YIDA CHINA HOLDINGS LIMITED

億達中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3639)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2023 amounted to RMB3,897.15 million, representing a decrease of 14.0% as compared to 2022.

2. Gross profit of 2023 amounted to RMB534.44 million, representing a decrease of 49.6% as compared to 2022, and the gross profit margin decreased from 23.4% in 2022 to 13.7% in 2023.

3. Loss for the year increased from net loss of RMB736.49 million in 2022 to net loss of RMB1,713.82 million in 2023.

4. Total basic loss per share attributable to ordinary equity holders was RMB65.60 cents.

5. The Board does not declare any final dividend payment for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
Revenue	*4*	**3,897,147**	4,532,923
Cost of sales	*6*	**(3,362,707)**	(3,472,507)
Gross profit		**534,440**	1,060,416
Other income		**14,285**	9,251
Fair value losses on investment properties		**(367,342)**	(37,624)
Provision for impairment losses on financial and contract assets		**(547,697)**	(44,767)
Other losses – net	*5*	**(178,883)**	(272,071)
Selling and marketing expenses	*6*	**(54,277)**	(118,694)
Administrative expenses	*6*	**(42,137)**	(238,248)
Finance costs – net	*7*	**(688,364)**	(581,088)
Share of profits and losses of joint ventures and associates		**(30,995)**	(87,755)
Loss before income tax		**(1,360,970)**	(310,580)
Income tax expenses	*8*	**(352,849)**	(425,913)
Loss for the year		**(1,713,819)**	(736,493)
Attributable to:			
Owners of the Company		**(1,695,128)**	(736,773)
Non-controlling interests		**(18,691)**	280
		(1,713,819)	(736,493)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted (RMB per share)	*10*	**(65.60) cents**	(28.51) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(1,713,819)**	(736,493)
Other comprehensive income	**–**	–
Total comprehensive loss for the year	**(1,713,819)**	(736,493)
Attributable to:		
Owners of the Company	**(1,695,128)**	(736,773)
Non-controlling interests	**(18,691)**	280
	(1,713,819)	(736,493)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		**52,667**	76,573
Investment properties	*11*	**17,628,849**	18,002,005
Investments in joint ventures		**647,056**	697,591
Investments in associates		**1,000**	4,785
Prepayments for acquisition of land		**2,985,975**	3,254,839
Prepayments and other receivables		**515,007**	629,749
Intangible assets		**13,567**	19,486
Deferred tax assets		**559,604**	460,001
Total non-current assets		**22,403,725**	23,145,029
Current assets			
Inventories		**60,336**	194,354
Land held for development for sale		**784,538**	761,226
Properties under development		**5,861,351**	7,924,222
Completed properties held for sale		**5,364,357**	4,939,106
Contract assets		**143,202**	149,554
Trade receivables	*12*	**325,644**	384,820
Prepayments, deposits and other receivables		**1,074,982**	1,484,998
Prepaid corporate income tax		**109,851**	103,385
Prepaid land appreciation tax		**238,015**	238,570
Restricted cash	*13*	**236,689**	231,281
Cash and cash equivalents	*13*	**175,047**	127,519
Total current assets		**14,374,012**	16,539,035
Total assets		**36,777,737**	39,684,064

	Notes	2023 RMB'000	2022 RMB'000
Non-current liabilities			
Deferred tax liabilities		**2,606,181**	2,766,331
Lease liabilities		**9,361**	34,572
Total non-current liabilities		**2,615,542**	2,800,903
Current liabilities			
Contract liabilities		**2,377,969**	3,531,627
Trade payables	*14*	**3,388,927**	3,619,919
Other payables and accruals		**3,602,962**	3,638,425
Interest-bearing bank and other borrowings	*15*	**11,957,048**	12,050,826
Corporate income tax payable		**1,141,600**	1,027,661
Provision for land appreciation tax		**1,999,382**	1,598,861
Lease liabilities		**2,449**	10,165
Total current liabilities		**24,470,337**	25,477,484
Total liabilities		**27,085,879**	28,278,387
Equity			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**9,441,189**	11,136,317
		9,600,607	11,295,735
Non-controlling interests		**91,251**	109,942
Total equity		**9,691,858**	11,405,677
Net current liabilities		**(10,096,325)**	(8,938,449)
Total assets less current liabilities		**12,307,400**	14,206,580

1 Corporate and group information

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

The Company is listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. During the year ended 31 December 2023, 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").

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

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

2 Summary of Material Accounting Policies

2.1 Basis of preparation

(a) Compliance with HKFRSs and HKCO

The 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 Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 ("HKCO").

HKFRSs comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(b) Historical cost convention

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

(c) Going concern basis

As at 31 December 2023, the Group's current liabilities exceeded its current assets by RMB10,096,325,000. At the same date, its current borrowings amounted to RMB11,957,048,000 while its cash and cash equivalents amounted to RMB175,047,000 only.

Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled payment 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 RMB6,763,045,000 still remained unsettled as at 31 December 2023, out of which RMB2,376,181,000 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.

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 31 December 2023, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,253,769,000.

The Borrowings Overdue and the Aetos Parties Matter, constituted events of default and resulted in certain bank and other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,903,404,000 in total as at 31 December 2023 becoming immediately repayable if requested by the lenders, of which RMB1,200,883,000 represented borrowings with scheduled repayment dates within one year, while RMB3,702,521,000 represented non-current borrowings with original contractual repayment dates beyond 31 December 2024 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 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 an agreement of 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 Borrowings Overdue, the Group has been actively negotiating with all the lenders for renewal and extension for repayments of the overdue borrowings. While certain lenders preliminarily intended to renew or extend the certain overdue borrowings, no formal agreement has been reached yet. The Company will continue to endeavor to achieve relevant renewal or extension, prompt such lenders not to exercise their rights to require the Group's immediate repayment of the borrowings, and reach final agreements with such lenders in due course.

iii) The Group has maintained active communication with other relevant lenders in respect of the Borrowings Overdue, the Aetos Parties Matter and other matters which triggered default or cross-default terms of their respective borrowing agreements. The Company will continue to endeavor to implement the relevant renewal or extension, so that 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 endeavor to renew or extend existing borrowings with scheduled repayment dates within one year as and when needed. The Group will also actively negotiate with the banks and financial institutions to secure new financing sources.

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 investment at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2023. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2023. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

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

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

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

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

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

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

(d) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for its annual reporting period commencing 1 January 2023:

- HKFRS 17, *Insurance contracts*
- Amendments to HKFRS 17, *Insurance contracts*
- Amendment to HKFRS 17, *Initial application of HKFRS 17 and HKFRS 9 – Comparative information*
- Amendments to HKAS 1, *Presentation of financial statements and* HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

Except as described below, the new and amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in the consolidated financial statements.

Impact on the application of Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments to HKAS 12 narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained earnings at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

The Group previously applied HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis. Upon application of the amendments, the Group has recognised a separate deferred tax asset and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

There was no impact on the consolidated statement of financial position because the related deferred tax balances qualify for offsetting under HKAS 12. There was no impact on the opening retained earnings as at 1 January 2022.

(e) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 ("Amendment Ordinance") which will be effective from 1 May 2025 ("Transition Date"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("MPF Benefits") of an entity would no longer be eligible to offset against its obligations on long service payment ("LSP") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" ("Guidance") which provides guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a 'simple type of contributory plans' to which the practical expedient had been intended to apply.

The Group has assessed the implications of this new guidance on the above accounting policies and the guidance does not has a material impact on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

(f) New and amended standards not yet adopted

Below new accounting standards and amendments to accounting standards have been published that are not mandatory for the year ended 31 December 2023 and have not been early adopted by the Group. These standards and amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- HKFRS 18, *Presentation and disclosure in financial statements*
- HKFRS 19, *Subsidiaries without public accountability: Disclosures*
- Amendments to HKFRS 16, *Lease liability in a sale and leaseback*
- Amendments to HKFRS 9 and HKFRS 7, *Amendments to the classification and measurement of financial instruments*
- Annual improvements to HKFRS Accounting Standards – Volume 11, *Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*
- Amendments to HKAS 1, *Non-current liabilities with covenants*
- Amendments to HKAS 1, *Classification of liabilities as current or non-current*
- Amendments to HKAS 7 and HKFRS 7, *Supplier finance arrangements*
- Amendments to HKAS 21, *Lack of exchangeability*
- Amendments to HKFRS 10 and HKAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*

3 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 for capital appreciation;

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

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before income tax. The adjusted profit/loss before income 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.

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

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

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

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the years ended 31 December 2023 and 2022 is set out below:

	2023	2022
	RMB'000	*RMB'000*
Customer A[1]	**694,302**	N/A*

[1] Revenue from property development segment

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

Year ended 31 December 2023

	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:	2,606,522	522,634	259,048	992,893	–	4,381,097
Intersegment revenue	(16,277)	(20,250)	(28,721)	(418,702)	–	(483,950)
Sales to external customers	2,590,245	502,384	230,327	574,191	–	3,897,147
Segment results	(495,342)	(298,092)	(31,565)	(6,667)	(11,968)	(843,634)
Reconciliation:						
Interest income						1,332
Unallocated gains						169,696
Finance costs – net						(688,364)
Loss before income tax						(1,360,970)
Income tax expenses						(352,849)
Loss for the year						(1,713,819)
Segment assets	60,467,134	22,713,597	373,449	9,353,126	12,102,900	105,010,206
Reconciliation:						
Elimination of intersegment receivables						(69,612,942)
Corporate and other unallocated assets						1,380,473
Total assets						36,777,737
Segment liabilities	43,236,878	7,935,878	502,781	8,353,951	17,802,344	77,831,832
Reconciliation:						
Elimination of intersegment payables						(69,612,942)
Corporate and other unallocated liabilities						18,866,989
Total liabilities						27,085,879
Other segment information:						
Depreciation and amortisation	(9,904)	(5,414)	(3,012)	(5,194)	(716)	(24,240)
Capital expenditure*	9	4,109	1,229	129	780	6,256
Fair value losses on investment properties	–	(367,342)	–	–	–	(367,342)
Provision for impairment losses on financial and contract assets	(222,913)	(250,096)	(45,529)	(27,287)	(1,872)	(547,697)
Provision for impairment losses on prepayments for acquisition of land	(268,864)	–	–	–	–	(268,864)
Write-down of inventories	(238,162)	–	–	–	–	(238,162)
Share of net loss of joint ventures and associates	(28,057)	–	(2,642)	–	(296)	(30,995)
Provision for impairment loss on investment in an associate	–	–	–	–	(3,785)	(3,785)
Investments in joint ventures	635,338	–	10,081	–	1,637	647,056
Investments in associates	–	1,000	–	–	–	1,000

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

Year ended 31 December 2022

	Property development *RMB'000*	Property investment *RMB'000*	Business park operation and management *RMB'000*	Construction, decoration and landscaping *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:	3,231,556	507,178	294,923	1,180,933	–	5,214,590
Intersegment revenue	(49,879)	(1)	(41,350)	(590,437)	–	(681,667)
Sales to external customers	3,181,677	507,177	253,573	590,496	–	4,532,923
Segment results	49,188	245,295	3,810	640	(25,482)	273,451
Reconciliation:						
Interest income						3,287
Unallocated losses						(6,230)
Finance costs – net						(581,088)
Loss before income tax						(310,580)
Income tax expenses						(425,913)
Loss for the year						(736,493)
Segment assets	62,977,928	24,240,243	357,863	8,644,751	11,019,613	107,240,398
Reconciliation:						
Elimination of intersegment receivables						(68,789,556)
Corporate and other unallocated assets						1,233,222
Total assets						39,684,064
Segment liabilities	44,766,201	9,375,602	455,993	7,782,200	16,310,140	78,690,136
Reconciliation:						
Elimination of intersegment payables						(68,789,556)
Corporate and other unallocated liabilities						18,377,807
Total liabilities						28,278,387
Other segment information:						
Depreciation and amortisation	(11,266)	(6,223)	(7,703)	(6,682)	(1,662)	(33,536)
Capital expenditure*	14	(882)	6,943	7,429	1,452	14,956
Fair value losses on investment properties	–	(37,624)	–	–	–	(37,624)
Share of net (loss)/profits and losses of joint ventures and associates	(88,594)	–	905	–	(66)	(87,755)
Investments in joint ventures	663,395	–	14,763	–	19,433	697,591
Investments in associates	–	1,000	–	–	3,785	4,785

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

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 consolidated financial statements.

4 Revenue

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

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

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers recognised at a point in time		
Sale of properties	**2,590,245**	3,181,677
Revenue from contracts with customers recognised over time		
Business park operation and management service income	**230,327**	253,573
Construction, decoration and landscaping income	**574,191**	590,496
	804,518	844,069
Revenue from contracts with customers	**3,394,763**	4,025,746
Revenue from other sources		
Rental income	**502,384**	507,177
	3,897,147	4,532,923

5 Other Losses – net

	2023	2022
	RMB'000	*RMB'000*
Gains arising from the Debt Arrangement (a)	**170,596**	–
Provision for impairment losses on prepayments for acquisition of land (b)	**(268,864)**	–
Net foreign exchange losses	**(48,603)**	(217,574)
Losses arising from disposal of subsidiaries (c)	**–**	(52,095)
Net losses on disposal of property, plant and equipment	**(26,666)**	(715)
Provision for impairment loss on investments in an associate	**(3,785)**	–
Other items	**(1,561)**	(1,687)
	(178,883)	(272,071)

(a) On 15 June 2023, the Group entered into the supplemental agreements with Main Zone Limited and Innovate Zone Group Limited (collectively referred to as the "Creditors"), pursuant to which the Group paid certain cash and transferred certain completed properties held for sale to the Creditors, to settle the amounts due to the Creditors totalled RMB339,872,000, including part of consideration of RMB198,508,000 for the acquisition of 28.2% and 61.54% equity interests in Richcoast Group, and the interest arising from the late payment totalled RMB141,364,000 (the "Debt Arrangement"). Upon the completion of the Debt Arrangement, the amounts due to Main Zone Limited and Innovate Zone Group Limited decreased to RMB8,160,000 and RMB51,840,000, respectively, which would carry no interest arising from the late payment since then. The Group recognised a gain of RMB170,596,000 arsing from the Debt Arrangement.

(b) Prepayments for land represent the parcel of lands not yet obtained the certificate of land and no development plans as at 31 December 2023. The Directors, based on the best available information, performed an impairment review on prepayments for acquisition of land and concluded that an impairment loss of RMB268,864,000 was needed to be charged to the profit or loss during the year ended 31 December 2023 (2022: nil).

(c) On 6 September 2022, the Group entered into an equity transfer agreement with Changsha Zhenwang Investment Development Co., Ltd., the remaining 30% equity interests holders of Changsha Yida Intelligent Manufacturing Industrial Town Development Co., Ltd., ("Changsha Town"), pursuant to which the Group sold its 70% equity interests in Changsha Town at a consideration of RMB84,570,000 approximately, and the Group recognised a loss of RMB52,095,000 arising from the disposal during 2022.

6 Expenses by Nature

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

	Note	**2023** ***RMB'000***	2022 *RMB'000*
Cost of properties sold		**2,228,529**	2,469,943
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**169,635**	183,905
Cost of other services provided		**726,381**	793,149
Write-down of properties under development and completed properties held for sale		**238,162**	25,510
Employee benefit expenses	*(a)*	**(27,072)**	161,511
Depreciation		**18,304**	26,634
Amortisation of intangible assets		**5,936**	6,902
Auditor's remuneration			
– Audit services		**5,500**	4,100
– Non-audit services		**–**	258
Other costs and expenses		**93,746**	157,537
Total cost of sales, selling and marketing expenses and administrative expenses		**3,459,121**	3,829,449

Note:

(a) Pursuant to the resolution of the board of directors of the Company, the provision of discretionary bonuses of RMB157,509,000 made in prior years were no longer needed to be paid and thus being reversed during the year ended 31 December 2023.

7 Finance Costs – net

An analysis of finance income and costs is as follows:

	2023 *RMB'000*	2022 *RMB'000*
Finance costs		
Interest on bank loans and other loans	**977,530**	1,136,202
Interest on lease liabilities	**1,720**	3,597
Less: Interest capitalised	**(290,886)**	(510,771)
	688,364	629,028
Interest income	**–**	(47,940)
Finance costs – net	**688,364**	581,088

8 Income Tax Expenses

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from BVI income tax.

Hong Kong Profits Tax

Hong Kong Profits Tax rate is 16.5%. No provision for Hong Kong Profits Tax was provided as the Group did not have assessable profit in Hong Kong for the years ended 31 December 2023 and 2022.

PRC corporate income tax ("CIT")

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practices in respect thereof.

Under the Law of the PRC on CIT (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

An analysis of the income tax expenses is as follows:

	2023 *RMB'000*	2022 *RMB'000*
Current tax – PRC		
CIT charge for the year	**155,911**	223,413
LAT charge for the year	**456,691**	373,890
	612,602	597,303
Deferred income tax:		
Current year	**(259,753)**	(171,390)
Total income tax expenses for the year	**352,849**	425,913

9 Dividend

No dividend has been proposed or declared during the year ended 31 December 2023 (2022: nil).

10 Loss Per Share Attributable to Ordinary Equity Holders of the Company

(a) Basic loss per share

The calculation of the basic loss per share is based on the consolidated loss for the year ended 31 December 2023 attributable to the ordinary equity holders of the Company of RMB1,695,128,000 (2022: RMB736,773,000), and the weighted average number of ordinary shares of 2,583,970,000 (2022: 2,583,970,000) in issue during the year ended 31 December 2023.

(b) Diluted loss per share

Diluted loss per share is same as basic loss per share for the years ended 31 December 2023 and 2022 as the Group had no potentially dilutive ordinary shares in issue during both years.

11 Investment Properties

	Right-of-use Assets *RMB'000*	**Completed** *RMB'000*	**Under construction** *RMB'000*	**Total** *RMB'000*
Carrying amount at 1 January 2022	44,000	12,922,800	5,695,349	18,662,149
Cost adjustments	–	(4,560)	(2,815)	(7,375)
Transfer to properties under development	–	–	(615,145)	(615,145)
Net losses from fair value adjustments	(2,000)	(53,840)	18,216	(37,624)
Carrying amount at 31 December 2022 and 1 January 2023	42,000	12,864,400	5,095,605	18,002,005
Additions	**–**	**2,074**	**2,034**	**4,108**
Transfer from completed properties held for sale	**–**	**100,222**	**–**	**100,222**
Derecognition	**(42,000)**	**(68,144)**	**–**	**(110,144)**
Net losses from fair value adjustments	**–**	**(363,452)**	**(3,890)**	**(367,342)**
Carrying amount at 31 December 2023	**–**	**12,535,100**	**5,093,749**	**17,628,849**

As at 31 December 2023, certain of the Group's investment properties of RMB15,879,723,000 (2022: RMB16,011,638,000) were pledged to banks to secure the loans granted to the Group (note 15).

The Group's completed investment properties are leased to third parties under operating leases.

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

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

For investment properties under construction which were stated at fair value at 31 December 2023 and 2022, valuations were based on the residual approach and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use. Included in the Group's investment properties are certain completed investment properties measured at fair value in the aggregate carrying amount of RMB1,459,000,000 as at 31 December 2023 (2022: RMB1,515,000,000), which are subject to restrictions on sale and transfer, but may be leased to tenants that are engaged in software research and development and outsourcing services. As at 31 December 2023, the investment property amounting to RMB138,000,000 is restricted for sale and transfer and shall be held for at least 15 years.

12 Trade Receivables

	2023	2022
	RMB'000	*RMB'000*
Trade receivables – gross amount	**594,908**	484,304
Less: Allowances for impairment of trade and notes receivables	**(269,264)**	(99,484)
	325,644	384,820

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

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

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**223,895**	167,017
1 to 2 years	**150,538**	90,461
Over 2 years	**220,475**	226,826
	594,908	484,304

As at 31 December 2023, a provision of RMB269,264,000 (2022: RMB99,484,000) was made against the gross amount of trade and notes receivables.

As at 31 December 2023, included in the Group's trade and notes receivables are amounts due from the Group's joint ventures of nil (2022: RMB79,000), which are all repayable on credit terms similar to those offered to the major customers of the Group.

13 Cash and Cash Equivalents and Restricted Cash

	2023	2022
	RMB'000	*RMB'000*
Cash and bank balances	**411,736**	358,800
Less: Restricted cash	**(236,689)**	(231,281)
Cash and cash equivalents	**175,047**	127,519

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 RMB411,039,000 (2022: RMB358,583,000).

Notes:

- According to the relevant loan facility agreements signed by certain subsidiaries of the Group with the banks, the subsidiaries are required to place the pre-sale proceeds from their properties at designated bank accounts. The deposits can only be used for the payment of property development costs incurred by the subsidiaries and the repayment of the relevant loans. As at 31 December 2023, such guarantee deposits amounted to RMB17,381,000 by certain subsidiaries of the Group (2022: RMB15,370,000).
- As at 31 December 2023, the deposits of the Group amounted to RMB219,308,000 (2022: RMB215,911,000), which was the deposits placed at designated bank accounts by certain subsidiaries of the Group for potential industrial accidents during construction work and training talents, according to the relevant regulation implemented by the local government and contracts.

14 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:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**2,299,643**	2,428,771
Above 1 year	**1,089,284**	1,191,148
	3,388,927	3,619,919

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

15 Interest-Bearing Bank and Other Borrowings

	2023		2022	
	Effective interest rate (%)	***RMB'000***	Effective interest rate (%)	*RMB'000*
Current				
Bank loans – secured	**4.00-6.50**	**5,591,014**	4.00-6.50	5,808,668
Other loans – secured	**2.00-12.00**	**4,327,645**	2.00-13.00	4,306,601
Other loans – unsecured	**1.20-6.00**	**2,038,389**	1.20-6.00	1,935,557
		11,957,048		12,050,826

	2023	2022
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,591,014**	5,808,668
Other loans repayable:		
Within one year or on demand	**6,366,034**	6,242,158
	11,957,048	12,050,826

As at 31 December 2023, included in bank loans of the Group is an amount of RMB1,581,483,000 (2022: RMB1,595,168,000) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loans are included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

The current bank loans and other loans included borrowings with principal amounts of RMB3,702,521,000 (2022: RMB2,951,250,000) with maturity beyond 31 December 2024 which have been reclassified as current liabilities as at 31 December 2023 as a result of the matters described in note 2.1(c).

(a) As at 31 December 2023, 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 RMB479,223,000 respectively (2022: RMB800,000,000 and RMB479,223,000 respectively). The first tranche and the second tranche of the corporate bonds were issued by Yida Development Company Limited, an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively.

As at 31 December 2022, the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 were extended to 31 December 2023, bearing interest at a rate of 4% per annum. As at 31 December 2022, certain second tranche of corporate bond with the principal amount of RMB249,523,000 were extended to 31 December 2023 by respective bond holders, bearing interest at a rate ranging from 2% to 4% per annum, while the remaining second tranche of corporate bond with the principal amount of RMB229,700,000 were extended to 31 March 2023, bearing interest at a rate of 6% per annum, and were further extended to 30 June 2023 subsequently.

As at 31 December 2023, 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. Although the maturity of the remaining first tranche of corporate bond with the principal amount of RMB800,000,000 was beyond 31 December 2024, it has been reclassified as current liabilities as at 31 December 2023 as a result of the matters described in note 2.1(c). As at 31 December 2023, 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 31 March 2024, bearing interest at a rate of 2% per annum, and the remaining second tranche of corporate bond with the principal amount of RMB229,700,000 were extended to 15 May 2024, bearing interest at a rate of 6% per annum. In December 2023, the Group entered into a letter of intent with the bondholders pursuant to which the Group shall transfer the certain investment properties to settle certain second tranche of corporate bond with the principal amount of RMB229,700,000.

(b) As at 31 December 2022, included in other loans of the Group were senior notes due on 30 April 2025 (the "Senior Notes") with carrying amount of RMB1,457,265,000, 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.

Since then and up to 31 December 2023, the Company failed to pay the consent fee, the lieu of accrued interest and accrued interest of USD27,553,000 (2022: USD16,084,000) in total according to the scheduled payment date in the solicitation of consents. As at 31 December 2023, the carrying amount was RMB1,566,165,000.

On 8 March 2024, the trustee gave a notice (the "Notes Acceleration Notice") to the Company 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.

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

  (i) mortgages over the Group's properties under development with an aggregate carrying value at 31 December 2023 of approximately RMB4,645,485,000 (2022: RMB5,777,695,000);

  (ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2023 of approximately RMB15,879,723,000 (2022: RMB16,011,638,000);

  (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2023 of approximately RMB722,188,000 (2022: RMB761,226,000);

  (iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2023 of approximately RMB3,259,869,000 (2022: RMB3,088,247,000);

  (v) pledge of a building of the Group with a carrying value at 31 December 2023 of approximately RMB19,489,000 (2022: RMB24,978,000);

  (vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB7,709,520,000 (2022: RMB7,749,563,000) as at 31 December 2023; and

  (vii) pledges of certain equity interests of the subsidiaries of the Company;

(d) Other than certain other loans with a carrying amount of RMB1,614,770,000 (2022: RMB1,510,892,000) denominated in USD as at 31 December 2023 and RMB375,146,000 (2022: RMB369,797,000) denominated in HKD as at 31 December 2023, all bank and other loans of the Group are denominated in RMB as at 31 December 2023 and 2022.

(e) As at 31 December 2023, included in other loans of the Group were loans from related parties (Shanghai Jiayu Medical Investment Management Co., Ltd. and Jiahuang (Holdings) Investment Limited) controlled by the same ultimate holding company with principal amounts of RMB662,751,000 (2022: RMB661,824,000), among which RMB411,192,000 (2022: RMB410,265,000) were unsecured, bearing interest at 6% per annum (2022: 2%), with the mortgage agreement signed in respect of the remaining RMB251,559,000 (2022: RMB251,559,000), bearing interest at 6% per annum (2022: 2%).

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Material uncertainties relating to going concern

As described in note 2.1(c) to the consolidated financial statements, the Group's current liabilities exceeded its current assets by RMB10,096,325,000 as at 31 December 2023. At the same date, its current borrowings amounted to RMB11,957,048,000 while its cash and cash equivalents amounted to RMB175,047,000 only. Up to 31 December 2023, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled repayment dates (the "**Borrowings Overdue**"), and borrowings with principal amount of RMB6,763,045,000 in total remained unsettled as at 31 December 2023. In addition, the Group failed to settle a payable with interest accrued thereon to certain parties ("**Aetos Parties**") amounted to RMB1,253,769,000 as at 31 December 2023, while Aetos Parties formally demanded the Group several times to settle the unpaid balance or otherwise a winding-up petition may be presented to the court (the "**Aetos Parties Matter**"). The Borrowings Overdue and the Aetos Parties Matter constituted events of default and resulted in certain bank and other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,903,404,000 in total as at 31 December 2023 becoming immediately repayable if requested by the lenders. These events or conditions, together with other matters as set out in note 2.1(c) to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have been formulating a number of plans and measures to mitigate the liquidity pressure, to improve the financial position of the Group, and to remediate the delayed repayments to financial institutions, which are set out in note 2.1(c) to the consolidated financial statements. The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties as set out in note 2.1(c) to the consolidated financial statements. We are unable to determine whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the going concern assumption be inappropriate, 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 consolidated financial statements do not include any such adjustments. However, material uncertainties exist in relation to the Group's ability to continue as a going concern in view of the Group's future cash flow. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation but we have not obtained sufficient appropriate audit evidence regarding the Group's ability to meet its financial obligations as and when they fall due and we consider the potential cumulative effect on the consolidated financial statements of these material uncertainties relating to going concern to be so significant that we have disclaimed our opinion.

RESULTS REVIEW AND PROSPECTS

Below is the annual results of Yida China Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Year**").

Results

During the Year, the Group recorded revenue of RMB3,897 million, of which sales income from residential properties within business parks, office properties and standalone residential properties was RMB2,590 million; rental income from business parks was RMB502 million; business park operation and management service income was RMB230 million; construction, decoration and landscaping income was RMB574 million. Gross profit decreased by 49.6% to RMB534 million compared to the corresponding period of the previous year, with a gross profit margin of 13.7%. Net loss attributable to equity owners of the Company was RMB1,695 million.

Review of 2023

In 2023, in the face of the complex and changing internal and external market environment and international situation, China's real estate market remained sluggish. Despite the timely implementation of various policies aimed at stabilizing the economy, boosting regional development, and supporting employment, factors such as uncertain income expectations and the anticipation of falling housing prices continued to hinder the pace of market recovery. The real estate industry was still under huge challenges.

The Group, through the collective efforts of all employees, achieved breakthroughs and progress in various areas, including the revitalization of large-scale assets, the reduction of debt through the disposal of stagnant existing assets, which ensured the stability of domestic and foreign debt maturities throughout the year, maintained stable operation, and avoided any major risk incidents.

During the Year, the difficulties faced by the Group's sales side and debt side have not been fundamentally improved, and the Group was still at the stage of overcoming difficulties and self-save, due to the limited effects of industry stimulus and difficulties in sales cash flow collection. Thus, the Group could only gain space and time by finely managing existing assets and debts. With the active efforts of all parties, the Group made every endeavour and tried every feasible way to promote the activation and disposal of assets, and addressed the debt issue while giving priority to guaranteeing the delivery of properties. Meanwhile, by maintaining close cooperation with financial institutions, the Group achieved the extension and interest rate reduction of existing debts, and ensured the smooth operation of various businesses of the Company.

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

During the Year, the Group fully leveraged and cherished the window period of policy support, focused on Dalian and its core competitive businesses. In the real estate sector, the Group prioritized "guaranteeing delivery" and rejuvenated inefficient and non-performing assets. For the park operation business, the Group closely monitored the dynamics of major clients to stabilize operational income. At the same time, the Group continued to optimize its organizational structure, implemented refined management practices and improved resource allocation, as a result, the per capita efficiency was significantly enhanced and various expenses were strictly controlled.

II. Driving growth through technology empowerment and steadily expanding city-industry integration projects

The Group continued to advance its city-industry integration strategy, with a focus on "empowering urban development through industry", accelerated the layout of smart business parks in major cities. Through a three-dimensional driving model of "industry + technology + ecology" and leveraging its independently-developed digital park management platform, the Group has become a significant driving force for the transformation and upgrading of customers' enterprises. In June 2023, Chongqing Beibei Innovation Plaza project was completed and delivered, becoming a comprehensive urban landmark built around the core concept of "city-industry integration".

III. Actively maintaining debt stability and rejuvenating inefficient assets

At present, the Group continues to face a severe liquidity crisis. With the support and assistance of the government, the Group has actively engaged in communication with creditors to maintain overall debt stability. Meanwhile, against the backdrop of a challenging short-term outlook for the real estate market, the Group has sought to rejuvenate stagnant existing assets and generate long-term cash flow through measures such as debt-for-asset swaps and long-term asset leases, which have resulted in debt reduction and alleviated liquidity pressures.

Outlook for 2024

A meeting of the Political Bureau of the Central Committee in July 2023 proposed that "To adapt to the great changes in the relationship between supply and demand in China's real estate market". It is anticipated that various real estate policies will be further optimized, with directions including easing housing credit policies, encouraging the release of rigid and improvement-oriented demand, and reducing transaction taxes and fees.

2024 will remain a challenging year, as uncertainties in the external environment and the sluggish real estate market mean that the recovery of confidence will still take time. The Group will continue to focus on major businesses to ensure project delivery and the stable operation of business parks. By leveraging advantageous resources, the Group will actively seek new business development opportunities; dispose of inefficient assets and intensify efforts to revitalize underutilized resources. With unwavering determination and confidence, the Company will face the new circumstances and challenges ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

I. Operation of Properties Owned by Business Parks

During the Year, the Group wholly-owned four business parks, including Dalian Software Park, Dalian BEST City, Dalian Tiandi and Yida Information Software Park, and it also owned a 50% stake in Wuhan First City. The total completed gross floor area of the above business parks was approximately 2.004 million square meters ("**sq.m.**"), with a leasable area of approximately 1.423 million sq.m.. The Group recorded a rental income of approximately RMB502 million, which was more or less at the same level in the last year.

An overview of properties owned by the Group

(unit: '000 sq.m.)

Business Parks	Interest Held by the Group	Total Completed Floor Area	Leasable Area: Office Buildings	Leasable Area: Apartments	Leasable Area: Shops	Leasable Area: Parking Spaces	Occupancy Rate at the End of the Year
Dalian Software Park	100%	637	368	180	33	42	86%
Dalian BEST City	100%	147	97	–	7	41	61%
Yida Information Software Park	100%	120	78	–	8	32	98%
Dalian Tiandi	100%	410	255	38	30	44	93%
Wuhan First City	50%	690	83	28	29	30	72%
Total		**2,004**		**1,423**			

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

II. Sales of Properties

In 2023, the real estate market continued to relax its policies and introduced stabilizing and favorable policies, which had a short-term boosting effect. However, in the long run, due to the impact of macroeconomic uncertainties and the fermentation of risky events of real estate enterprises, customers' confidence has yet to be restored, resulting in a sluggish sales market and pressure on enterprises' liquidity. During the year, the Group focused on the "revitalization of assets, collection of sales proceeds and project construction" and actively resolved corporate debt risks. However, in the course of operation, there were still assets and land held that could not be quickly disposed of and effectively revitalized, and the sales of existing projects was slow, and the pressure on the Company's operating cash flow remained high.

During the Year, with the development strategic advantage of "city-industry integration", the Group built benchmarking projects in key areas such as Dalian, Changsha and Zhengzhou. Based on the advantages of industrial development, the Group promoted the rapid development of urban supporting facilities to attract talent and support regional economic development. Steady progress was made in projects including Changsha Yida & CSCEC Intelligent Technology Centre, Zhengzhou Yida Creation City and Chongqing Yida Innovation Plaza.

The Group achieved contracted sales of RMB1,385 million, contracted sales area of 98,900 sq.m. and average contracted sales price of RMB13,997 per sq.m., The majority of projects sold were located in Dalian (79.5% of total contracted sales), Zhengzhou (8.2% of total contracted sales), Changsha (7.0% of total contracted sales); while residential property sales accounted for 74.9% of total contracted sales.

During the Year, the sales revenue from the business was RMB2,590 million. The average sales price was RMB9,941 per sq.m., representing a year-on-year decrease of 34.13%, mainly due to different products carried forward during the Year. The projects carried forward during the Period were mainly ordinary residential properties and office buildings. Revenue-recognized projects were mainly located in Dalian (61.0% of revenue), Zhengzhou (35.5% of revenue) and Chongqing (3.5% of revenue).

The following table outlines the Group's contracted sales breakdown as at 31 December 2023:

Contracted Sales Details

	Sales Floor Area *(sq.m.)*	**Sales Amount** *(RMB'0000)*	**Average Sales Price** *(RMB/sq.m.)*	**Percentage of Total Sales**
Dalian	63,659	110,065	17,290	79.5%
Changsha	8,557	9,672	11,302	7.0%
Wuhan	2,978	2,437	8,183	1.7%
Zhengzhou	17,233	11,403	6,617	8.2%
Chongqing	4,934	4,124	8,358	3.0%
Shenyang	1,584	792	5,000	0.6%
Total	**98,945**	**138,493**	**13,997**	**100.0%**
Dalian Software Park	3,501	2,542	7,263	1.8%
Dalian BEST City	2,009	2,516	12,523	1.8%
Yida Information Software Park	11,233	16,131	14,360	11.6%
Dalian Tiandi	13,018	22,466	17,259	16.2%
Wuhan First City	2,978	2,437	8,183	1.8%
Changsha Yida & CSCEC Intelligent Technology Centre	8,557	9,672	11,302	7.0%
Zhengzhou Yida Creation City	17,233	11,403	6,617	8.2%
Chongqing Yida Innovation Plaza	4,934	4,124	8,358	3.0%
Shenyang Sino-German Yida Intelligent Technology City Creative Industrial Park	1,584	792	5,000	0.6%
Residential Properties outside Business Parks	33,898	66,410	19,591	48.0%
Total	**98,945**	**138,493**	**13,997**	**100.0%**
Residential Properties	58,394	103,665	17,753	74.9%
Office Properties	40,551	34,828	8,589	25.1%
Total	**98,945**	**138,493**	**13,997**	**100.0%**
Business Parks	65,047	72,084	11,082	52.0%
Residential Properties outside Business Parks	33,898	66,409	19,591	48.0%
Total	**98,945**	**138,493**	**13,997**	**100.0%**

III. Business Park Operation and Management

The income arising from business park operation and management services amounted to approximately RMB230 million, representing a year-on year decrease of 9.2%, which was mainly attributable to the gradual exit of certain existing projects which met completion conditions during the Year. Throughout the Year, the Group actively leveraged its core strengths in "industrial cluster development, enterprise services, and park management" to enhance the operational quality of existing projects and advanced steady progress across various initiatives. During the Year, the Group added two new business park operation and management projects, secured four strategic clients, and assisted a client in acquiring one land parcel; the Group also established tenant recruitment partnerships with five district governments as an official tenant recruitment partner. As of the end of the Year, the Group had 10 business park operation and management projects with a total contracted operation and management area of approximately 218,900 sq.m.

IV. Construction, Decoration and Landscaping

During the Year, the total revenue from the construction, decoration and landscaping business was approximately RMB574 million, representing a decrease of 2.8% as compared with the same period of the previous year, mainly due to the decrease in the construction output value completed during the Year. Faced with difficult situation in the industry, by "carrying out innovation based on integrity", the business team focused on main business and enhanced management, and focused on the existing projects under construction to maintain the bottom line of quality and safety. In addition, it sought new business growth points in multiple aspects such as control over material cost, improvement in professional ability, and expansion of existing businesses.

The Group's construction business team retained large customers, and actively explored the markets including the Greater Bay Area and the Yangtze River Delta. During the Year, the Group completed and delivered multiple projects such as the Longfor Glorious City in Qingdao and the BTS industry in Guangzhou. The Group explored business opportunities in equipment leasing, cost consultation, etc., to seek new sources of income, focused on cost effectiveness, and promoted the development of the project team into "operational professionalism." In the second half of 2023, the Group's decoration business team conducted the "Pleasant Residence Business" for Yida property owners and business park tenants, including home renovation and refurbishment, replacement and installation of parts and components, and house repair and maintenance. Meanwhile, the Group formulated the working standards and processes for the inventory business, so as to advance the establishment of the brand "Yida Construction" Pleasant Residence.

V. Land Reserves

As at 31 December 2023, the total GFA of the Group's land reserve was approximately 6.67 million sq.m. and the GFA of land reserves attributable to the Group was approximately 6.18 million sq.m., the land reserve in Dalian accounted for 84.7%.

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2023:

By City	**Total GFA of Land Reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of Land Reserves** *(sq.m.)*	**Proportion**
Dalian	5,236,894	78.5%	5,236,961	84.7%
Shenyang	37,951	0.6%	19,355	0.3%
Wuhan	573,312	8.6%	286,656	4.6%
Zhengzhou	297,735	4.5%	297,735	4.8%
Changsha	214,563	3.2%	109,427	1.8%
Chengdu	65,848	1.0%	45,063	0.7%
Chongqing	92,000	1.4%	92,000	1.5%
Hefei	147,911	2.2%	96,142	1.6%
Total	**6,666,214**	**100.0%**	**6,183,339**	**100.0%**

By Location	Total GFA of Land Reserves *(sq.m.)*	Proportion	Attributable GFA of Land Reserves *(sq.m.)*	Proportion
Business Parks	5,428,115	81.4%	4,945,240	80.0%
Residential Properties outside Business Parks	1,238,099	18.6%	1,238,099	20.0%
Total	**6,666,214**	**100.0%**	**6,183,339**	**100.0%**

Projects Within/Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office	100%	622,063	–	–
Residential	100%	55,576	–	–
Subtotal		677,639	–	–
Dalian BEST City				
Office	100%	189,451	64,342	515,172
Residential	100%	99,958	7,088	22,152
Subtotal		289,409	71,430	537,324
Wuhan First City				
Office	50%	226,170	174,500	155,058
Residential	50%	17,584	–	–
Subtotal		243,754	174,500	155,058
Yida Information Software Park				
Office	100%	136,060	–	118,798
Residential	100%	56,849	85,279	–
Subtotal		192,909	85,279	118,798

Projects Within/Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Dalian Tiandi				
Office	100%	272,846	257,206	1,415,382
Residential	100%	40,249	54,212	–
Subtotal		313,095	311,418	1,415,382
Chengdu Tianfu Intelligent Science and Technology City				
Office	60%	–	51,961	–
Subtotal		–	51,961	–
Changsha Yida & CSCEC Intelligent Technology Centre				
Office	51%	17,709	106,784	90,069
Subtotal		17,709	106,784	90,069
Zhengzhou Yida Creation City				
Office	100%	100,535	110,800	86,400
Subtotal		100,535	110,800	86,400
Chongqing Yida Innovation Plaza				
Office	100%	92,000	–	–
Subtotal		92,000	–	–
Sino-German Yida Intelligent Technology City Creative Industrial Park				
Office	51%	–	37,951	–
Subtotal		–	37,951	–

Projects Within/Outside Business Parks	Equity Held by the Group	Remaining Completed Leasable/ Saleable GFA *(sq.m.)*	GFA under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Hefei Industrial Project				
Office	65%	–	–	147,911
Subtotal		–	–	147,911
Projects Within Business Parks Subtotal		1,927,050	950,123	2,550,942
Projects Outside Business Parks				
Dalian	100%	396,802	231,490	595,920
Chengdu	100%	13,887	–	–
Projects Outside Business Parks Subtotal		410,689	231,490	595,920
Total		2,337,739	1,181,613	3,146,862

FINANCIAL REVIEW

Revenue

The sources of revenue of the Group include (1) income from sales of properties; (2) rental income; (3) income from providing business park operation and management services; and (4) income from providing construction, decoration and landscaping services. During the Year, the revenue of the Group was RMB3,897.15 million, representing a decrease of 14.0% from the corresponding period of last year. The following table sets forth a breakdown of the revenue during the years indicated:

	For the year ended 31 December			
	2023		2022	
	Amount *RMB'000*	**% of total amount**	Amount *RMB'000*	% of total amount
Sales income of properties	**2,590,245**	**66.5%**	3,181,677	70.2%
Rental income	**502,384**	**12.9%**	507,177	11.2%
Business park operation and management service income	**230,327**	**5.9%**	253,573	5.6%
Construction, decoration and landscaping income	**574,191**	**14.7%**	590,496	13.0%
Total	**3,897,147**	**100.0%**	4,532,923	100.0%

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks, office properties and standalone residential properties for the Year was RMB2,590.25 million, representing a decrease of 18.6% from the corresponding period of last year, which was mainly due to the decrease in projects delivered during the Year.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Year amounted to RMB502.38 million, which remained at a similar level as last year.

(3) Business park operation and management service income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB230.33 million, representing a decrease of 9.2% from the corresponding period of last year, which was mainly attributable to the gradual withdrawal from some existing projects which met competition conditions during the Year.

(4) Construction, decoration and landscaping income

During the Year, the income from construction, decoration and landscaping services provided by the Group amounted to RMB574.19 million, representing a decrease of 2.8% from the corresponding period of last year, which was mainly attributable to the decrease in the construction output value completed during the Year.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB3,362.71 million, representing a decrease of 3.2% from the corresponding period of last year, which was mainly attributable to the decrease in projects delivered during the Year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Year amounted to RMB534.44 million, representing a decrease of 49.6% from the corresponding period of last year, and the gross profit margin decreased to 13.7% during the Year from 23.4% in the corresponding period of 2022, which was mainly attributable to different products carried forward during the Year and the decrease in corresponding average price of each product carried forward as compared to the same period last year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group decreased by 54.3% to RMB54.28 million for the Year from RMB118.69 million in the corresponding period of 2022, which was mainly due to the decrease in sales agency fees and advertising costs during the Year.

Administrative Expenses

The administrative expenses of the Group decreased by 82.3% to RMB42.14 million for the Year from RMB238.25 million in the corresponding period of 2022, which was mainly due to the written back of prior year over-provision of bonuses during the Year.

Other Losses – net

The net other losses of the Group for the Year amounted to RMB178.88 million, representing a decrease of 34.3% from RMB272.07 million in 2022, which was mainly due to the gains from the Debt Arrangement with certain creditors of the Group, the provision for impairment losses on prepayments for acquisition of land and the exchange losses resulting from exchange rate movements during the Year.

Fair Value Losses on Investment Properties

The fair value losses on investment properties of the Group increased to the loss of RMB367.34 million during the Year from the loss of RMB37.62 million in the corresponding period of 2022, which was mainly due to the decrease in their valuation as a result of the decrease in net rental income from investment properties during the Year.

Finance Costs – net

The net finance costs of the Group increased to RMB688.36 million during the Year from RMB581.09 million in the corresponding period of 2022, which was mainly due to the decrease in interest capitalised during the Year.

Share of Loss of Joint Ventures and Associates

The Group's share of loss of joint ventures and associates decreased to RMB31.00 million during the Year from RMB87.76 million during 2022, which was primarily attributable to the decrease in share of the loss in Hefei Yida Smart Science and Technology City Development Company Limited.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group during the Year were RMB352.85 million, representing a decrease of 17.2% as compared to RMB425.91 million for the corresponding period of last year, mainly due to the decrease in corporate income tax expenses for projects carried over and the set-off of deferred tax liabilities by fair value losses on investment properties during the Year.

Losses for the Year

As a result of the foregoing, the Group recorded a loss before tax of RMB1,360.97 million during the Year as compared to the loss before tax of RMB310.58 million in the corresponding period of 2022. The increase in net loss was primarily attributable to the increase in provision for impairment losses on financial and contract assets from RMB44.77 million during 2022 to RMB547.70 million during the Year. In addition, the fair value losses on investment properties of the Group amounted to RMB367.34 million. The increase in provision of impairment losses on financial and contract assets was mainly due to the increase in credit risk as a result of industry and environmental changes.

The net loss of the Group increased to RMB1,713.82 million during the Year from RMB736.49 million in the corresponding period of 2022.

The net loss attributable to equity owners increased to RMB1,695.13 million during the Year from RMB736.77 million in the corresponding period of 2022.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2023, the Group had cash and bank balances of approximately RMB411.74 million (including restricted cash of approximately RMB236.69 million) (2022: cash and bank balances of approximately RMB358.80 million, including restricted cash of approximately RMB231.28 million).

Debts

As at 31 December 2023, the Group had bank and other borrowings of approximately RMB11,957.05 million (2022: approximately RMB12,050.83 million), of which:

(1) By Loan Type

	31 December 2023 *RMB'000*	31 December 2022 *RMB'000*
Secured bank loans	**5,591,014**	5,808,668
Secured other borrowings	**4,327,645**	4,306,601
Unsecured other borrowings	**2,038,389**	1,935,557
	11,957,048	12,050,826

(2) By Maturity Date

	31 December 2023 *RMB'000*	31 December 2022 *RMB'000*
Within one year or on demand	**11,957,048**	12,050,826
In the second year	**–**	–
	11,957,048	12,050,826

As at 31 December 2023, the Group's bank and other borrowing amounted to RMB11,658.05 million, which were charged with fixed interest rate of 1.20%-12.00% per annum, with the remaining balances of RMB299.00 million charged with variable rates.

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 119.1% as at 31 December 2023, which increased by 16.6 percentage points as compared to 102.5% as at 31 December 2022.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2023, the Group had cash and bank balances (including restricted cash) of approximately RMB644,000 and approximately RMB53,000 denominated in Hong Kong dollars and United States dollars, respectively. The Group had borrowings of RMB1,614.77 million and RMB375.15 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management continues to monitor foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with commercial banks in the PRC to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) registration of mortgage interest to the bank, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2023, the Group provided guarantees of approximately RMB263.70 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2022: approximately RMB420.57 million). Besides, the Group provided guarantees to the extent of RMB101.23 million (2022: RMB125.65 million) as at 31 December 2023 in respect of bank loans granted to a joint venture.

Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 15 to the financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 493 full-time employees (2022: 614). The Group distributes remunerations to the staff based on the performances, work experiences of the employees and the current market salary level.

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

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the Year (2022: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. Throughout the Year, the Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in force during the Year (i.e. the new Appendix C1 to the Listing Rules with effect from 31 December 2023). During the Year, 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 as set out in Part 2 of the CG Code.

Pursuant to the 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 considers vesting the two roles in Mr. Jiang Xiuwen will ensure the Company is under a consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix 10 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C3 to the Listing Rules with effect from 31 December 2023) 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 Year.

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2023, the Company does not hold any treasury shares.

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

During the Year, the Company has no significant investments or material acquisitions and disposal 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 31 December 2023.

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 the Respondents, and the Claimants.

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

On 4 March 2021, the Respondents and the Claimants entered into the settlement agreement (the "**Settlement Agreement**"). The Respondents acknowledged that they are indebted to the Claimants for approximately USD209 million (the "**Total Payment Obligation**") according to the Final Award. It is further agreed that the amount payable by the Respondents would be reduced to USD175 million, and paid to the Claimants in accordance with the payment time and amount stipulated in the Settlement Agreement.

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

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

SENIOR NOTES

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

On 27 March 2020, the Company issued US$224,899,000 senior notes (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 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). 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.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

Breach of significant loan agreements

Reference is made to the announcements of the Company dated 10 April 2019, 22 April 2019, 10 June 2019, 23 February 2020, 23 April 2020, 5 March 2021, 4 May 2021 and 30 June 2022, 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 Investment Corp., Ltd. ("**China Minsheng**"), the controlling shareholder of the Company, had faced liquidity difficulties and which technically resulted in the occurrence of certain triggering events under certain loan agreements entered into by the Group.

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

3. On 17 April 2017, the Company issued the 2020 Notes. The remaining outstanding principal amount of USD52,854,000 was due on 20 April 2020, and the Company had repaid in full on 24 April 2020 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest) of the 2022 Notes on 16 April 2021, and the Company had repaid in full on 4 May 2021 and the delay in payment has constituted an event of default. The Company was required to repay the principal amount of USD22,500,000 (together with the accrued interest), semi-annual interest and the principal amount of USD45,000,000 (together with the accrued interest) of the 2022 Notes on 27 August 2021, 27 September 2021 and 27 December 2021, respectively, and the Company's failure to make such payments constituted an event of default. Pursuant to the Consent Solicitation completed on 16 February 2022, among other things, the aforesaid events of defaults were waived. 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. The failure to comply with the Final Award within 90 days resulted in a technical default on the 2022 Notes. In March 2021, the Settlement Agreement was entered into 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 by the Respondents on 24 May 2021. On 26 May 2021, the Claimants provided a written confirmation that the delay in payment will not give rise to an event of default. According to the payment schedule and the entitled grace period of ten 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 31 December 2023, the payable balance with interest accrued thereon to Aetos Parties amounted to RMB1,253,769,000.

5. Since 2020, the Group failed to pay principals, interests and consent fees of certain borrowings according to their scheduled payment 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 RMB6,763,045,000 still remained unsettled as at 31 December 2023, out of which RMB2,376,181,000 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.

The aforementioned events of default resulted in certain other borrowings of the Group (other than the Borrowings Overdue) amounted to RMB4,903,404,000 in total as at 31 December 2023 becoming immediately repayable if requested by the lenders. As at the date of this announcement, 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 report 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 announcement, China Minsheng or its subsidiaries are required to be the beneficial owner of 35% or more of the total outstanding shares of the Company (the "**Share(s)**") (the "**Change of Control**"), failing which the outstanding balance of the Total Payment Obligation, together with accrued interest and all other amounts accrued or outstanding will be due and payable on the thirtieth day following the Change of Control. For details, please refer to the announcement of the Company dated 5 March 2021.

Pledging of shares by the controlling shareholder

On 11 March 2021, Jiayou (International) Investment Limited ("**Jiayou**") executed a share charge of approximately 19.99% (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 Shares (representing approximately 19.99% of the total issued shares of the Company, the "**Charged Shares**")) 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.

Details of the Disclaimer Opinion and Management's view

In relation to the disclaimer of opinion (the "**Disclaimer of Opinion**") issued by the auditor of the Company, Prism Hong Kong Limited (the "**Prism**") as detailed in Note 2.1(c) of the notes to the consolidated financial statements ("**Note 2.1(c)**"), the Directors are aware of that the Group might have financial uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of such circumstances, the Board and the management of the Group (the "**Management**") 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. In order to mitigate the liquidity pressure and improve the financial position of the Group and to remediate the overdue repayments to the lenders, the Management has also formulated plans and measures to address the Disclaimer of Opinion (the "**Plans and Measures**"). The Management has considered the Group's cash flow projection (the "**Cash Flow Forecast**") which covered a period of not less than twelve months from 31 December 2023 and which has taken into account the Plans and Measures in assessing the sufficiency of the Group's working capital requirements. After making due and careful enquiries and having performed sufficient work to assess the Group's future liquidity and having considered the Plans and Measures, the Management considered that the Group will have sufficient financial sources to continue as a going concern (the "**Going Concern Assumption**"). However, as the Plans and Measures are still ongoing, the successful implementation of these are subject to multiple significant uncertainties, as described in Note 2.1(c), which are crucial to the Going Concern Assumption. In this respect, the Directors agreed with Prism to issue the Disclaimer of Opinion as disclosed in this announcement.

Plans and Measures to address the Disclaimer Opinion

The Directors have formulated the Plans and Measures in order to mitigate the liquidity pressure and improve the financial position of the Group and to remediate the overdue repayments to the lenders, as detailed in the annual report of the Company for the year ended 31 December 2021. Set out below is the latest progress of the Plans and Measures during the Year:

1. The Aetos Parties Matter

As of the date of this announcement, the Aetos Parties have not presented a winding-up petition to the court. The Group will negotiate with Aetos Parties to reach an agreement of 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.

2. The Borrowings Overdue

The Group has been actively negotiating with all the lenders for renewal and extension for repayments of the Borrowings Overdue. While certain lenders of the overdue borrowings preliminarily intended to renew or extend the respective Borrowings Overdue, no formal agreement has been reached yet. The Company will continue to endeavor to achieve relevant renewal or extension, prompt such lenders not to exercise their rights to require the Group's immediate repayment of the borrowings, and reach final agreements with such lenders in due course.

3. Net current liabilities

With regard to the net current liabilities of the Group:

(i) extension of short-term loans: 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 endeavor to renew or extend existing borrowings with scheduled repayment dates within one year as and when needed, and the Group will also actively negotiate with the banks and financial institutions to secure new financing sources.

(ii) accelerating sales collection: 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;

(iii) cost control and continued cooperation with business partners: 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; and

(iv) disposal of assets: the Group will also explore opportunities to dispose of certain assets at reasonable prices to generate cash inflows and mitigate its liquidity pressure.

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. As the Group's operation remains normal and the Group has been generating net cash inflow from its operation, it is confident to convince the relevant lenders not to exercise their rights to demand the Group's immediate repayment of the borrowings prior to their scheduled contractual repayment dates.

The Directors are taking appropriate measures to address the concern on the Group's liquidity and strive to successfully implement the Plans and Measures as soon as practicable. The Directors will continuously work with Prism to address the Disclaimer Opinion as soon as practicable.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. (the "**Share Option Scheme**"), which expired on 31 May 2024. As at 31 December 2023, the Share Option Scheme had a remaining life of approximately 5 months. During the period from the date of adoption to 31 December 2023, no share options have been granted under the Share Option Scheme.

SUBSEQUENT EVENTS

1. 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.

2. Suspension of trading

As a result of the delay in publication of the audited annual results of the Company for the year ended 31 December 2023, trading in the Shares on the Stock Exchange has been suspended from 2 April 2024. The Company is currently working on meeting all the resumption guidance as set out in the letters from the Stock Exchange dated 26 June 2024 and 30 July 2024 and is striving to resume trading in the Shares of the Company as soon as possible.

For details, please refer to the announcements of the Company dated 25 March 2024, 2 April 2024, 1 July 2024, 2 August 2024, 30 September 2024 and 24 December 2024.

3. Major transaction in relation to disposal of equity interests in subsidiaries

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, 22 August 2024, and the circular dated 12 July 2024.

4. **Change of auditor**

The Company was unable to reach a consensus with Pricewaterhouse Coopers ("**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 of the Company (the "**Audit Committee**"), the Board has resolved to appoint Prism 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 reports of the Company for the six months ended 30 June 2023.

5. **Criminal order**

Dalian Services Outsourcing Base Development Company Limited (大連服務外包基地發展有限公司) (the "**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 the 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 of the Company dated 27 January 2025.

ANNUAL RESULTS

The annual results of the Group for the Year have been reviewed and approved by the Audit Committee. In particular, the Audit Committee has critically reviewed the Disclaimer of Opinion, the Cash Flow Forecast and the Plans and Measures. The Audit Committee also had discussions with the Auditor regarding the Disclaimer of Opinion, by which it considered and agreed the basis for arriving at the Disclaimer of Opinion. The Audit Committee concurs with the Management's view regarding the Disclaimer of Opinion, the Going Concern Assumption, and the Plans and Measures. The Audit Committee also considers that the Management should implement the Plans and Measures with the intention of mitigating the Group's liquidity pressure and removing the Disclaimer of Opinion, and report to the Audit Committee any material issues affecting the Group's going concern on a timely basis.

SCOPE OF WORK OF PRISM

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been confirmed by the Company's auditor, Prism to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2023. The work performed by them in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by them on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yidachina.com.

The annual report of the Company for the Year, together with the circular, the notice convening the annual general meeting of the Company and the proxy form, will be dispatched to the shareholders of the Company and available on the above websites in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 2 April 2024 and will remain suspended until the Company fulfils the resumption guidance and additional resumption guidance as disclosed in the Company's announcements dated 1 July 2024 and 2 August 2024, respectively.

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

Hong Kong, 3 April 2025

As at the date of this announcement, the executive Directors are Mr. Jiang Xiuwen and Mr. Yuan Wensheng, the non-executive Directors are Mr. Lu Jianhua, Mr. Wang Gang and Ms. Jiang Qian, the independent non-executive Directors are Mr. Guo Shaomu, Mr. Chen Yi Chuan and Mr. Tong Wing Chi.