder" in this interim report
"China Minsheng"	China Minsheng Investment Corp., Ltd.
"Company"	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange (stock code: 3639)
"Company Share Charge"	a share charge entered into by Jiayou in favour of Aetos Parties, pursuant to which Jiayou agreed to charge 516,764,000 Shares held by it in favour of Aetos Parties as security for the obligation of Yida Parties under the Settlement Agreement
"CMIG Jiaye"	China Minsheng Jiaye Investment Co., Ltd.
"Final Award"	the final award issued by the Hong Kong International Arbitration Centre on 20 October 2020 comprising the full put option price of USD108 million, accrued interest of USD84 million, legal costs and expenses, and arbitration cost
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Jiahuang"	Jiahuang (Holdings) Investment Limited
"Jiayou"	Jiayou (International) Investment Limited
"Listing"	the listing of the Shares on the Stock Exchange on 27 June 2014
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"Obligors"	Dalian Yida Property Co., Ltd., Gang Xin Limited and King Equity Holdings Limited, all being wholly-owned subsidiaries of the Company

DEFINITIONS (continued)

"Period"	the six months ended 30 June 2024
"Pinzui"	Shanghai Pinzui Enterprise Management Ltd.
"PRC" or "China"	the People's Republic of China
"Settlement Agreement"	the settlement agreement entered into among Aetos Parties, the Obligors and the Yida Parties in relation to the settlement arrangement for the outstanding payments under the Final Award
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shares"	ordinary share(s) of US$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Total Payment Obligation"	has the meaning ascribed to it under the section headed "Litigation and Arbitration" in this interim report
"Yida Parties"	the Company, its five wholly-owned subsidiaries and its two joint ventures
"sq.m."	square meters

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