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 RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2017 amounted to RMB7,317.62 million, representing an increase of 4.5% as compared to 2016;

2. Gross profit amounted to RMB1,766.46 million, representing an increase of 14.4% as compared to 2016, and the gross profit margin was 24.1%;

3. Profit attributable to equity owners of the Company amounted to RMB984.30 million, representing an increase of 74.5% as compared to 2016; the core profit attributable to equity owners of the Company amounted to RMB728.39 million, with core profit margin of 10.0%;

4. Basic earnings per share were RMB38 cents and basic core earnings per share were RMB28 cents; and

5. The Board recommends a final dividend of RMB8 cents per share.

FINANCIAL INFORMATION

The board of directors (the "**Board**") of Yida China Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2017 together with comparative figures for the corresponding period in 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	**2017**	2016
		RMB'000	*RMB'000*
REVENUE	*4*	**7,317,619**	7,004,548
Cost of sales		**(5,551,155)**	(5,460,083)
Gross profit		**1,766,464**	1,544,465
Other income and gains	*4*	**228,001**	660,191
Selling and marketing expenses		**(236,083)**	(215,505)
Administrative expenses		**(478,585)**	(434,358)
Other expenses		**(137,512)**	(366,238)
Fair value gains on investment properties	*10*	**341,216**	201,219
Finance costs	*6*	**(334,461)**	(278,346)
Share of profits and losses of:			
Joint ventures		**86,743**	15,466
Associates		**362,959**	(96,142)
PROFIT BEFORE TAX	*5*	**1,598,742**	1,030,752
Income tax expenses	*7*	**(504,480)**	(456,599)
PROFIT FOR THE YEAR		**1,094,262**	574,153
Attributable to:			
Owners of the parent		**984,302**	564,000
Non-controlling interests		**109,960**	10,153
		1,094,262	574,153
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted (RMB per share)		**0.38**	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Notes	2017 RMB'000	2016 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**88,044**	89,594
Investment properties	*10*	**12,244,622**	11,795,033
Investments in joint ventures		**2,585,466**	1,669,217
Investments in associates		**20,699**	479,425
Prepayments for acquisition of land		**2,297,438**	2,107,462
Land held for development for sale		**501,643**	730,421
Prepayments and other receivables		**705,094**	614,895
Intangible assets		**14,992**	17,177
Available-for-sale investments		**24,540**	24,540
Deferred tax assets		**124,892**	141,330
Total non-current assets		**18,607,430**	17,669,094
CURRENT ASSETS			
Inventories		**10,199**	8,172
Land held for development for sale		**607,203**	607,203
Properties under development		**1,670,574**	6,919,490
Completed properties held for sale		**6,121,194**	3,784,559
Prepayments for acquisition of land		**249,655**	249,655
Gross amount due from contract customers		**162,463**	132,940
Trade receivables	*11*	**990,036**	814,411
Prepayments, deposits and other receivables		**5,131,013**	2,679,039
Prepaid corporate income tax		**30,851**	30,613
Prepaid land appreciation tax		**153,188**	161,174
Restricted cash		**1,879,540**	1,047,113
Cash and cash equivalents		**1,484,138**	1,856,039
Total current assets		**18,490,054**	18,290,408

	Notes	2017 RMB'000	2016 RMB'000
CURRENT LIABILITIES			
Gross amount due to contract customers		**525,575**	518,183
Receipts in advance		**881,468**	2,787,291
Trade payables	*12*	**2,319,770**	2,633,113
Other payables and accruals		**1,935,900**	1,500,759
Derivative financial instruments		**591,065**	491,403
Interest-bearing bank and other borrowings	*13*	**6,912,232**	4,072,068
Tax payable		**454,604**	600,580
Provision for land appreciation tax		**382,116**	399,063
Total current liabilities		**14,002,730**	13,002,460
NET CURRENT ASSETS		**4,487,324**	5,287,948
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,094,754**	22,957,042
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*13*	**10,073,500**	10,938,707
Other payables		**–**	73,370
Deferred tax liabilities		**1,878,348**	1,798,436
Total non-current liabilities		**11,951,848**	12,810,513
Net assets		**11,142,906**	10,146,529
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**159,418**	159,418
Reserves		**10,578,761**	9,712,922
		10,738,179	9,872,340
Non-controlling interests		**404,727**	274,189
Total equity		**11,142,906**	10,146,529

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 an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally involved in property development, property investment, business park operation and management, property construction, decoration and landscaping and property management in Dalian, Wuhan, Shenyang, Beijing, Shanghai, Tianjin, Zhengzhou, Hefei, Xi'an, Suzhou, Hangzhou, Shenzhen, Changsha and Chengdu, the People's Republic of China (the "**PRC**" or "**Mainland China**").

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

Except for the amendments to HKAS 12 and HKFRS 12 included in the *Annual Improvements 2014-2016 Cycle*, which has had no significant financial effect on these financial statements, the nature and the impact of the amendment is described below:

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

3. Operating Segment Information

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

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

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

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

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

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

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

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

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

Segment liabilities exclude derivative financial liabilities, interest-bearing bank and other borrowings, amounts due to related parties, tax payable, provision for land appreciation tax 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.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2017

	Property development *RMB'000*	Property investment *RMB'000*	Business park operation and management *RMB'000*	Construction, decoration and landscaping *RMB'000*	Property management *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:							
Sales to external customers	5,991,179	385,508	60,236	467,742	412,954	–	7,317,619
Segment results	1,345,622	645,683	(93,067)	21,079	77,440	(17,148)	1,979,609
Reconciliation:							
Interest income							52,002
Dividend income and unallocated gains							1,254
Corporate and other unallocated expenses							(99,662)
Finance costs							(334,461)
Profit before tax							1,598,742
Income tax expenses							(504,480)
Profit for the year							1,094,262
Segment assets	36,149,335	14,633,395	113,944	5,747,445	315,046	9,256,265	66,215,430
Reconciliation:							
Elimination of intersegment receivables							(32,790,555)
Corporate and other unallocated assets							3,672,609
Total assets							37,097,484
Segment liabilities	23,881,986	2,458,647	266,856	4,570,068	310,324	6,965,387	38,453,268
Reconciliation:							
Elimination of intersegment payables							(32,790,555)
Corporate and other unallocated liabilities							20,291,865
Total liabilities							25,954,578
Other segment information:							
Depreciation and amortisation	15,208	2,170	598	4,250	174	157	22,557
Capital expenditure*	4,477	109,183	9,401	3,598	1,382	–	128,041
Fair value gains on investment properties	–	341,216	–	–	–	–	341,216
Share of profits and losses of joint ventures	(20,973)	115,470	(218)	(7,613)	77	–	86,743
Share of profits of associates	362,959	–	–	–	–	–	362,959
Investments in joint ventures	1,797,001	757,499	1,992	26,441	2,533	–	2,585,466
Investments in associates	20,699	–	–	–	–	–	20,699

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

Year ended 31 December 2016

	Property development RMB'000	Property investment RMB'000	Business park operation and management RMB'000	Construction, decoration and landscaping RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	5,775,654	382,497	52,748	460,400	333,249	–	7,004,548
Segment results	1,066,098	506,235	(31,710)	9,669	49,230	(108,379)	1,491,143
Reconciliation:							
Interest income							55,102
Dividend income and unallocated gains							1,171
Corporate and other unallocated expenses							(238,318)
Finance costs							(278,346)
Profit before tax							1,030,752
Income tax expenses							(456,599)
Profit for the year							574,153
Segment assets	35,024,089	14,092,631	95,257	4,426,111	306,038	6,497,739	60,441,865
Reconciliation:							
Elimination of intersegment receivables							(27,718,632)
Corporate and other unallocated assets							3,236,269
Total assets							35,959,502
Segment liabilities	23,860,398	2,332,206	160,589	2,809,175	132,574	5,936,406	35,231,348
Reconciliation:							
Elimination of intersegment payables							(27,718,632)
Corporate and other unallocated liabilities							18,300,257
Total liabilities							25,812,973
Other segment information:							
Depreciation and amortisation	14,234	1,889	240	982	153	1,042	18,540
Capital expenditure*	5,181	114,491	2,592	4,742	3,052	302	130,360
Fair value gains on investment properties	–	201,219	–	–	–	–	201,219
Share of profits and losses of joint ventures	(57,630)	77,670	(850)	(3,681)	(43)	–	15,466
Share of losses of associates	(96,142)	–	–	–	–	–	(96,142)
Investments in joint ventures	987,122	645,414	170	34,054	2,457	–	1,669,217
Investments in associates	479,425	–	–	–	–	–	479,425

* 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 over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

4. Revenue, Other Income and Gains

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

An analysis of the Group's revenue, other income and gains is as follows:

		2017	2016
	Note	***RMB'000***	*RMB'000*
Revenue			
Sale of properties		**5,991,179**	5,775,654
Rental income		**385,508**	382,497
Business park operation and management service income		**60,236**	52,748
Construction, decoration and landscaping income		**467,742**	460,400
Property management income		**412,954**	333,249
		7,317,619	7,004,548
Other income and gains			
Interest income		**52,002**	55,102
Dividend income		**1,254**	1,171
Government subsidies	*(a)*	**17,235**	16,676
Gains on remeasurement of pre-existing interests in joint ventures to the date of obtaining control and acquisition		**–**	252,973
Gains on bargain purchases		**–**	330,140
Foreign exchange differences, net		**36,316**	–
Gain on disposal of an investment property		**–**	2,321
Others		**121,194**	1,808
		228,001	660,191

Note:

(a) Government subsidies have been received by the Group from government authorities in Mainland China mainly in respect of the operation of a recreational facility of the Group. The government subsidies have been recognised in the consolidated statement of profit or loss to the extent of operating expenses incurred up to the year ended 31 December 2017. There are no unfulfilled conditions or contingencies relating to these subsidies.

5. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Note	**2017** *RMB'000*	2016 *RMB'000*
Cost of properties sold		**4,593,603**	4,697,335
Cost of services provided		**756,926**	656,217
Depreciation		**16,081**	15,316
Amortisation of intangible assets*		**6,476**	3,224
Loss on disposal of items of property, plant and equipment		**846**	7,772
Gain on disposal of an investment property***		**–**	2,321
Impairment of properties under development and completed properties held for sale****		**55,622**	–
Impairment of trade receivables**	*11*	**–**	19,270
Fair value loss on derivative financial instruments**		**99,662**	238,318
Auditor's remuneration		**5,530**	4,780
Minimum lease payments under operating leases		**53,041**	16,387
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**249,966**	211,755
Pension scheme contributions		**39,254**	39,144
		289,220	250,899
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties****		**145,004**	106,531
Foreign exchange differences, net***/#		**(36,316)**	48,419

* Included in "Administrative expenses" in the consolidated statement of profit or loss.

** Included in "Other expenses" in the consolidated statement of profit or loss.

*** Included in "Other income and gains" in the consolidated statement of profit or loss.

**** Included in "Cost of sales" in the consolidated statement of profit or loss.

The foreign exchange differences, net for the prior year was included in "Other expenses" in the consolidated statement of profit or loss.

6. Finance Costs

An analysis of finance costs is as follows:

	2017	2016
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**1,106,317**	1,167,833
Less: Interest capitalised	**(771,856)**	(889,487)
	334,461	278,346

7. Income Tax Expenses

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2016: 16.5%). The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the year.

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

	2017	2016
	RMB'000	*RMB'000*
Current – PRC		
Corporate income tax charge for the year	**274,614**	297,631
Land appreciation tax charge for the year	**214,306**	191,072
Overprovision of PRC land appreciation tax in prior years*	**(80,790)**	(38,099)
	408,130	450,604
Deferred:		
Current year	**76,153**	(3,530)
Reversal of deferred tax assets on LAT overprovided in prior years	**20,197**	9,525
	96,350	5,995
Total tax charge for the year	**504,480**	456,599

* During the year ended 31 December 2017, the Group filed and agreed with the local tax bureau in the PRC the computation for the LAT of certain property development projects that had been completed and sold in previous years. As a result of the local tax bureau's assessments, the Group has reversed and recognised an overprovision of LAT on the relevant property development projects of RMB80,790,000 (2016: RMB38,099,000) in the consolidated statement of profit or loss.

8. Dividend

	2017	2016
	RMB'000	*RMB'000*
Proposed final – RMB8 cents (2016: RMB3.2 cents) per ordinary share	**206,718**	82,687

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic and diluted earnings per share amounts is based on the profit for the year attributable to the ordinary equity holders of the parent of RMB984,302,000 (2016: RMB564,000,000), and the weighted average number of ordinary shares of 2,583,970,000 (2016: 2,583,970,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2017 and 2016 as the Group had no potentially diluted ordinary shares in issue during those years.

10. Investment Properties

	Completed	**Under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January 2016	8,965,700	2,520,600	11,486,300
Additions	52,605	58,409	111,014
Disposals	(3,500)	–	(3,500)
Transfers from investment properties under construction to completed investment properties	721,000	(721,000)	–
Net gains from fair value adjustments	200,545	674	201,219
Carrying amount at 31 December 2016 and 1 January 2017	**9,936,350**	**1,858,683**	**11,795,033**
Additions	**63,694**	**44,679**	**108,373**
Transfers from investment properties under construction to completed investment properties	**480,000**	**(480,000)**	**–**
Net gains from fair value adjustments	**51,906**	**289,310**	**341,216**
Carrying amount at 31 December 2017	**10,531,950**	**1,712,672**	**12,244,622**

At 31 December 2017, certain of the Group's investment properties of RMB11,949,268,000 (2016: RMB11,156,972,000) were pledged to banks to secure the loans granted to the Group (note 13(c)(ii)).

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 DTZ Cushman & Wakefield Limited, independent professionally qualified valuers.

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

For investment properties under construction which were stated at fair value at 31 December 2017 and 2016, 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 and investment properties under construction measured at fair value in the aggregate carrying amount of RMB1,495,000,000 (2016: RMB1,384,000,000) as at 31 December 2017, 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.

Movement for investment properties that are measured at fair value:

	Completed	**Under construction**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2016	8,965,700	1,960,823	10,926,523
Additions	52,605	57,920	110,525
Disposal	(3,500)	–	(3,500)
Transfers from investment properties under construction to completed investment properties	721,000	(721,000)	–
Net gains from fair value adjustments	200,545	674	201,219
At 31 December 2016 and 1 January 2017	**9,936,350**	**1,298,417**	**11,234,767**
Additions	**63,694**	**44,089**	**107,783**
Transfers from investment properties measured at cost	**–**	**33,426**	**33,426**
Transfers from investment properties under construction to completed investment properties	**480,000**	**(480,000)**	**–**
Net gains from fair value adjustments	**51,906**	**289,310**	**341,216**
At 31 December 2017	**10,531,950**	**1,185,242**	**11,717,192**

Unrealised gains included in the consolidated statement of profit or loss for completed investment properties for the year ended 31 December 2017 amounted to RMB51,906,000 (2016: RMB200,545,000).

Unrealised gains included in the consolidated statement of profit or loss for investment properties under construction for the year ended 31 December 2017 amounted to RMB289,310,000 (2016: RMB674,000).

Investment properties which have been measured at cost included in consolidated statement of financial position as at 31 December 2017 were RMB527,430,000 (2016: RMB560,266,000).

11. Trade Receivables

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**1,009,306**	833,681
Impairment	**(19,270)**	(19,270)
	990,036	814,411

Trade receivables mainly represent receivables for contract works. The payment terms of contract works receivables are stipulated in the relevant contracts. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired		
Within 1 year	**792,132**	630,848
1 to 2 years	**138,896**	82,278
Over 2 years	**30,818**	67,028
Past due but not impaired		
1 to 2 years	**28,190**	34,257
	990,036	814,411

The movements in provision for impairment of trade receivables are as follows:

	2017	2016
	RMB'000	*RMB'000*
At beginning of year	**19,270**	–
Impairment losses recognised (note 5)	**–**	19,270
At end of year	**19,270**	19,270

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB19,270,000 (2016: RMB19,270,000) with a carrying amount before provision of RMB19,270,000 (2016: RMB19,270,000).

The individually impaired trade receivables relate to a customer that was in financial difficulties and the receivables is expected not to be recovered.

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

As at 31 December 2016, included in the Group's trade receivables are amounts due from related companies controlled by Yida Group Co., Ltd. (a company controlled by Right Won Management Limited ("**Right Won**"), the former ultimate holding company of the Company) of RMB24,386,000, which are repayable on credit terms similar to those offered to the major customers of the Group. The balance has been settled during the current year.

As at 31 December 2017, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB325,760,000 (2016: RMB126,214,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

As at 31 December 2016, included in the Group's trade receivables are amounts due from the Group's associates of RMB95,375,000, which are repayable on credit terms similar to those offered to the major customers of the Group.

12. 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:

	2017	2016
	RMB'000	*RMB'000*
Due within 1 year or on demand	**1,805,833**	1,922,538
Due within 1 to 2 years	**513,937**	710,575
	2,319,770	2,633,113

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

As at 31 December 2017, included in the Group's trade payables are amounts due to the Group's joint venture of RMB36,924,000 (2016: RMB72,755,000), which are unsecured, interest-free and repayable within one to two years.

13. Interest-Bearing Bank and Other Borrowings

	2017			2016		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans-secured	**2.24 – 7.50**	**2018**	**3,147,877**	4.09 – 8.71	2017	2,549,688
Other loans-secured	**1.20 – 12.00**	**2018**	**2,732,300**	1.20 – 12.00	2017	1,487,900
Other loans-unsecured	**3.00 – 6.76**	**2018**	**1,032,055**	3.00 – 4.75	2017	34,480
			6,912,232			4,072,068
Non-current						
Bank loans-secured	**3.58 – 7.50**	**2019-2030**	**3,764,650**	3.58 – 8.71	2018-2024	4,574,800
Other loans-secured	**1.20 – 10.60**	**2019-2025**	**2,309,500**	1.20 – 12.00	2018-2025	3,309,300
Other loans-unsecured	**6.76 – 8.23**	**2020-2021**	**3,999,350**	6.76 – 7.10	2020-2021	3,054,607
			10,073,500			10,938,707
			16,985,732			15,010,775

	2017	2016
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**3,147,877**	2,549,688
In the second year	**1,359,040**	730,610
In the third to fifth years, inclusive	**1,539,806**	2,509,736
Beyond five years	**865,804**	1,334,454
	6,912,527	7,124,488
Other loans repayable:		
Within one year or on demand	**3,764,355**	1,522,380
In the second year	**1,220,000**	2,929,800
In the third to fifth years, inclusive	**5,071,350**	3,416,607
Beyond five years	**17,500**	17,500
	10,073,205	7,886,287
	16,985,732	15,010,775

(a) Included in other loans of the Group are corporate bonds in an aggregate principal amount of RMB3,000,000,000 (31 December 2016: RMB3,000,000,000). The first tranche of RMB1,000,000,000 and the second tranche of RMB2,000,000,000 of the corporate bonds was issued by Yida Development Company Limited ("**Yida Development**"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively. At the end of third year, Yida Development shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to Yida Development. The first tranche of the corporate bonds with a principal amount of RMB1,000,000,000 is classified as a current liability as at 31 December 2017.

(b) Included in other loans of the Group are senior notes in a principal amount of USD300,000,000 (approximately RMB1,960,260,000) (31 December 2016: Nil) issued by the Company in April 2017 (the "**Senior Notes**"). The net proceeds after deducting the issuance costs, amounted to approximately USD289,819,000 (approximately RMB1,998,876,000). The Senior Notes are unsecured, have a term of three years and bear interest at a rate of 6.95% per annum. The Senior Notes will mature on 19 April 2020.

The Company, at its option, can redeem all or up to 35% of the aggregate principal outstanding amount of the Senior Notes at any time prior to the maturity date at the redemption prices (principal amount plus applicable premium) plus accrued interest and unpaid interest up to the redemption date, as set forth in the written agreement between the Company and the trustees of the Senior Notes.

The Senior Notes of the Company are denominated in United States dollars ("USD") and are guaranteed by certain subsidiaries of the Group.

(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 2017 of approximately RMB1,243,299,000 (2016: RMB4,452,927,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2017 of approximately RMB11,949,268,000 (2016: RMB11,156,972,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2017 of approximately RMB461,673,000 (2016: RMB840,726,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2017 of approximately RMB3,708,060,000 (2016: RMB1,590,526,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2017 of approximately RMB50,721,000 (2016: RMB56,134,000);

(vi) pledge of the Group's prepayment for acquisition of land with a carrying value at 31 December 2016 of approximately RMB249,655,000;

(vii) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB10,612,607,000 (2016: RMB8,952,188,000) as at 31 December 2017;

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

(ix) pledges of certain of the Group's time deposits with an aggregate carrying value at 31 December 2017 of approximately RMB777,000,000 (2016: RMB255,000,000); and

(x) the assignment of property management fee and rental income from certain properties at 31 December 2016.

(d) Other than certain other borrowings with a carrying amount of RMB2,603,370,000 (2016: RMB513,338,000) denominated in USD as at 31 December 2017, all bank and other borrowings of the Group are denominated in RMB as at 31 December 2017 and 2016.

(e) As at 31 December 2017, included in other loans of the Group are loans from joint ventures with principal amounts of RMB21,000,000 (2016: RMB21,000,000), which is unsecured, bears interest at 4.75% per annum and is repayable on demand, and RMB13,480,000 (2016: RMB13,480,000), which is unsecured, bears interest at 3% per annum and repayable on demand, respectively.

(f) As at 31 December 2017, included in bank loans of the Group is an amount of RMB1,472,000,000 (2016: Nil) containing an on-demand clause, which has been classified as current liabilities. For the purpose of the table above, the loan is included within current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

14. Financial Guarantees

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

(a) As at 31 December 2017, the maximum obligation in respect of the mortgage facilities provided to certain purchases of the Group's properties amounted to RMB454,930,000 (2016: RMB516,050,000).

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

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

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

(b) As at 31 December 2017, the Group provided a guarantee for an amount not exceeding RMB41,600,000 (2016: RMB24,000,000) in respect of the payment obligations of a subsidiary of Richcoast Group to a joint venture (formed between Richcoast Group and an independent third party) and the joint venture partner.

(c) The Group provided guarantees to the extent of RMB569,222,000 as at 31 December 2016 in respect of the bank and other loans granted to the associates.

(d) The Group provided guarantees to the extent of RMB954,372,000 (2016: RMB468,502,000) as at 31 December 2017 in respect of bank loans granted to the joint ventures.

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

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

15. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 10) under operating lease arrangements, with leases negotiated for terms ranging from one to thirteen years. The terms of the leases generally also require the tenants to pay security deposits and to provide for periodic rent adjustments according to the then prevailing market conditions. Certain contingent rent receivables are determined based on the turnover of the lessees.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2017	2016
	RMB'000	*RMB'000*
Within one year	**304,005**	266,422
In the second to fifth years, inclusive	**492,311**	499,407
After five years	**41,120**	43,720
	837,436	809,549

(b) As lessee

The Group leases certain of the office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to fourteen years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2017	2016
	RMB'000	*RMB'000*
Within one year	**40,531**	13,469
In the second to fifth years, inclusive	**209,618**	4,523
After five years	**576,327**	–
	826,476	17,992

16. COMMITMENTS

In addition to the operating lease commitments detailed in note 15(b) above, the Group had the following capital commitments at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**1,666,962**	4,470,935
Capital contribution to an associate	**–**	234,300
Capital contribution to a joint venture	**234,300**	–
	1,901,262	4,705,235

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present you the annual results of the Group for the year ended 31 December 2017 (the "Year").

RESULTS

During the Year, the Group recorded revenue of RMB7,317.62 million, representing a year-on-year increase of 4.5%, of which residential properties within and outside business parks and office properties sales income increased by 3.7% to RMB5,991.18 million from the corresponding period of last year; business park rental income increased by 0.8% to RMB385.51 million from the corresponding period of last year; business park operation and management income increased by 14.2% to RMB60.24 million from the corresponding period of last year; construction, decoration and landscaping income increased by 1.6% to RMB467.74 million; and property management income increased by 23.9% to RMB412.95 million from the corresponding period of last year. Gross profit increased by 14.4% to RMB1,766.46 million from the corresponding period of last year, with a gross profit margin of 24.1%. Net profit attributable to shareholders of the Company was RMB984.30 million, representing a year-on-year increase of 74.5%.

REVIEW OF 2017

In 2017, China's real estate market reached an all-time high, but was also under the restriction of stringent state regulatory measures. With the further increase in industry concentration, sizable property developers were facing increasingly fierce competition in acquiring land resources of key cities. Apart from traditional residential development, many real estate companies also speeded up their planning in emerging businesses such as industrial real estate and cultural tourism real estate. Professional real estate companies with early-development advantages were more favored by the market and the government and attracted the interest of large real estate companies for cooperation, and thus have a good potential for mid-to-long term development.

An increasingly obvious trend was seen in the industrial upgrade of various cities in China and the transfer of industries within cities and between regions. Industries such as electronics and information technology, health and intelligent manufacturing have become the hot spots for economic growth. In particular, second-tier cities had clearer demands for the development of industries, and various regions have been continuously increasing their investment in the research and development in science and technology, in finance industry and in talent development, which will vigorously increase the needs of various industries for office spaces in business parks. In addition, China formally proposed the concepts and guidelines of "high-tech zones" and "characteristic town", which have been positively responded and vigorously promoted by various regions. The real estate market will be further advanced in the direction towards the holding and operation of properties and, finally, the realization of regional value appreciation.

2017 was a year for the Company to change, develop and overcome obstacles. During the Year, the Company adhered to its development vision of "being China's leading business park operator" and its development concept of "promoting city with industry, achieving city-industry integration, accomplishing coordinative development, and creating values together", and implemented the development strategy of "leading the development of asset-light business to actuate asset-heavy business, and developing asset-light and asset-heavy businesses simultaneously". Under the guidance of new market environment and policy environment, all businesses achieved steady growth. The management and operational capability of the Company achieved a comprehensive upgrade, with significant improvement in resource integration capability.

1. Light asset operation business took shape, and the brand and influence of business parks continued to expand

In respect of the layout of asset-light business, during the Year, the operating area expanded by 1.78 million square meters. There were 24 operation management projects in 14 cities in China, with a total construction area of 4.14 million square meters under operation at the end of the Year. The Group served around 800 tenants in business parks, in which more than 80 tenants are top 500 enterprises in the world, bringing together high-end industry talents and employment of relevant staff, and the Group's scale of operation continued to lead the industry. Throughout the Year, the Group received various important industry awards. With the great attention and wide recognition on the Group's industrial operation capability from various sectors of the society, the Group have captivated the historic opportunity for rapid development.

2. Operation of business parks drove expansion of asset-heavy business, and the city-industry integration model became the industry mainstream

In respect of the layout of asset-heavy business, the Company firmly implemented the development strategy of "consolidating its business in Dalian, greatly expanding its business in Wuhan, and speeding up its nationwide planning". During the Year, the Company successfully contracted the Dalian Tiandi project and will obtain 2.30 million square meters of high-quality land reserves, providing a guarantee of resources for reinforcing its leading position in Dalian's market. The Company strengthened its strategic layout in cities in the Yangtze River Delta and Midwest regions. Led by the light asset operation business, on 28 April 2017, Changsha Yida Intelligent Manufacturing Industrial Village Development Co., Ltd. (長沙億達智造產業小鎮發展有限公司) and Hunan Yida Industrial Development Co., Ltd. (湖南億達產業發展有限公司) were established and formally signed the Investment Framework Agreement on Changsha Meixihu Yida Health Science and Technology City Project (《長沙梅溪湖億達健康科技城項目投資框架協議書》), and on 20 December 2017, the Company successfully obtained the Chengdu Intelligent Transportation Science and Technology City project. The Company has also expanded several Zhengzhou, Wuhan, Changsha, Chongqing, Hefei, Nanjing and Suzhou projects. The development strategy of "leading the development of asset-light business to actuate asset-heavy business, and achieving city-industry integration" was successfully implemented in various key cities.

3. Improved management, integrated resources, and implemented strategies

In respect of management, the Company gradually optimized and preliminarily formed a flat organizational management structure of "headquarters – city companies", further improving operational efficiency. The Company also systematically carried out various management enhancement work, laying a management foundation for the implementation of strategies and realization of annual operational and management objectives of the Company. The establishment of Shanghai headquarters signified that the Company will be Shanghai-centered in the future and gather more higher-quality talents and resources to rapidly and effectively promote the implementation of its corporate strategy. In respect of undertaking internal and external resources for development, the Company linked a wider range of social resources on a higher platform and effectively optimized the capabilities of corporate governance, operational management, financial internal control and access to land resources.

4. Increased financing channels, and enhanced transparency of capital markets

The Company actively enhanced its financing capability to lay a solid foundation for its future development. During the Year, the Company successfully issued three-year senior notes of USD300 million with a coupon rate of 6.95% per annum in Hong Kong for the first time. The notes were over-subscribed, which reflected the optimistic outlook of the international capital market on the credit standing and future development of the Company, and opened up an important capital channel. The Company attached great importance to maintaining transparent, continuous and sincere communication with domestic and overseas capital market investors. During the Year, the Company held large-scale performance conferences, organized reverse roadshows for investors and roadshows for the management, and participated in various annual meetings of financial institutions and communicated face-to-face with investors to gain advice on the development of the Company from the capital market and provide information on the latest development of the Company to the capital market.

OUTLOOK FOR 2018

2018 will be a year for the Company to achieve leapfrog development and a key year for us to implement a nationwide strategic layout. The Company will focus on the development objective of enhancing economic quality proposed by the 19th National Congress of the Communist Party of China, attaching importance to human capital and innovation drive and starting from intelligence industries and knowledge economy. The Company will speed up the layout of industries and implement heavy-investment projects in the new era of development to significantly strengthen its industry leading position in respect of industrial clustering and operational capability.

1. Leading the development of intelligence industries, expanding the operational scale of business parks, and improving the core strength of operation of business parks

The Group will focus on the "three expansion and one construction". To expand the operational coverage of business parks, the Group will focus on the development of eight major industries including high-end equipment, intelligent manufacturing, life science, civil-military integration, artificial intelligence, Internet of Things, cultural and creative media and modern services, creating an industrial clustering effect and displaying our core strength in industrial development. To expand the operational scale of business parks, the Group will integrate the organisational systems of light asset operation, and expand its operational scale in core regions of key cities under strategic layout to serve more parks and corporate customers. To expand the Group's investment business of business parks, the Group will jointly establish industrial investment funds with the government and financial institutions with an investment focus on enterprises with high growth potential, strengthen the resource integration and cohesion of business parks, improve the operational chain of business parks of the Company, and solicit and gather businesses to business parks through capital to gradually construct a future-oriented core business system and point of profit growth. To construct an intelligent park platform, the Group will integrate and set up an intelligent park operational and management platform combining the operation and management of intelligent buildings, the resource management of business park customers and the operation and services of parks, and comprehensively upgrade the operation and management standards of parks through owning businesses parks and commissioning the operation of business parks to create a new point of business growth and development, so that the Group can expand its business nationwide and rapidly undertake the operation and management of existing business parks of the government.

2. Implementing key projects, improving development model of city-industry integration, and reserving resources for corporate sustainable development

The Group will focus on advancing the implementation of target acquisition projects such as Wuhan, Nanjing, Suzhou, Changsha and Hefei projects, continuously give full play to its business edges of business park operation and city-industry integration, and acquire more lands in key cities to reserve adequate resources for the sustainable and steady development of the Company. The Group will establish a new model for the comprehensive development of sub-regional lands (PPP model), improve the close-loop model with comprehensive city-industry development as the core, regional value enhancement as the objective and regional value-added income as the return. The Group will also focus on targeted cities under our planning, and carry out in-depth discussion and cooperation with the government to implement regional comprehensive development projects during the year.

3. Strengthening the organization construction of the headquarters and city companies, comprehensively commencing the "year of systematic management" activity, and ensuring healthy and rapid corporate development

With "strengthening industrial core strength, and ensuring the implementation of heavy-investment projects" as the core, the Group will further clarify the organizational, management and control model of the headquarters and city companies and each business sector, and quickly supplement professional talents for the headquarters and city companies through the combination of internal promotion and external recruitment. 2018 has also been determined to be the "year of systematic management" of the Company. The Company will systematically integrate and enhance the systems, procedures, rights and responsibilities of each business sector and each functional business line to implement comprehensive informatization, create a consistent, comprehensive and efficient management system, and provide management support for the leapfrog development of the Company.

All shareholders: the development of the country is in the new period of opportunities. The Company will keep in track with the development of the country and the era to gain more potential for development. 2018 will be the first year for the in-depth implementation of the spirit of the 19th National Congress and marks the 40th anniversary of the reform and opening up. There will definitely be huge changes on the deepening of reform and significant improvement on the business environment. The Company will unswervingly adhere to its development vision of "being China's leading business park operator" and its development strategy of "developing asset-light and asset-heavy businesses simultaneously" and "national expansion layout", gradually achieving the joint development of each business sector and creating greater value for its shareholders and the society.

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

YIDA CHINA HOLDINGS LIMITED
Zhang Zhichao
Chairman

Hong Kong, 26 March 2018

BUSINESS REVIEW

I. Operation of Business Parks Owned by the Group

During the Year, the Group's wholly owned business parks included Dalian Software Park, Dalian BEST City and Yida Information Software Park and the Group's partially owned business parks included Wuhan First City (50% stake), Dalian Ascendas IT Park (50% stake) and Dalian Tiandi (52% stake). The area available for leasing in the above parks was approximately 1,413 thousand square meters. During the Year, the Group recorded a rental income of approximately RMB385.51 million, which increased by 0.8% to that of the corresponding period of 2016.

The following table shows the business parks owned by the Group (Unit: 1,000 sq.m.):

Business Parks	Rights and Interests of 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 Period
Dalian Software Park	100%	637	391	180	33	42	94%
Dalian BEST City	100%	147	99	–	7	41	73%
Yida Information Software Park	100%	91	66	–	4	20	100%
Dalian Ascendas IT Park[1]	50%	204	178	–	–	25	85%
Dalian Tiandi[1]	52%	334	207	37	41	38	83%
Total		1,413					

Note:

1. The financial statements of companies holding Dalian Ascendas IT Park and Dalian Tiandi are not consolidated, therefore the rental income of the Group excludes the rental income from such two parks.

In 2017, Dalian Software Park and Yida Information Software Park continued to promote service quality, launched value-added services which served their customers extensively and received recognition from both inside and outside of the industry.

1. High quality park service and high quality park environment for business solicitation, tenants settlement and promotion

Many internet leading enterprises such as Lenovo Business (聯想商業), Jinwang Xintong (金網信通), Guangzhou Li Zhi Network (廣州力摯網路) (which launched zuzuche(租租車) service platform) and Beijing Dami Technology(北京大米科技) (which is principally engaged in internet remote education) etc. stationed at Dalian Software Park during the Year. The industries are more diversified and the trend of cooperation and integration between businesses has become more significant; The graphical password developed by Magic Image Technology, which was once incubated in the COCOSPACE of the park, was selected as the candidate for "National Brand Innovation Project" (國家品牌創新工程) while Sinoimex has become National Information Centre's "The Belt The Road" Foreign Trade Information Institute. Industries inside the park are more sophisticated in technologies, internationalised and diversified, while emerging industries from different sectors keep earning good results. This made the park the main hub for the research and development of high and new technologies and the base for growth for high and new industry in Dalian.

2. *Colorful value-added service, fully enhanced service capability*

With the strong support in the integration and operation capability of Dalian Software Park and Information Technology Training Centre, Human Resource Service Platform was set up and has commenced full operation. The platform provides various professional matching services such as talents matching, talents training and industry talents information sharing to about 80 enterprises in the park and it has become enterprises' preferred supplier in screening candidates and carrying out work related to human resources. The park has launched a training program "employment one kilometer" which drew much attention. The program identifies enterprises' problems and refers such problems to education institution for providing targeted training and pre-employment counselling to final-year university students in order to help students finish their last step before their employment. The park's administration platform provides customers with services such as policy consultation, administrative agency services, projects application. Enterprise customised platform provides support to cater their individual needs including planning for enterprises' anniversaries, cooperation ceremonies, annual meeting.

3. *Significant enhancement of environment infrastructure and property management in the park*

Intelligent Parking System in Dalian Software Park and Yida Information Software Park officially entered into operation. This is an important initiative of intelligence park construction and has provided great convenience for people working in the park. LED lighting reconstruction project was widely promoted in the park which saves energy significantly while enhancing lighting's aesthetic quality. Construction of a walking green path, with a total length of 880m and width of 2.3m, was completed and is a perfect place for people who work or live in the park to do exercise and relax. Meanwhile, various service functions of the property system were further improved during the Year, including office fine decoration, project management consultation, facility management and maintenance. Such improvement can satisfy the special needs of more customers in the park and provide stronger support for customers to develop their businesses.

During the Year, Dalian Ecology Technology Innovation City operation and management achieved good results. "Construction Cube" Industry Park, which focuses on industrial construction, opened and 11 sino-foreign enterprises including Taitong Construction will be the first batch of enterprises to sign contracts and enter into the park. India NASSCOM (Dalian) IT Industry corridor project was implemented, a large group of Indian enterprises introduced by NASSCOM will be settled in Technology City. "Jinlifang" (金立方) Industrial Park, which aims at establishing a new hinterland of Northeast Asia financial cooperation, has completed its registration. Big Health Industrial Park (大健康產業園) under the cooperation with Beijing Viicare Medical Co., Ltd was under construction. Industries settled in the Technology City are diversified in different segments, this realises a multi-layers and multi-dimensional development layout that makes Technology City stronger in market expansion and more competitive in the industry.

During the Year, Wuhan First City continued its growth momentum. Office Building (Phase I), which is under Government entrusted operation and management, was still fully occupied by more than 40 enterprises; Office Building (Phase II) and Office Building (Phase III) had contracts signed with more than 50 enterprises. Fortune Global 500 companies such as IBM, Publicis and Philips as well as top 100 enterprises under software information technology industry such as Tianyuan DIC, iSoftStone, BJC, Carbit, Rogrand and some enterprises in emerging strategic industries have settled in the park. Enterprises in the intelligence health and cultural and creative e-business will also sign contracts and enter into the park. The Group has nearly 20 routes to access three towns in Wuhan. Wuhan First City received "2017 Information Technology Service Industry-Demonstration Intelligence Health Park" award (「2017年度中國信息技術服務產業智慧健康示範園區」大獎) from the Ministry of Industry and Information Technology.

II. Sales of Properties

During the Year, the Group achieved contracted sales of RMB7,260 million, representing a decline of approximately 12.5% over the corresponding period last year, mainly due to the change of selling strategy by the Group according to the market conditions during the Year. The contracted sales average price was RMB11,936 per square meter, representing an increase of 18.4% from the corresponding period last year, mainly due to the increase in high-end products as a result of product sales structural adjustments as well as the increase in average market price in Dalian.

During the Year, the Group recorded revenue of RMB5,991.18 million, representing an increase of 3.7% from the corresponding period last year. The average price was RMB10,498 per square meter, representing a year-on-year decrease of 8.8%, mainly due to different district and structure of products recognised, and revenue-recognised projects during the Year mainly included low to mid-end residential properties. Revenue-recognised projects were mainly located in Dalian (67% of revenue), Wuhan (28% of revenue) and some other cities of the PRC.

During the Year, the market developments of the company's main layout cities are as follows:

1. Dalian

As one of the four Northeast sub-provincial cities (Dalian, Shenyang, Changchun, Harbin), Dalian is ranked first among the four cities by reaching RMB736.3 billion in GDP in the Year. Dalian had significant achievements in economic transformation and has realised steady economic growth for consecutive 11 quarters with a growth rate higher than the national average. Dalian retains the reputation of national civilised city and Pilot Free Trade Zone was officially opened. During the Year, Dalian was not affected by policy of limited purchase.

Instead, it attracted some customers that the first-tier cities lost after regulation, and showed an overall stable growth. Sizable real estate developers continued to expand their market shares in Dalian, acquiring lands at high premium. Dalian's residential property stock level was at a five-year low. Improvement demand gradually replaced the rigid demand, becoming the main factor driving the market.

After years of dedicated effort made in Dalian, the Group continued to maintain its leading position in the industry. During the Year, Yida Springfield project ranked first in Dalian villa market transaction. House delivery rate and landlord's satisfaction level continued to lead in the industry. The Group acquired Dalian Tiandi project during the Year. Apart from achieving outstanding performance in sales during the Year, the project will definitely make significant contribution to the Company's sales growth in the next three years. The Company has brought about polymerisation effect from the projects sales, park and ancillary services in Dalian High-tech Park and Ganjingzi district, making it more reasonable to launch various projects simultaneously while persistently promoting brand recognition and customers loyalty.

2. *Wuhan*

Wuhan's GDP was approximately RMB1.34 trillion during the Year, representing an increase of 8% from the corresponding period last year and ranking the eighth across the country. The area of properties with transaction completed in Wuhan reached 20.40 million sq.m. and ranked in the first tier in China. Government departments increased land supply to suppress land premiums and property prices. The total transaction amount for land in Wuhan was RMB153.1 billion during the Year, representing an increase of 37% from the corresponding period last year and ranking the fourth across the country, while gross floor area sold was 45.42 million sq.m. which ranked first in China. Real estate enterprises were eager to acquire land. The turnover rate reached 91% and serious over-demand was witnessed. Benefited from liberal political and business environment, talented workforce and non-restricted purchase, transactions of office premises kept rising and the area sold was 2.12 million sq.m., representing an increase of 9% from the corresponding period last year. The average transaction price continued to rise. The Donghu New Technology Development Zone where Wuhan First City is located had an area sold 1.91 million sq.m. during the Year. The district and Jiangxia district are collectively referred to as "Grand Optic Valley"(大光谷) district, the area sold reached 4.08 million sq.m. in total during the Year. The district has become the hottest sales district in Wuhan which is mainly driven by rigid demand and first housing replacement.

During the Year, the sales of Wuhan First City project was dominated by office premises. The Group has actively explored new projects in the main city district and it is expected to acquire new projects in 2018.

Contracted Sales Details

Project	Equity attributable to the Group	Sales Floor Area *(sq.m.)*	Sales Amount *(RMB'000)*	Average Sales Price *(RMB/sq.m.)*
Dalian Software Park	100%	7,357	104,210	14,165
Dalian BEST City	100%	165,168	2,512,120	15,209
Information Software Park	100%	160,576	1,641,460	10,222
Wuhan First City	50%	55,050	333,450	6,057
Dalian Tiandi	52%	98,899	1,211,260	12,247
Residential Properties outside business parks	25%-100%	121,493	1,460,940	12,025
Total		608,543	7,263,440	11,936
Residential Properties		524,800	6,606,010	12,588
Office Properties		83,743	657,430	7,851
Total		608,543	7,263,440	11,936
Dalian		519,781	6,637,400	12,770
Wuhan		55,050	333,450	6,057
Shenyang		21,261	167,670	7,886
Chengdu		12,451	124,920	10,033
Total		608,543	7,263,440	11,936
Business Park		487,050	5,802,500	11,914
Residential Properties outside business parks		121,493	1,460,940	12,025
Total		608,543	7,263,440	11,936

III. Business Park Entrusted Operation and Management Services

During the Year, the Group's newly-added area for business park operation was 1.78 million sq.m. and the total area reached 4.14 million sq.m., representing an increase of 76% from the corresponding period of last year and covering in 14 cities and 24 projects in total. Revenue was RMB60.24 million, representing an increase of 14.2% from the corresponding period of last year, mainly due to the increase of business management area of asset-light business nationwide.

The Group, based on its owned business parks, continued to provide entrusted operation and management services with brand spillover effect, so as to achieve the national expansion of its asset-light business by leveraging on its leading operation experiences and advantageous resources. The Group provided a whole chain of asset-light operation and management services, including project addressing, product positioning, planning and design, entrusted construction management services, tenant recruitment, property management, value-added services, and etc.

During the Year, Yida Lize Center settled in Fengtai District, Beijing and Mobile Silicon Valley Innovation Center was delivered. Zhongguancun No.1(中關村一號) jointly operated with Beijing Shichunag Group will soon commence operation. The work on land formation and planning and design for Zhengzhou Gaoxin District, covering an area of 520 acres was completed. The Group has provided business solicitation service for Zhengzhou Tonghang Entrepreneurship Park, Hefei Yaohai City Science and Technology Park, Hefei Luyang DT Industrial Park (合肥廬陽DT產業園), Chengdu Creative and Intelligent Metropolis Industrial Park, Xi'an Jiaotong University State University Science Park, Xi'an Collaborative Innovation Port of Feng Dong New Town and Harbin-Israel International High & New Technology Incubator Complex Industrial Park and provided industry and spatial planning consultation services for Xi'an Technology Development Coordination Industrial Park (西安統籌科技發展產業園), Qujiang Ecological Headquater Base (曲江生態總部基地) and China Electronic Guangxi Beihai Information Port (中國電子廣西北海資訊港).

In 2018, the Company will continue to firmly implement its development strategy featuring "leading the development of asset-light business to actuate asset-heavy business, developing asset-light and asset-heavy businesses simultaneously, and feeding asset-light business by developing more asset-heavy business", and, by its asset-light business, be familiar with the market, set up its brand, make its teams stronger, in a move to obtain the resources necessary for the development of the asset-heavy business. The Group will acquire more asset-heavy projects, feeding asset-light business development. Finally, ideal development efficiency and performance as to these two businesses will be achieved.

The following table illustrates the Group's entrusted operation and management projects:

Serial No.	District	Project Name	Contracted Area *(1,000 sq.m.)*	Operation Mode
1	Wuhan	Wuhan First City Phase 1.1 (武漢軟件新城產業1.1期)	168	Business solicitation and operation
2	Shanghai	YIDA North Hongqiao Entrepreneur Park	48	Business solicitation and operation
3	Suzhou	Suzhou Gaotie First City (蘇州高鐵新城)	203	Business solicitation and operation and Incubator
4	Suzhou	Yida Shangjinwan Headquarters Economic Park	401	Business solicitation and operation
5	Shenzhen	Haikexing Sinovac Strategic Emerging Industrial Park	70.6	Business solicitation and operation
6	Changsha	Meixihu Innovation Center	52	Business solicitation and operation
7	Chengdu	Guo Bin Headquarters in Chengdu	81.7	Business solicitation and operation
8	Chengdu	Chengdu Creative and Intelligent Metropolis Industrial Park	76	Business solicitation and operation
9	Chengdu	Chengdu Xibu Beidou Industrial Park (成都西部北斗產業園)	700	Business solicitation and operation
10	Xi'an	Collaborative Innovation Port of Feng Dong New Town	120	Sales agent, business solicitation and operation
11	Hefei	Yaohai City Science and Technology Park	425	Business solicitation and operation
12	Hefei	Hefei City Luyang DT Industry Park (合肥市廬陽DT產業園)	242.6	Business solicitation and operation
13	Mianyang	Phase One of China (Mianyang) Technology City Software Industry Park (中國(綿陽)科技城軟件產業園一期)	62.6	Business solicitation and operation
14	Tianjin	Xiangyi Square (香邑廣場)	10	Business solicitation and operation
15	Harbin	Harbin-Israel International Complex	89	Business solicitation and operation
16	Beijing	Yida Lize Center	41	Charter
17	Shanghai	Yida Waigaoqiao Business Park	13.9	Charter
18	Changsha	Changsha Technology New Park	540	Sales agent, business solicitation and operation
19	Changsha	Jinmao Square North Tower	99	Business solicitation
20	Chongqing	Liangjiang Science and Technology City (Phase I)	195.3	Sales agent, business solicitation and operation
21	Chongqing	Liangjiang Science and Technology City (Phase II)	210	Sales agent, business solicitation and operation
22	Beijing	Mobile Silicon Valley Innovation Center	40.6	Sales agent, business solicitation and operation
23	Xi'an	Xi'an Jiaotong University Science and Technology Park	214	Business solicitation and operation
24	Zhengzhou	Tonghang Entrepreneurship Park	41.5	Business solicitation and operation
	Total		4,144.8	

IV. Construction, Decoration and Landscaping

During the Year, the construction, decoration and landscaping businesses recorded revenue of RMB467.74 million, representing an increase of 1.6% from the corresponding period of last year.

During the Year, three of the Group's businesses have been integrated for management. The Group relied on projects under construction and continued to further enhance the general contracting strategy and product strategy; the Group geared up development efforts in Dalian. Meanwhile, the Group also gradually implemented the national expansion layout with great success in construction results. The Group's image has been significantly enhanced and the Group has obtained accreditation and recognition in the industry.

The Group continued to strengthen its construction, decoration and landscaping business capabilities to support the development of internal projects of the Group and to achieve sustained and stable recurring cash flow by undertaking external Projects.

1. Construction

During the Year, the projects undertaken mainly comprised Dalian Zhongshan District Zhonghai Harbor City Landscaping Project (大連中山區中海海港城園林綠化項目), Dalian Shahekou District Warm House Project (大連沙河口區暖房子項目) and other projects in other regions.

The Group's awards:

(1) In January 2017, the Group was awarded the "2016 Liaoning Outstanding Construction Enterprise (遼寧省建築業優秀企業)" from Liao Ning Province Construction Industry Association;

(2) In December 2017, the Group was awarded the "2017 The Outstanding Enterprise in Dalian Green Building Industry (2017年度大連市綠色建築行業先進企業) "from the Dalian Green Building Industry Association (大連市綠色建築行業協會);

(3) In November 2017, the project Qingyun Sky undertaken by the Group was named the "Grade AAA Standard for Safety Production for National Construction Project (全國建設工程項目施工安全生產標準化工地(AAA)稱號)" by the Construction Safety Branch of China Construction Industry Association.

2. Decoration

The theme of the year: "For 15 years of craftsmanship services, Panasonic & Yida Decoration won the trust of the market by its quality and its good faith" was published by decoration team, aiming to promote the Group's business, enhance its service quality, expand its range of services and obtain a broader range of business contracts.

The Group took up the Wuzhen Yayuan Project, which is a sample of product development for an elderly town in China. The Group provided goods and installation services for the project, paving the road to develop projects for elderly for the Company. The Group also took up the Shanghai Ronglian Lehuoju Project which is the first bathroom package project undertaken by the Company. The Group's team provided construction and installation, testing services for the project, which is its big step in development in the value chain of living, spatial design, and creation of commodity. The Group actively developed bulk package products in order to meet the demand of different customer groups. The Group launched the high-end, middle-end and low-end residential packages with a focus on the price-performance ratio of products and the quality of construction and such packages have received positive feedback from our customers. The Group's operation on packages have developed into certain scale. The Group organized one-on-one decoration consultation services offered under real settings and it received positive comments from its customers with its quality and progress of construction. As far as those communities where the property prices are relatively high with terms of residency over five years, the Group provided customers with caretaking services.

3. Landscaping

Landscaping business is an important guarantee for the Group's project quality. Excellent landscape is always an important selling point in the Group's residential and office properties. After many years of experiences, the Group has had the ability to undertake external projects and carry out expansion across China.

The Group adhered to the "customer-centric and market-oriented" principle to maintain high quality standards and constantly enrich the product management models, in a move to further enhance the landscaping functionality and ornamentality. The Group's more than two million sq.m. of nursery bases are respectively located in Shandong Province and Liaoning Province, so the landscaping needs of our projects can be met.

V. Property Management

During the Year, this business recorded revenue of RMB412.95 million, representing a growth of 23.9% from the corresponding period of last year, mainly due to increase in projects under management and increase in the income from providing services.

1. Residential Property Management

During the Year, the Group managed 55 residential projects with a total of 7.826 million sq.m. The Group was closely centered on the development ideas of "improving service level, increasing performance, and expanding the business" to further enhance the Group's abilities in providing services for general households, making profits and managing communities, and to improve the overall efficiency.

The Group's team captured the potential of serving the community, and solidly enhanced the service standard and quality. The Group strictly implemented safety rules, actively promoted the vehicle license identification system and defensive gate system while strengthening its efforts in maintaining the fire prevention and access control system. The Group also launched a property owner APP to analyze the big data of property owners, which generated a counter-supervision system to property management and could provide data support for property management innovation in the future. 92% of the property owners has paid for the fee charged, ranking the top in North East Region. Yida Property Management Company Limited, a wholly-owned subsidiary of the Group, was awarded the "2017 Best 100 China Property Services Enterprise (2017中國物業服務百強企業)", ranking the 61st among 100 national property enterprises; and the Group was awarded the "2017 Best China Industrial Park Property Management Enterprise (2017中國產業園區物業管理優秀企業)".

2. *Office Property Management*

During the Year, management area was increased by 1.308 million sq.m and the total floor area of operation reached 4.268 million sq.m. Expansion in Dalian, Suzhou, Hangzhou, Chongqing, Wuhan, Mianyang was completed and the Group served almost 800 corporate customers.

In the Company's 20-year business park operation and management experience, the property management team always served the Fortune Global 500 companies, to understand and meet their increasingly sophisticated, personalised and modernized property management needs, helping us form a complete set of standardised business park property management systems, which had become a solid platform for the Group's business park operation and "tenant recruitment and tenant settlement". During the Year, the Group's team continued to consolidate the basic services, strictly control the risks and enhanced our quality and hence realised the win-win situation between our customers and property management. The quality of fundamental management was further enhanced. Property Management Regulation Collection (物業管理規章制度彙編) was revisesd and we passed the quality, environmental, work safety management system accreditation and have obtained the new version of three-standard systems (ISO9000, ISO14000, OHSAS18000) accredited certificates.

During the Year, the Group had a new project, namely the Dalian Public Administration Service Centre Property Management Project. The total area is 136 thousand sq.m. and is currently the largest single building of the national government public service institution. The Group successfully obtained the tender and took over the Singapore-Hangzhou Science Park Project which is located in the heart of the Hangzhou Economic and Technological Development Zone. Its total area is 300 thousand sq.m. and is the first modernised and internationalised integrated science park area in Hangzhou jointly developed by Ascendas Group and Hangzhou Economic & Technological Development Area Asset Management Group Co. Ltd. In addition, the Group also successfully obtained tenders in Chongqing, Wuhan and Mianyang and undertook a number of property projects, steadily moving forward to its aim of national expansion.

VI. Land Reserves

As of 31 December 2017, the Group's total floor area of land reserves was approximately 8.44 million sq.m. and the floor area of land reserves attributable to the Group was approximately 5.92 million sq.m. The land reserves were mainly concentrated in Dalian, accounting for a proportion of 86.2%.

The Group's core business is city-industry comprehensive development, emphasizing simultaneous development of office properties and residential properties. In the future, in its city-industry development and operation projects, the Group will integrate resources, carry out multi-channel cooperation and coordination, and further optimize and improve the business mode of city-industry integration development. In addition, the Group will mainly utilize its business model advantages, speed up to obtain influential integrated city-industry development projects from the provinces and major cities that cooperate with the Group strategically, and implement land development PPP mode in appropriate regions, so as to, through large scale and regional land and house linkage development, obtain "capital income + land premium income + project development and operation income".

The Group will also seize the M&A opportunities brought by the overall trend of real estate market, opt to obtain asset-heavy projects at a proper time, with types including but not limited to business parks, independent office property, independent residential property and urban complex projects.

The following table sets out a breakdown of the Group's land reserves as at 31 December 2017:

By city	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Dalian	7,280,995	86.2%	5,298,435	89.44%
Wuhan	995,919	11.8%	497,959	8.41%
Chengdu	142,767	1.7%	102,376	1.73%
Shenyang	25,037	0.3%	25,037	0.42%
Total	8,444,718	100.0%	5,923,807	100.0%

By location	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Business park	6,638,671	78.6%	4,635,794	78.3%
Multi-functional, integrated residence	1,806,047	21.4%	1,288,013	21.7%
Total	8,444,718	100.0%	5,923,807	100.0%

Business Parks/Multi-functional, Integrated Residential Community Projects	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Business Parks				
Dalian Software Park				
Office Building Area	100%	594,938	–	–
Residential Area	100%	94,604		
Subtotal	100%	689,542	–	–
Dalian Best City				
Office Building Area	100%	133,639	182,317	491,888
Residential Area	100%	318,020	13,334	14,000
Subtotal	100%	451,659	195,651	505,888
Wuhan First City				
Office Building Area	50%	350,083	–	508,501
Residential Area	50%	4,235	–	133,100
Subtotal	50%	354,318	–	641,601
Yida Information Software Park				
Office Building Area	100%	84,608	64,406	118,798
Residential Area	100%	392,705	–	–
Subtotal	100%	477,313	64,406	118,798
Dalian Ascendas IT Park				
Office Building Area	50%	202,530	–	91,918
Subtotal	50%	202,530	–	91,918

Business Parks/Multi-functional, Integrated Residential Community Projects	Equity Held by the Group	GFA Completed Remaining Saleable/ Leasable	GFA Under Development	GFA Held for Future Development
		(sq.m.)	*(sq.m.)*	*(sq.m.)*
Dalian Tiandi				
Office Building Area	52%	323,000	299,655	1,267,065
Residential Area	52%	94,439	132,927	628,850
Subtotal	52%	417,439	432,582	1,895,915
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office Building Area	60%	–	–	99,111
Subtotal	60%	–	–	99,111
Business Parks Subtotal	50%-100%	2,592,801	692,639	3,353,231
Multi-functional, Integrated Residential Community Projects				
Dalian	25%-100%	438,715	633,092	665,547
Chengdu	80%-100%	39,920	–	3,736
Shenyang	100%	25,037	–	–
Multi-functional, Integrated Residential Community Projects Subtotal	25%-100%	503,672	633,092	669,283
Total	25%-100%	3,096,473	1,325,731	4,022,514

VII. Issuance of Senior Notes

In April 2017, the Company successfully issued senior notes with principal amount of US$300 million with 3-year term, bear a nominal interest rate of 6.95% per annum, and was over-subscribed. The net issue proceeds reached US$290 million, which would be used for new property projects and working capital purposes.

The Group attaches great importance to expansion of financing channels, and believes that main business development by virtue of domestic and foreign capital market resources will ensure it can more efficiently, sustainably, and firmly capture the strategic opportunities in a timely manner. This is of great significance to the Group's development in current stage.

VIII. Asset acquisition

As at 14 November 2017, Many Gain International Limited ("Purchaser"), a wholly-owned subsidiary of the Company, entered into acquisition agreements with Innovate Zone Group Limited and Main Zone Group Limited (collectively known as "the vendors") respectively. The Purchaser would acquire the entire equity interest held by the vendors in Richcoast Group Limited. Upon completion of the transaction, the Group will hold 100% equity interests of Richcoast Group Limited which will become a wholly-owned subsidiary of the Company. The financial results of Richcoast Group Limited will be consolidated into the Group's consolidated financial results. As of 31 December 2017, 52% equity interest of Richcoast Group Limited was held by the Group and was not yet consolidated into our Group's consolidated financial results this year.

The real estate project held by Richcoast Group Limited, namely Dalian Tiandi, is located in Dalian High-tech Park and is close to Lvshun South Road and only takes 30 minutes by car to get to the center of Dalian. The project is located in the Dalian software industrial area which is an important software and service outsourcing industrial core area and has attracted around 1,220 IT enterprises. Over 100 thousand people engage in the industry, which has continuously provided the area with great support in office leasing and sales of residential properties. The project is separated into two areas which are Huangnichuan and Hekouwan, accounted for 1.33 million sq.m. of the total area and 2.84 million sq.m. of the capacity area. The transportation is gradually improving with railway line 1 Phase 2 available for use and the extended line of southern sea-crossing bridge was opened in 2017. The areas of the project have also attracted quality educational support resources like Jiahui School and Eton Kindergarten and experimental school are set up in high-tech zone. The surrounding support facilities of the project include Wanda Plaza in high-tech zone, Jinhui commercial circle as well as other community and commercial facilities. Dalian Tiandi Project comprises premises for business operation, offices, residential, commercial and retail properties. Undeveloped land under the project has complied with relevant terms for construction.

After years of development, the project has gradually become a large-scale business park with beautiful environment and convenient for working and living. The remaining land under construction and to be constructed of Dalian Tiandi (land reserves) was approximately 2.30 million sq.m., of which 800 thousand sq.m. was for residential land use, 500 thousand sq.m. was for commercial land use and 1 million sq.m. was for office land use. The residential and part of the commercial land use was available for sale. The office land use could be held for operation.

Dalian Tiandi is an important strategic asset of the Group. The Group will leverage its core edges of business park management throughout the years, combine resources of design, planning, construction of projects and investment management in order to make thorough enhancement with different operation standards of the project. The major aims are to foster the development of the project and sales turnover so as to enhance the efficiency of business management, be benefited from the continuous improvement of support facilities surrounding Dalian Tiandi and to promote the synergy from the sales of residential properties and business operation. Through horizontal integration of resources, the Group will be able to quickly increase the saleable and leasable resources in the future three years.

The success of the acquisition will benefit the core capabilities in acquisition and merger of the Group. In 2017, the market of land tendering, auction and listing had a surging premium. Acquisitions and mergers in the national real estate market was unexceptionally active. The trend of industry integration was significant and the acquisition and merger market is expected to stay active in 2018. Under this macro environment, real estate enterprises will form merger teams to choose cost-effective land resources which are in compliance with the selection strategy of the Company and the long-term benefits of the corporate's development.

On 20 December 2017, Chengdu Yida Industrial Town Management Limited (成都億達產業小鎮管理有限公司), a joint venture established by the Group and Xinjin Industrial Investment (新津工投), successfully obtained two plots of industrial land in Xinjin County in Chengdu with a total floor area of 100 thousand sq.m. It also indicated that Chengdu Yida Tianfu Intelligent Science City Project (成都億達天府智慧科技城項目) was officially launched in Chengdu Tianfu New Area. According to the industrial development plan of Tianfu South District, the Group aims to build Yida Tianfu Intelligent Transport Science City as a pioneer zone for enhancement of industries, a demonstration zone with the supply of key innovative industry elements and a model zone of building an industrial ecological system. The 100 thousand sq.m. area which the Group obtained in the first phase will be mainly used for light steel plants, framework plants and offices and providing ancillary services for production and living. On top of the existing industries of Tianfu South District Industrial Park (天府南區產業園), the project will develop industries in three main directions, namely rail links, new energy vehicles and high-tech technology. The project will be officially put into operation in the first half of 2019.

The Group's cooperation with Chengdu Xinjin Industrial Investment (成都新津工投) does not only demonstrate the Group's core capabilities as a top industrial operation expert in China in project positioning, park planning, corporate customers and operation services over the years, but also allows the Group to fully make use of the unique edges such as Chengdu Xinjin Industrial Investment's in-depth understanding of the city development strategy, the integration of regional industries, the precise capability in capturing opportunities in the upper and lower streams. The alliance between giants and the joint development mode for mutual complement of edges ensure Chengdu Yida Tianfu Intelligent Transport Science City will continue to grow healthily according to the guiding principle of "holding long-term, industry-focused and sustainable operation".

Looking forward, the Group will leverage on its core competitiveness and controlling shareholder's resources to improve its operational capabilities, expand its land reserves, and optimize its financing channels. The Group will, at the project level, cooperate with resource-based companies to get complementary advantages and expand the market through mergers and acquisitions. In 2018, in addition to vigorously promoting the sales of its residential and commercial properties, the Company will continue its management operations of the existing commercial office buildings and consider moderately expanding such operations to increase rental income to prepare for the resource reserve in coming business expansion period and transfer smoothly from its current transition period.

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; (4) income from providing construction, decoration and landscaping services; and (5) income from property management services.

During the Year, the revenue of the Group was RMB7,317.62 million, representing an increase of 4.5% from the corresponding period of last year.

The following table sets forth a breakdown of the revenue for the periods indicated:

	For the year ended 31 December			
	2017		2016	
	Amount *RMB'000*	**% of total amount**	Amount *RMB'000*	% of total amount
Income from sales of properties	**5,991,179**	**81.9%**	5,775,654	82.5%
Rental Income	**385,508**	**5.3%**	382,497	5.5%
Business park operation and management services income	**60,236**	**0.8%**	52,748	0.7%
Construction, decoration and landscaping income	**467,742**	**6.4%**	460,400	6.6%
Property management income	**412,954**	**5.6%**	333,249	4.7%
Total	**7,317,619**	**100.00%**	7,004,548	100.00%

(1) Income from sales of properties

The Group's income arising from sales of residential properties within and outside business parks and office properties for the Year was RMB5,991.18 million, representing an increase of 3.7% from the corresponding period of last year, which was mainly attributable to the increase in the sold area of properties carried forward 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 RMB385.51 million, which was comparable to that of the corresponding period of last year.

(3) Business park operation and management services income

During the Year, the income arising from business park operation and management services provided by the Group amounted to RMB60.24 million, representing an increase of 14.2% from the corresponding period of last year, which was mainly attributable to the increase in entrusted operation projects 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 RMB467.74 million, which was comparable to that of the corresponding period of last year.

(5) Property management income

During the Year, the income from property management service provided by the Group amounted to RMB412.95 million, representing an increase of 23.9% from the corresponding period of last year, which was mainly attributable to the increase in property management projects and supporting service income.

Cost of Sales

The cost of sales of the Group during the Year amounted to RMB5,551.16 million, representing an increase of 1.7% from the corresponding period of last year, which was mainly attributable to the increase in the sold area of properties carried forward during the Year.

Gross Profit and Gross Profit Margin

The gross profit provided by the Group during the Year amounted to RMB1,766.46 million, representing an increase of 14.4% from the corresponding period of last year; The gross profit margin increased from 22.0% for the corresponding period of 2016 to 24.1% during the Year, which was mainly attributable to different structure of products recognised during the Year and corresponding average price of each products recognised increased comparing with 2016.

Other Income and Gains

Other income and gains of the Group include interest income, dividend income, government subsidy and other income. During the Year, other income and gains of the Group were RMB228.00 million, representing a decrease of approximately RMB432.19 million as compared to the corresponding period of 2016, which was mainly attributable to the gain arising from the fair value of obtaining control of the joint venture in the corresponding period of 2016 and no such business during the Year.

Selling and Marketing Expenses

The sales and marketing expenses of the Group increased by 9.5% to RMB236.08 million for the Year from RMB215.51 million in the corresponding period of 2016, which was mainly due to the increase in market development and marketing expenses during the Year.

Administrative Expenses

The administrative expenses of the Group increased by 10.2% to RMB478.59 million for the Year from RMB434.36 million in the corresponding period of 2016, which was due to the increase in rental expenses and office expenses as a result of business expansion.

Other Expenses

During the Year, other expenses of the Group were RMB137.51 million, representing a decrease of RMB228.73 million as compared to the corresponding period of 2016, which was mainly due to decrease in fair value loss on put and call options.

Increase in Fair Value on Investment Properties

The fair value gains on investment properties of the Group increased by 69.6% to RMB341.22 million during the Year from RMB201.22 million in the corresponding period of 2016, which was mainly due to increase in fair value of the land of Yida Information Software Park and Dalian Software Park during the Year.

Finance Costs

The finance costs of the Group increased by 20.2% to RMB334.46 million during the Year from RMB278.35 million in the corresponding period of 2016, which was primarily attributable to the increase in interest-bearing financing during the Year.

Share of Profits of Joint Ventures

During the Year, the Group's share of profits of joint ventures was RMB86.74 million, increased by approximately RMB71.27 million as compared to the corresponding period of 2016, which was mainly attributable to the increase in gain in investment in Dalian Software Park Ascendas Development Company Limited during the Year.

Share of Profits of Associates

The Group's share of profits of associates was primarily contributed by Richcoast Group Limited ("Richcoast Group"). During the Year, the Group's share of profits of associates was RMB362.96 million, representing an increase of approximately RMB459.10 million from the corresponding period of 2016, which was mainly attributable to the increase in gain in investment in Richcoast Group during the Year.

Income Tax Expenses

The income tax expenses of the Group includes corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group increased by 10.5% to RMB504.48 million during the Year from RMB456.60 million in the corresponding period of 2016, which was mainly attributable to the increase in deferred income tax resulting from the increase in fair value of investment properties.

Profit for the Year

As a result of the foregoing, the pre-tax profit of the Group increased by 55.1% to RMB1,598.74 million during the Year from RMB1,030.75 million in the corresponding period of 2016.

The profit of the Group increased by 90.6% to RMB1,094.26 million during the Year from RMB574.15 million in the corresponding period of 2016.

The net profit attributable to equity owners increased by 74.5% to RMB984.30 million during the Year from RMB564.00 million in the corresponding period of 2016.

The core profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) increased to RMB728.39 million during the Year from RMB413.10 million in the corresponding period of 2016.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2017, the Group had cash and bank balances (including restricted cash of approximately RMB1,879.54 million) of approximately RMB3,363.68 million (31 December 2016: cash and bank balances of approximately RMB2,903.15 million, including restricted cash of approximately RMB1,047.11 million).

Debts

As at 31 December 2017, the Group had bank and other borrowings of approximately RMB16,985.73 million (31 December 2016: approximately RMB15,010.78 million), of which:

(1) By Loan Type

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
Secured bank loans	**6,912,527**	7,124,488
Secured other borrowings	**5,041,800**	4,797,200
Unsecured other borrowings	**5,031,405**	3,089,087
	16,985,732	15,010,775

(2) By Maturity Date

	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
Within one year or on demand	**6,912,232**	4,072,068
In the second year	**2,579,040**	3,660,410
In the third to fifth year	**6,611,156**	5,926,343
Beyond five years	**883,304**	1,351,954
	16,985,732	15,010,775

Debt Ratio

The net gearing (net debt, including interest-bearing bank and other borrowings and promissory notes included in other payables, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 127.0% as at 31 December 2017, which increased by 7.7% as compared to 119.3% as at 31 December 2016.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2017, the Group had cash and bank balances (including restricted cash) of approximately RMB0.83 million and approximately RMB164.37 million denominated in Hong Kong dollars and USD, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (I) registration of mortgage interest to the bank, or (II) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 31 December 2017, the Group provided a guarantee of approximately RMB454.93 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (as at 31 December 2016: approximately RMB516.05 million).

In addition to guarantees the Group provided in respect of the mortgage facilities to its customers, as at 31 December 2017, the Group provided a guarantee in the amount of not exceeding RMB41.60 million (31 December 2016: RMB24.00 million) to the shareholders of Richcoast Group. This guarantee was provided in respect of the payment obligations of Richcoast Group to a joint venture and the joint venture partner in accordance with the Group's shareholding percentage.

As at 31 December 2016, the Group also provided guarantees to the extent of RMB569.22 million in respect of bank and other borrowings granted to the associates of the Group.

As at 31 December 2017, the Group also provided guarantees to the extent of RMB954.37 million (31 December 2016: RMB468.50 million) in respect of bank and other borrowings granted to the joint ventures of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had 1,845 full-time employees. 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 DIVIDENDS

The Board has recommended a payment of final dividend of RMB8 cents per share for the year ended 31 December 2017, payable to shareholders whose names appear in the register of members of the Company on 25 June 2018. The proposed final dividend will be payable on or around 18 July 2018, subject to the approval of the shareholders of the Company in the forthcoming annual general meeting ("**AGM**") to be held by the Company.

The proposed final dividend will be declared in Renminbi and paid in Hong Kong dollars. The payable final dividend will be translated into Hong Kong dollars at the average middle exchange rate for Renminbi to Hong Kong dollars as published by The People's Bank of China between 12 June 2018 and 14 June 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 8 June 2018 to Thursday, 14 June 2018 (both days inclusive), during such period no transfer of shares will be registered. To ascertain shareholders who are eligible to attend and vote at the AGM to be held on Thursday, 14 June 2018, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 7 June 2018.

The register of members of the Company will be closed from Thursday, 21 June 2018 to Monday, 25 June 2018 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for entitlement to the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 June 2018.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions set out in the 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. During the Year, the Company has complied with all the code provisions set out in the CG Code.

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 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 14 November 2017, the Company and Many Gain International Limited (the "**Purchaser**"), a wholly-owned subsidiary of the Company, entered into the first acquisition agreement with Innovate Zone Group Limited ("**Vendor A**") and Shui On Development (Holding) Limited ("**Vendor A Guarantor**"); and the Company and the Purchaser entered into the second acquisition agreement with Main Zone Group Limited ("**Vendor B**") and SOCAM Development Limited ("**Vendor B Guarantor**"). Pursuant to these two acquisition agreements, the Purchaser has conditionally agreed to acquire (1) 61.5% interest in Richcoast Group Limited (the "**Target Company**", together with its subsidiaries, the "**Target Group**") and all of Vendor A's benefits of and interests in offshore loans from Vendor A for a consideration of RMB3,160 million (the "**First Acquisition**"); and (2) 28.2% interest in the Target Company and all of Vendor B's benefits of and interests in offshore loans from Vendor B for a consideration of RMB1,300 million (the "**Second Acquisition**"). The Purchaser shall procure the repayment by the Target Group of the onshore debts of the Target Group for the two acquisitions out of the Target Group's operating funds. As at the date of the transaction, each of the Purchaser, Vendor A and Vendor B held 10.3%, 61.5% and 28.2%, respectively, of the equity interests in the Target Company. After completion of the acquisitions, the Target Company will become a wholly-owned subsidiary of the Company.

The acquisitions contemplated under the two acquisition agreements constitute a very substantial acquisition of the Company, and a circular was dispatched by the Company on 8 December 2017 pursuant to the Listing Rules. The acquisitions were considered and approved at the extraordinary general meeting on 23 December 2017. On 28 December 2017, the Second Acquisition was completed.

On the same day, the Purchaser, the Company, Vendor A and Vendor A Guarantor entered into the first acquisition supplemental agreement, pursuant to which the long stop date with respect to the First Acquisition was extended to 31 March 2018 and the conditions precedent to the First Acquisition completion were amended. As at the date of this announcement, the First Acquisition has yet to be completed.

Please refer to the announcements of the Company dated 14 November 2017, 26 December 2017 and 28 December 2017 respectively and the circular dated 8 December 2017.

Save as disclosed above, during the Year, the Group had no material acquisitions or disposals of subsidiaries and affiliated companies.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the period from adoption date to the date of this announcement, no share options have been granted under the share option scheme.

SCOPE OF WORK OF ERNST & YOUNG ON THE PRELIMINARY ANNOUNCEMENT

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 2017 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor 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 the Company's auditor on the preliminary announcement.

ANNUAL RESULTS

The consolidated financial statements of the Group for the year ended 31 December 2017 have been reviewed by the audit committee of the Company.

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

The annual results announcement is 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 of 2017, together with the circular and the notice of the annual general meeting and the form of proxy, will be dispatched to shareholders of the Company and available on the above websites in due course.

By order of the Board
Yida China Holdings Limited
Zhang Zhichao
Chairman

Hong Kong, 26 March 2018

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Zhichao, Mr. Jiang Xiuwen, Mr. Chen Donghui, Ms. Ma Lan and Mr. Yu Shiping, the non-executive directors of the Company are Mr. Zhao Xiaodong, Mr. Chen Chao and Mr. Gao Wei and the independent non-executive directors of the Company are Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng.