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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 2016

FINANCIAL HIGHLIGHTS

1. Recognised revenue of 2016 was RMB7,004.55 million, representing a decrease of 6.3% compared to 2015;

2. Gross profit amounted to RMB1,544.47 million and the gross profit margin was 22.0%; if the increased cost revalued at fair value due to acquisitions of subsidiaries is deducted, gross profit amounted to RMB1,781.95 million and the gross profit margin was 25.4%;

3. Profit attributable to equity owners of the Company amounted to RMB564.0 million; the core profit attributable to equity owners of the Company was RMB413.1 million, with core profit margin of 5.9%;

4. Basic earnings per share were RMB22 cents and basic core earnings per share were RMB16 cents; and

5. The Board recommends a final dividend of RMB3.2 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 2016 together with comparative figures for the corresponding period in 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
REVENUE	4	**7,004,548**	7,473,200
Cost of sales		**(5,460,083)**	(5,400,560)
Gross profit		**1,544,465**	2,072,640
Other income and gains	4	**660,191**	134,733
Selling and marketing expenses		**(215,505)**	(210,469)
Administrative expenses		**(434,358)**	(386,458)
Other expenses		**(366,238)**	(36,708)
Fair value gains on investment properties	10	**201,219**	215,066
Finance costs	6	**(278,346)**	(311,004)
Share of profits and losses of:			
Joint ventures		**15,466**	62,975
Associates		**(96,142)**	(99,152)
PROFIT BEFORE TAX	5	**1,030,752**	1,441,623
Income tax expenses	7	**(456,599)**	(620,155)
PROFIT FOR THE YEAR		**574,153**	821,468
Attributable to:			
Owners of the parent		**564,000**	821,263
Non-controlling interests		**10,153**	205
		574,153	821,468
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted (RMB per share)		**0.22**	0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	2016 RMB'000	2015 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**89,594**	99,191
Investment properties	*10*	**11,795,033**	11,486,300
Investments in joint ventures		**1,669,217**	2,331,361
Investments in associates		**479,425**	639,310
Prepayments for acquisition of land		**2,107,462**	1,943,122
Land held for development for sale		**730,421**	815,516
Other receivables		**614,895**	578,878
Intangible assets		**17,177**	10,845
Available-for-sale investments		**24,540**	24,540
Deferred tax assets		**141,330**	140,839
Total non-current assets		**17,669,094**	18,069,902
CURRENT ASSETS			
Inventories		**8,172**	6,168
Land held for development for sale		**607,203**	131,047
Properties under development		**6,919,490**	5,049,279
Completed properties held for sale		**3,784,559**	3,496,672
Prepayments for acquisition of land		**249,655**	249,655
Gross amount due from contract customers		**132,940**	78,531
Trade receivables	*11*	**814,411**	597,033
Prepayments, deposits and other receivables		**2,679,039**	3,433,081
Prepaid corporate income tax		**30,613**	44,353
Prepaid land appreciation tax		**161,174**	51,748
Restricted cash		**1,047,113**	2,252,154
Cash and cash equivalents		**1,856,039**	1,058,565
Total current assets		**18,290,408**	16,448,286

	Notes	2016 RMB'000	2015 RMB'000
CURRENT LIABILITIES			
Gross amount due to contract customers		**518,183**	510,819
Receipts in advance		**2,787,291**	2,261,924
Trade payables	*12*	**2,633,113**	2,163,636
Other payables and accruals		**1,500,759**	953,641
Derivative financial instruments		**491,403**	399,521
Interest-bearing bank and other borrowings	*13*	**4,072,068**	8,263,349
Tax payable		**600,580**	481,162
Provision for land appreciation tax		**399,063**	407,760
Total current liabilities		**13,002,460**	15,441,812
NET CURRENT ASSETS		**5,287,948**	1,006,474
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,957,042**	19,076,376
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*13*	**10,938,707**	7,967,687
Other payables		**73,370**	97,970
Deferred tax liabilities		**1,798,436**	1,602,233
Total non-current liabilities		**12,810,513**	9,667,890
Net assets		**10,146,529**	9,408,486
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**159,418**	159,418
Reserves		**9,712,922**	9,236,963
		9,872,340	9,396,381
Non-controlling interests		**274,189**	12,105
Total equity		**10,146,529**	9,408,486

NOTES TO FINANCIAL INFORMATION

31 December 2016

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 ("**Jiayou**"), 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 2016. 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 new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012–2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

    (i) the materiality requirements in HKAS 1;

    (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

    (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations:* Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are to be applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[2]
HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for early adoption.

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 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.

Year ended 31 December 2015

	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	6,275,428	361,412	25,482	533,800	277,078	—	7,473,200
Segment results	1,188,199	476,858	(12,378)	38,864	38,172	(26,657)	1,703,058
Reconciliation:							
Interest income							59,402
Dividend income and unallocated gains							5,511
Corporate and other unallocated expenses							(15,344)
Finance costs							(311,004)
Profit before tax							1,441,623
Income tax expenses							(620,155)
Profit for the year							821,468
Segment assets	31,963,174	12,089,074	11,382	7,192,115	305,564	3,920,239	55,481,548
Reconciliation:							
Elimination of intersegment receivables							(24,511,019)
Corporate and other unallocated assets							3,547,659
Total assets							34,518,188
Segment liabilities	20,585,706	1,747,675	27,555	2,804,094	144,089	5,189,890	30,499,009
Reconciliation:							
Elimination of intersegment payables							(24,511,019)
Corporate and other unallocated liabilities							19,121,712
Total liabilities							25,109,702
Other segment information:							
Depreciation and amortisation	18,829	1,688	8	1,155	365	1,029	23,074
Capital expenditure*	2,260	110,519	91	1,883	485	1,554	116,792
Fair value gains on investment properties	—	215,066	—	—	—	—	215,066
Share of profits and losses of joint ventures	(13,853)	70,654	—	6,174	—	—	62,975
Share of losses of associates	(99,152)	—	—	—	—	—	(99,152)
Investments in joint ventures	1,517,971	775,655	—	37,735	—	—	2,331,361
Investments in associates	639,310	—	—	—	—	—	639,310

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

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the gross proceeds from the sale of properties, 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:

		2016	2015
	Note	***RMB'000***	*RMB'000*
Revenue			
Sale of properties		**5,775,654**	6,275,428
Rental income		**382,497**	361,412
Business park operation and management service income		**52,748**	25,482
Construction, decoration and landscaping income		**460,400**	533,800
Property management income		**333,249**	277,078
		7,004,548	7,473,200
Other income and gains			
Interest income		**55,102**	59,402
Dividend income		**1,171**	5,511
Government subsidies	*(a)*	**16,676**	27,937
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**	—
Others		**4,129**	41,883
		660,191	134,733

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 2016. 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	2016 RMB'000	2015 RMB'000
Cost of properties sold		**4,697,335**	4,621,946
Cost of services provided		**656,217**	680,405
Depreciation		**15,316**	22,559
Amortisation of intangible assets*		**3,224**	515
Loss on disposal of items of property, plant and equipment		**7,772**	4,293
Gain on disposal of an investment property***		**2,321**	—
Impairment of trade receivables**	*11*	**19,270**	—
Fair value loss on derivative financial instruments**		**238,318**	15,344
Auditor's remuneration		**4,780**	4,019
Minimum lease payments under operating leases		**16,387**	6,600
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**211,755**	213,165
Pension scheme contributions		**39,144**	39,832
		250,899	252,997
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**106,531**	98,209
Foreign exchange differences, net**/#		**48,419**	(24,600)

* 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.

\# The foreign exchange differences, net for the prior year was included in "Other income and gains" in the consolidated statement of profit or loss.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	RMB'000	*RMB'000*
Interest on bank loans and other loans	**1,167,833**	1,438,075
Less: Interest capitalised	**(889,487)**	(1,127,071)
	278,346	311,004

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 (2015: 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:

	2016	2015
	RMB'000	*RMB'000*
Current — Hong Kong		
Charge for the year	**—**	3,614
Current — PRC		
Charge of corporate income tax for the year	**297,631**	286,785
Land appreciation tax	**191,072**	257,285
Overprovision of PRC land appreciation tax in prior years*	**(38,099)**	—
	450,604	547,684
Deferred:		
Current year	**(3,530)**	72,471
Reversal of deferred tax assets on LAT overprovided in prior years	**9,525**	—
	5,995	72,471
Total tax charge for the year	**456,599**	620,155

* During the year ended 31 December 2016, 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 RMB38,099,000 in the consolidated statement of profit or loss.

8. DIVIDEND

	2016	2015
	RMB'000	*RMB'000*
Proposed final — RMB3.2 cents (2015: RMB5.1 cents) per ordinary share	**82,687**	132,511

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 RMB564,000,000 (2015: RMB821,263,000), and the weighted average number of ordinary shares of 2,583,970,000 (2015: 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 2016 and 2015 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 2015	8,139,370	2,916,560	11,055,930
Additions	7,790	101,133	108,923
Transfers from investment properties under construction to completed investment properties	510,218	(510,218)	—
Transfers from completed properties held for sale	106,381	—	106,381
Net gains from fair value adjustments	201,941	13,125	215,066
Carrying amount at 31 December 2015 and 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	9,936,350	1,858,683	11,795,033

At 31 December 2016, certain of the Group's investment properties of RMB11,156,972,000 (2015: RMB11,405,362,000) were pledged to banks to secure the loans granted to the Group.

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 2016 and 2015, 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 RMB1,384,000,000 (2015: RMB1,292,000,000) as at 31 December 2016, 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 2015	8,139,370	2,356,823	10,496,193
Additions	7,790	101,093	108,883
Transfers from investment properties under construction to completed investment properties	510,218	(510,218)	—
Transfers from completed properties held for sale	106,381	—	106,381
Net gains from fair value adjustments	201,941	13,125	215,066
At 31 December 2015 and 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	9,936,350	1,298,417	11,234,767

Unrealised gains included in the consolidated statement of profit or loss for completed investment properties for the year ended 31 December 2016 amounted to RMB200,545,000 (2015: RMB201,941,000).

Unrealised gains included in the consolidated statement of profit or loss for investment properties under construction for the year ended 31 December 2016 amounted to RMB674,000 (2015: RMB13,125,000).

Investment properties which have been measured at cost included in the consolidated statement of financial position as at 31 December 2016 were RMB560,266,000 (2015: RMB559,777,000).

11. TRADE RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**833,681**	597,033
Impairment	**(19,270)**	—
	814,411	597,033

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 aged analysis of the trade receivables after less impairment as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired		
Within 1 year	**630,848**	445,309
1 to 2 years	**82,278**	79,522
Over 2 years	**67,028**	28,407
Past due but not impaired		
1 to 2 years	**34,257**	43,795
	814,411	597,033

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

	2016	2015
	RMB'000	*RMB'000*
At beginning of year	**—**	—
Impairment losses recognised *(note 5)*	**19,270**	—
At end of year	**19,270**	—

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB19,270,000 (2015: Nil) with a carrying amount before provision of RMB19,270,000 (2015: Nil).

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, the former ultimate holding company of the Company) of RMB24,386,000 (2015: RMB21,197,000), 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 joint ventures of RMB126,214,000 (2015: RMB221,278,000), 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 (2015: RMB54,590,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

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

	2016	2015
	RMB'000	*RMB'000*
Due within 1 year or on demand	**1,922,538**	1,511,580
Due within 1 to 2 years	**710,575**	652,056
	2,633,113	2,163,636

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

As at 31 December 2016, included in the Group's trade payables are amounts due to the Group's joint ventures of RMB72,755,000 (2015: RMB80,138,000), which are unsecured, interest-free and repayable within one to two years.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2016 Effective interest rate (%)	**2016** Maturity	**2016** RMB'000	2015 Effective interest rate (%)	2015 Maturity	2015 RMB'000
Current						
Bank loans — secured	**4.09–8.71**	**2017**	**2,549,688**	2.09–14.00	2016	6,214,549
Other loans — secured	**1.20–12.00**	**2017**	**1,487,900**	6.15–12.00	2016	1,833,800
Other loans — unsecured	**3.00–4.75**	**2017**	**34,480**	4.57–4.75	2016	215,000
			4,072,068			8,263,349
Non-current						
Bank loans — secured	**3.58 – 8.71**	**2018–2024**	**4,574,800**	3.58–9.00	2017–2024	4,828,459
Other loans — secured	**1.20–12.00**	**2018–2025**	**3,309,300**	1.20–12.00	2017–2025	2,153,200
Other loans — unsecured	**6.76–7.10**	**2020–2021**	**3,054,607**	6.76	2020	986,028
			10,938,707			7,967,687
			15,010,775			16,231,036

	2016 *RMB'000*	2015 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**2,549,688**	6,214,549
In the second year	**730,610**	2,511,269
In the third to fifth years, inclusive	**2,509,736**	1,686,640
Beyond five years	**1,334,454**	630,550
	7,124,488	11,043,008
Other loans repayable:		
Within one year or on demand	**1,522,380**	2,048,800
In the second year	**2,929,800**	813,700
In the third to fifth years, inclusive	**3,416,607**	2,308,028
Beyond five years	**17,500**	17,500
	7,886,287	5,188,028
	15,010,775	16,231,036

(a) Included in other loans of the Group are corporate bonds in aggregate principal amounts of RMB1,000,000,000 due in 2020 and RMB2,000,000,000 due in 2021 issued by a subsidiary of the Group in September 2015 and March 2016 (the "**Corporate Bonds**"), respectively. The Corporate Bonds are unsecured, have a term of five years and bear interest at rates of 6.0% and 6.5% per annum, respectively.

(b) 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 2016 of approximately RMB4,452,927,000 (2015: RMB4,865,005,000);

(ii) pledges of the Group's investment properties with an aggregate carrying value at 31 December 2016 of approximately RMB11,156,972,000 (2015: RMB11,405,362,000);

(iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 31 December 2016 of approximately RMB840,726,000 (2015: RMB946,563,000);

(iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 31 December 2016 of approximately RMB1,590,526,000 (2015: RMB2,597,759,000);

(v) pledge of a building of the Group with a carrying value at 31 December 2016 of approximately RMB56,134,000 (2015: RMB61,547,000);

(vi) pledge of the Group's prepayment for acquisition of land with a carrying value at 31 December 2016 of approximately RMB249,655,000 (2015: RMB249,655,000);

(vii) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB8,952,188,000 (2015: RMB10,962,120,000) as at 31 December 2016;

(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 2016 of approximately RMB255,000,000 (2015: RMB1,763,488,000); and

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

(c) Other than certain other borrowings with a carrying amount of RMB513,338,000 (2015: RMB509,488,000) denominated in United States dollars as at 31 December 2016, all bank and other borrowings of the Group are denominated in RMB as at 31 December 2016 and 2015.

(d) As at 31 December 2016, included in other loans of the Group are loans from joint ventures with principal amounts of RMB21,000,000 (2015: RMB21,000,000), which is unsecured, bears interest at 4.75% per annum and is repayable on demand, and RMB13,480,000 (2015: Nil), which is unsecured, bears interest at 3% per annum and repayable on demand, respectively. As at 31 December 2015, a loan from a joint venture with principal amount of RMB194,000,000 was included in other loans of the Group, which was unsecured, bore interest at 5.3% per annum and was repaid in 2016.

14. BUSINESS COMBINATIONS

In June 2016, a joint venture partner of Wuhan New Software Park Development Company Limited ("**Wuhan NSP**"), in which the Group held a 42% equity interest, confirmed that it will follow the Group on any decision regarding operational and financial activities of Wuhan NSP. As such, management considers that the Group is in a position to exercise control over the relevant activities of Wuhan NSP and therefore, Wuhan NSP was thereafter accounted for as a subsidiary of the Group. Wuhan NSP is principally engaged in property development in Wuhan, the PRC.

In December 2016, the Group acquired 49% equity interests in Dalian Software Park Ambo Development Company Limited ("**Dalian Ambo**") and Dalian Software Park Shitong Development Company Limited ("**Dalian Shitong**") from the joint venture partners. After the completion of the acquisitions, Dalian Ambo and Dalian Shitong became wholly-owned subsidiaries of the Group. Dalian Ambo and Dalian Shitong are engaged in property development in Dalian, the PRC. The acquisitions were made as part of the Group's strategy to expand the market share of property development in Dalian, the PRC. The purchase consideration for the acquisition of Dalian Ambo and Dalian Shitong was in the form of cash of RMB436,420,000. The consideration payable has not been paid by the Group as at 31 December 2016.

The fair values of the identifiable assets and liabilities of Wuhan NSP, Dalian Ambo and Dalian Shitong as at the date of obtaining control/acquisition were as follows:

	Fair value recognised on acquisition		
	Wuhan NSP	**Dalian Ambo and Dalian Shitong**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	3,068	578	3,646
Intangible assets	55	—	55
Properties under development	2,204,900	—	2,204,900
Completed properties held for sale	—	2,253,000	2,253,000
Land held for development for sale	549,918	—	549,918
Trade receivables	5,232	—	5,232
Prepayments, deposits and other receivables	27,991	549,820	577,811
Prepaid corporate income tax	2,585	689	3,274
Prepaid land appreciation tax	4,796	53,232	58,028
Cash and cash equivalents	996,206	47,756	1,043,962
Trade payables	(225,101)	(182,854)	(407,955)
Other payables and accruals	(719,172)	(7,678)	(726,850)
Receipts in advance	(537,474)	(1,128,539)	(1,666,013)
Deferred tax liabilities	(43,588)	(146,129)	(189,717)
Interest-bearing bank borrowings	(1,765,554)	—	(1,765,554)
Total identifiable net assets at fair value	503,862	1,439,875	1,943,737
Gains on bargain purchases	—	(330,140)	(330,140)
Gain on remeasurement of pre-existing interests in joint ventures	(46,420)	(206,553)	(252,973)
Non-controlling interests	(251,931)	—	(251,931)
	205,511	903,182	1,108,693
Satisfied by:			
Reclassification from pre-existing interest in joint ventures to investment in subsidiaries	205,511	527,783	733,294
Consideration payable included in other payables	—	436,420	436,420
Carrying amount of put options exercised	—	(146,436)	(146,436)
Waiver of a shareholder's loan	—	85,415	85,415
	205,511	903,182	1,108,693

The gain on remeasurement of a pre-existing interest in the joint venture to the date of obtaining control fair value of RMB46,420,000 upon obtaining control of Wuhan NSP is included in "other income and gains" in the consolidated statement of profit or loss.

The gain on remeasurement of pre-existing interests in the joint ventures to the date of acquisition amounting to RMB206,553,000 upon the acquisitions of Dalian Ambo and Dalian Shitong is included in "other income and gains" in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of obtaining control of Wuhan NSP and acquisitions of Dalian Ambo and Dalian Shitong is as follows:

	Wuhan NSP	**Dalian Ambo and Dalian Shitong**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents obtained control and acquired and net inflow of cash and cash equivalents included in cash flows from investing activities	996,206	47,756	1,043,962

Since obtaining control of Wuhan NSP and the acquisition of Dalian Ambo and Dalian Shitong, Wuhan NSP, Dalian Ambo and Dalian Shitong contributed revenue of RMB389,643,000 and RMB1,053,745,000 to the Group's revenue and profit of RMB32,165,000 and RMB148,435,000 to the consolidated profit for the year ended 31 December 2016, respectively.

Had the combination taken place at the beginning of the year, the revenue and the profit of the Group for the year would have been RMB7,021,454,000 and RMB586,155,000, respectively.

15. FINANCIAL GUARANTEES

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

(a) As at 31 December 2016, the maximum obligation in respect of the mortgage facilities provided to certain purchases of the Group's properties amounted to RMB516,050,000 (2015: RMB329,287,000).

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 2016, the Group provided a guarantee for an amount not exceeding RMB24,000,000 (2015: RMB37,776,000) 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 (2015: RMB356,200,000) 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 RMB468,502,000 (2015: RMB1,478,000,000) as at 31 December 2016 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.

16. 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 fifthteen 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:

	2016	2015
	RMB'000	*RMB'000*
Within one year	**266,422**	298,039
In the second to fifth years, inclusive	**499,407**	596,418
After five years	**43,720**	100,061
	809,549	994,518

(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 five 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:

	2016	2015
	RMB'000	*RMB'000*
Within one year	**13,469**	14,474
In the second to fifth years, inclusive	**4,523**	23,139
After five years	**—**	21,619
	17,992	59,232

17. COMMITMENTS

In addition to the operating lease commitments detailed in note 16(b) above, the Group had the following capital commitments at the end of the reporting period:

	2016	2015
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for investment properties under construction and properties under development in Mainland China	**4,470,935**	3,436,811
Capital contribution to an associate	**234,300**	—
	4,705,235	3,436,811

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to present you the annual results of the Group for the year ended 31 December 2016 (the "**Year**").

Results

The contract sales amount of the Group for the year ended 31 December 2016 was about RMB8,305.0 million, representing an increase of 12.9% compared with the corresponding period of last year. The recorded revenue of the Group for the year ended 31 December 2016 was RMB7,004.55 million, representing a decrease of 6.3% compared with the corresponding period of last year, of which property rental income increased by 5.8% to RMB382.50 million. The net profit attributable to equity owners of the Company was RMB564.00 million. The core net profit after deducting fair value gains on investment properties (net of tax) was RMB413.1 million.

Review of 2016

Continuing to follow the strategy of "asset-light combined with asset-heavy operation", the Group fully implemented the business expansion nationwide, achieving anticipated performance in all business sectors in 2016.

The simultaneous development of asset-light and asset-heavy had significant results. During the Year, there were 12 new entrusted operation projects with newly added entrusted operation area of nearly 1,106,000 sq.m.. As at 31 December 2016, there were 22 projects entrusted to the Group for operation and management with an accumulated entrusted operation area of approximately 2,360,000 sq.m.. The asset-light business began to take shape, and both the industry influence and brand awareness were improved significantly. Guided by 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", the Group actively developed and identified various city-industry integration projects in such strategic target cities as Wuhan, Nanjing, Changsha, Hefei, Zhengzhou and Chengdu. The business model of "Promoting city with industry and Achieving city-industry integration" was well recognized by our partners and clients.

The national expansion was basically formed. As at 31 December 2016, the Group developed its business in major cities including Beijing, Shanghai, Shenzhen, Wuhan, Suzhou, Hangzhou, Chengdu, Changsha, Tianjin, Zhengzhou, Hefei, Xi'an, Chongqing and Dalian, and initially shaped the layout in Beijing-Tianjin-Hebei Region, Yangtze River Delta, Pearl River Delta and Yangtze Economic Rims, which laid solid foundation for the rapid development of the Group.

The core capacities were further strengthened. During the Year, the Group actively prepared for the development and operation of business parks by continuously strengthening and enhancing the four core capacities of "Industry clustering, Operation and services, Business Park Development and Resources Integration".

The operation and management abilities in the business park operation and management sector continues to improve. During the Year, the Group formulated nearly 260 service standards by consolidating the detailed services to enterprises in the park. In addition, the systematization, platform and facilitation were realized on "Yizhizai" (億直在) smart platform. The gradually perfected O2O park operation service system led to a high customer satisfaction. During the Year, there were 36 new well-known enterprises, and there were over 1,200 enterprises settled in the park in total. The customers' business categories were further enriched, covering software R&D and service outsourcing, internet, internet of things, cloud computing, e-commerce, cultural creativity, new energy & new materials and other emerging strategic industries and emerging service industries. The industry hatch function was enhanced constantly, reflecting a rising trend in respect of innovative business enterprises.

The park construction standards were upgraded. The Group developed a series of construction standards for smart business parks represented by Wuhan First City project regarding combination of functions and formats, construction of office building, and intelligentization of business park, and upgraded "Yida Smart Business Park 4.0" and constructed "Smart Business Park — Yida China". The Group's brand image of "professional business park operator" (商務園區運營專家) was further generalized and widely recognized.

The effect of resources integration was outstanding. During the Year, the issuance of RMB2 billion corporate bonds was completed, which lowered the financing costs and further expanded the financing channels, and thus the corporate reputation was fully recognized by the capital market. The Group established strategic cooperation relations with several resource-based enterprises. The alliance between giants and complementing each other's advantages laid a favorable resource foundation for the rapid development of the Group's core business.

In 2016, China Minsheng Jiaye Investment Co., Ltd ("**CMJYI**") purchased shares of the Company through its wholly-owned subsidiary Jiayou (International) Investment Limited ("**Jiayou**"), which held approximately 61.11% of the issued shares of the Company, and is a controlling shareholder of the Company, whose ultimate holding company is China Minsheng Investment Corp. Ltd. As of 31 December 2016, the Board has completed reorganization.

Outlook for 2017

In 2017, the Group will continue to seize market opportunities and follow policies, uphold existing development strategies, capitalize on the competitive edge accumulated through years and continuously consolidate its leadership in the market of business park development, operation and management.

In the business park development sector, the Group will continue to ensure its leading position in Dalian market by establishing the annual development policy of "accelerating national layout, actively replenishing development resources, and rapidly destocking". The Group will continue to gear up development efforts in Wuhan, and further develop its new projects in such potential areas with good industrial development foundation. In addition, the Group will start new projects at the appropriate time in Nanjing, Changsha, Hefei, Zhengzhou, Chengdu and other key strategic target cities to increase high-quality land reserves, and thus lay solid foundation for the development of the Company.

In the business park operation and management sector, the Group will continue to focus in the cities where it currently operates, speed up its expansion into the markets of its strategic target cities, accumulate resources from government, customers and partners, promote a rapid expansion in scale. The Group will realize the linked and complementary development of light-assets and heavy-assets business through the development strategy of "leading the development of asset-light business to actuate asset-heavy business, and developing asset-light and asset-heavy business simultaneously". Meanwhile, the Group will further improve the service platform of industrial investment and operation, explore customer service values, deeply implement the standardized and pre-set solution based on the needs of different customers. The Group will further enhance the future operation, management and service standards of business parks by using the smart business park as core reference so as to increase market competitiveness.

Dear shareholders, in 2017, the Group will leverage on the resources of its substantial shareholders to improve the operation and development model, interact and collaborate with CMJYI's other segments, dedicate to become "the leading business park operator in China", uphold the development strategy of "developing asset-light and asset-heavy business simultaneously" and "national expansion layout", and continue to create greater value for shareholders and society.

I hereby on behalf of the Board express our sincere gratitude to all shareholders, investors, partners and customers who supported the Group, and thank the management and employees for their unremitting efforts and contributions.

YIDA CHINA HOLDINGS LIMITED
Chairman
Zhang Zhichao

Hong Kong, 24 March 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

I. *Contracted Sales*

In 2016, leveraging the continuous policy to trim inventory for the property industry, real estate market demand was further unleashed in national hotspot cities, which showed the increasing positions of both quantity and pricing. Meanwhile, cities were more differentiated. Hotspot cities even introduced intensive regulation and control policies, and the policies regarding enterprises preventing housing bubbles in respect of landing stage financing, sales pricing and mortgage loans continued to tighten up, which resulted in a gradually steady trend of the market.

The Group's projects on sale are mainly distributed in Dalian and Wuhan. Benefited from the rigid demand brought by sound industrial development as well as improvement needs brought by attractive living environment, medical treatment and education, the real estate markets of the above two cities continued to maintain satisfactory sales performance in 2016. By virtue of precise product localization and the strategic development layout for city-industry integration, the Group realized contracted sales amount of approximately RMB8,305.0 million in 2016, representing a year-on-year increase of 12.9%.

Dalian

Dalian is an important economic, trading, harbour and tourist city along the eastern coast of China. According to the data from the National Bureau of Statistics, in 2016, Dalian ranked No. 17 among all Chinese cities and No. 1 in the northeastern region in terms of GDP, with an annual increase of approximately 6.5% for its GDP. Dalian ranked No. 4 among the 40 cities in China in terms of livable index, according to Study of Livable Cities in China released by the Chinese Academy of Sciences in June 2016. Benefiting from its unique geographical location and climate environmental advantages, Dalian has a strong attraction for population.

In 2016, revenue from software and IT service industry of Dalian amounted to approximately RMB109.5 billion, representing a year-on-year increase of approximately 4.0%. The growth in the software and IT service industry continues to attract a large number of graduates to work in Dalian, which further drove the rigid demands in property market. According to the data from the researching center of CRIC*, the sales area of commodity housing of Dalian amounted to approximately 6.76 million sq.m. in 2016, representing a year-on-year increase of 20.0%. During the year, by keeping abreast with the market trend, optimizing product design and adopting new marketing strategies, the Group maintained its leading position in Dalian in terms of contracted sales, accounting for approximately 10.2% of the total contracted sales of Dalian.

* *the researching center of CRIC is the professional research and development department of CRZC, a unit of E-house China*

- The Group optimized the design of the Villa Project newly launched in the year. The Group realized higher cost performance which is well received in the market and achieved faster inventory turnover by precisely targeting customer bases and refining the relationship between product design, cost and selling price, adding functional areas. As at 31 December 2016, the contracted sales of the Group was approximately RMB980 million. The Group's multi-storey apartments are always well-received in the market. The Spring Field Project launched in the year was again highly recognized in the market due to sufficient market research and further optimization of product design and proportion of various house types, achieving a contracted sales of approximately RMB380 million as at 31 December 2016.

- Efforts were made by the Group in innovating the marketing strategy and improving the integrated marketing incentives while optimizing product design and strengthening cost management and control. The Group's marketing expenses was largely reduced and the volume of transactions with customers increased due to the application of Wechat and Microblog and other self-media tools.

Wuhan

Wuhan is a key hub for industrial, science, research and education in China. By leveraging its strengths in transportation, talents, science and research, Wuhan is gradually developing into an important economic development center in China. In December 2016, National Development and Reform Commission published the Reply on supporting the Construction of Wuhan as National Center City (《關於支持武漢建設國家中心城市的復函》). The Reply specified that Wuhan would accelerate the construction as national center city supported by its functions of national economic center, high-level scientific and technological innovation center, trade logistics center and international communication center. According to the research data of CRIC, the sales area of commodity housing in the real estate market in Wuhan was 28.81 million sq.m. in 2016, representing a year-on-year growth of approximately 33.9%, ranking No. 1 in China for three consecutive years. The sales area of office buildings was 2.04 million sq.m., representing a year-on-year growth of approximately 90.9%. There was a large demand on residential and office buildings in the real estate market in Wuhan along with its high-speed economic development.

The first residential project "Yunshan Lake" (雲山湖) in Wuhan First City of the Group was opened in 2016. The attraction of industrial atmosphere and outstanding product quality had led to the faster inventory turnover of the project. As at 31 December 2016, the turnover rate reached approximately 90%.

Under the high demand on low-density and beautiful environment and convenient living conditions combined with office conditions by active enterprises in Wuhan engaged in software and information technology, science and technology innovation, Internet and communications services, the Group increased the sales proportion of office buildings in Wuhan First City, and determined the holding and sales strategy more suitable to the market demand. The sales proportion of office buildings was determined to be around 70%. Customized design and construction were conducted as required by our customers by targeting our potential customers. As at 31 December 2016, 42 clients have purchased office buildings in Wuhan First City Phase II with the accumulative area of approximately 122,000 sq.m., including 20 office buildings delivered to clients and four office buildings settled for official business. From the perspective of the sales of residential and office buildings in Wuhan, both the business model and product quality of the Group were highly recognized by Wuhan market, which also proved the replicability of the Group's city-industry integration model once.

Since 2013, the Group has provided entrusted operation and management service for the whole industry chain for the Phase I of Wuhan First City including properties positioning, design and planning, construction agent management and business development and operation. Such service and operation commenced within a short period of time. Through over four years of operation, the park has gradually matured with complete facilities of employee apartments, restaurants, supermarkets and stadium, thus truly achieving the perfect combination of beautiful and convenient living and office space. As at 31 December 2016, 43 clients have signed agreements for the Phase I of office buildings of Wuhan First City and the occupancy rate was approximately 97%. The number of employees of the settled enterprises has reached about 6,000. The settled enterprises are dominated by those engaged in software and information technology, big data and e-commerce, technical research and development, including IBM, Philips, Kompass, Publicis and other well-known enterprises. A favorable industrial cluster effect has formed, and city-industry integration advantage has appeared in the business park, with regional value being enhanced effectively.

The contracted sales of the Group for the year ended 31 December 2016 are as follows:

City	**Property type**	**Sales area**	**Sales amount**	**Average sale price**
		(sq.m.)	*(RMB0'000)*	*(RMB/sq.m.)*
Dalian	Residential and retail properties, car park units	523,658	629,958	12,030
Wuhan	Residential properties, office buildings, retail properties, car park units	272,037	183,368	6,741
Chengdu	Residential and retail properties, car park units	18,789	10,594	5,638
Shenyang	Residential properties	9,231	6,608	7,159
Total		823,715	830,528	10,082

Property nature	Property type	Sales area	Sales amount	Average sale price
		(sq.m.)	*(RMB0'000)*	*(RMB/sq.m.)*
Business park	Residential properties, office buildings, retail properties, car park units	711,494	708,320	9,955
Multi-functional and integrated residential communities	Residential and retail properties, car park units	112,221	122,208	10,890
Total		823,715	830,528	10,082

II. *Property Owned for Lease*

As at 31 December 2016, the Group developed, owned and operated six business parks. The wholly-owned projects include Dalian Software Park, Dalian BEST City Core Area Business Park ("**Dalian Best City**"), Yida Information Software Park, as well as Wuhan First City, Dalian Ascendas IT Park and Dalian Tiandi which are owned as to 50%, 50% and 30%, respectively. As at 31 December 2016, the gross area of completed property owned of the above parks was approximately 1.373 million sq.m., with the leasable area of approximately 1.335 million sq.m.. In 2016, the Group's rental income was approximately RMB380 million, representing an increase of 5.8% as compared to the same period in 2015.

Parks	Equity interests of the Group	Completed gross area	Leasable area (10,000 sq.m.) Office buildings	Apartment	Retail properties	Car park units	Occupancy rate at the end of the Period
		(10,000 sq.m.)					
Dalian Software Park	100.0%	61.5	39.1	17.6	0.1	2.7	92.0%
Dalian BEST City	100.0%	13.3	9.9	—	—	3.1	62.0%
Yida Information Software Park	100.0%	8.7	6.6	—	—	1.8	80.0%
Dalian Ascendas IT Park	50.0%	20.4	17.8	—	—	2.5	85.0%
Dalian Tiandi	30.0%	33.4	20.7	3.7	4.1	3.8	83.0%

Note: The financial statements of companies subordinated by 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.

Park Policies and Market

Industrial park is an important carrier for the PRC to accelerate the change of economic development mode and adjustment to industrial structure, and plays a very significant role in promoting concentrated development of industries and fostering strategic emerging industries and new economic growth points. With the transformation of Chinese economy from traditional industries to high-tech industries, industrial parks have gradually transformed from large scale comprehensive industrial parks into theme industrial parks, and parks within park specialized in different industries have also occurred in large industrial parks. The modularized and professional development of industrial parks will be conducive to the formation of industrial agglomeration effects and improvement of innovation efficiency of enterprises in the parks.

In order to enhance the comprehensive competitiveness and sustainable development capacity of industrial parks, the state has successively issued a series of supporting policies, including Dalian, Wuhan and other cities which also published the detailed matching measures of the policies.

With the implementation of these policy supporting measures, it is expected that the development and operation of business parks in Dalian and Wuhan by the Group will have positive effects.

In recent years, an increasing number of central enterprises, state-owned enterprises and financial capital have begun to be present in the industrial real estate field, showing that the government intends to promote upgrading of the industrial structure with industrial real estate. On one hand, it represents the increasing demand for office space in the business park; on the other hand, it comes with more challenges against the operation and service capabilities of the park. In particular, intelligence and knowledge intensive industries have higher requirements on the operating environment including building design, business service, policy consulting, cultural atmosphere, human resources, education and training, etc. In general, the development and operation of business parks rely on service rather than scale. The park attracts customers to settle in. What customers concern most is value enhancement brought to them by park services. This happens to be the core competitive advantages of the Group with respect to operation and management of the business park. Based on the Group's rich experience in operation and management of business parks, many local governments have the intention to cooperate with the Group and expect to achieve efficient operation of local industrial development by capitalizing upon the operation and management capability of the Group. As at 31 December 2016, out of 22 projects entrusted to the Group for operation and management, 16 were government development projects.

Continuing to Improve Operation and Management Capabilities

In 2016, the Group improved the service mode, optimized information-based management process and enhanced operation efficiency of the park by adhering to the aim of "Optimizing Resource Allocation of the Park, Satisfying Actual Requirements of Customers, Improving High-quality Efficient Services" (優化園區資源配置、滿足客戶實際需求、提供優質高效服務).

- During the year, the Group coordinated the use and allocation of the limited resources of each industrial park, optimized customer structure, made proper guidance for customers in the parks the potential customers in rental choices by "emptying the cage and changing the birds", and maximized the utilization of leasable area.

- Efforts have been made to continuously improve the service quality of infrastructure property in the park and meet actual requirements of customers; import customer basic information to CRM system, achieve on-line and off-line synchronization management of four intelligent modules including energy management, parking management, 400 hotline and asset management. At the same time, the Group also made efforts to deliver innovative value-deal services, thus to enhance customer operation efficiency to the greatest extent so as to lower the operation cost.

  For example, the Group took the initiative to undertake the renovation of Cisco's new office, when Cisco planned to establish its Global Support Center Dalian Branch in Dalian Software Park. After months of hard work, Cisco's office was put into operation as planned, saving cost and time for customers, and was highly praised by customers and visitors.

- The Group planned and established the "Yi Jie Hui" (億杰會) by giving full play to its years of advantages in integrating market, industrial and major customer resources so as to reinforce the management of existing major customers and potential customers. Industrial high-end entrepreneurs, investors, managers and industrial experts are pooled on "Yi Jie Hui" to set up a platform for information exchange, resource sharing and satisfying of requirements and create a nation-wide, multiple and cross-border industrial eco-circle for win-win development. In addition, efforts were made to continuously maintain the point-to-point close connection with senior managers for customers in the park, which took a deep look into current status and actual demands of customers.

  Based on the expansion demands of Accenture, the Group had formulated a plan where the leasing area in Yida Information Software Park may be increased, which improved the efficiency of the customers' operation, and optimized the efficiency of the use of leasing resources at the same time. Currently, Accenture has taken office in Yida Information Software Park.

- "Yizhizai", an O2O enterprise service cloud platform independently developed by the Group, started its operation during the year, which provided more convenient and more standardized services for the management of the business parks and the enterprises settled in the parks, and continuously improved the operation management service value of the Group.

III. *Entrusted Operation and Management*

By virtue of professional service system, operation management capacity, rich customer resources established over the years, the Group continued in expanding the light asset business, providing its services for the whole industry chain of light asset operation and management, covering selection of project location, product positioning, design and planning, construction agent management, business development and operation, property management and value-added services.

Benefited from the diversified entrusted operation services, the Group improved its brand value while familiarizing itself with the market, training its teams and enhancing its operation management capacity, which laid foundation for the subsequent investment and development of heavy assets of the Group.

As of 31 December 2016, the Group accepted an aggregate of 22 entrusted operation and management projects with an aggregate entrusted operation and management area of approximately 2.36 million sq.m.. In 2016, income from entrusted operation and management was approximately RMB52.75 million, representing an increase of approximately 107.0% as compared to the same period in 2015. Along with the increase in entrusted operation and management projects and consultation service projects as well as more matured operation of each project, the Group expects that more income will be derived from the above business.

As at 31 December 2016, the entrusted operation and management projects of the Group were as follow:

Cities	**Projects**	**Project construction area** *(10,000 sq.m.)*	**Contracted operation and management area** *(10,000 sq.m.)*	**Operation and management model**
Beijing	Mobile Silicon Valley Innovation Center	14.2	4.1	Sales agency, business solicitation and operation
Shanghai	YIDA North Hongqiao Entrepreneur Park	4.8	4.8	Business solicitation and operation
	Yida Waigaoqiao Business Park	1.4	1.4	Chartering
Shenzhen	Haikexing Sinovac Strategic Emerging Industrial Park	7.1	7.1	Business solicitation and operation

Cities	Projects	Project construction area (10,000 sq.m.)	Contracted operation and management area (10,000 sq.m.)	Operation and management model
Wuhan	Phase 1 of Wuhan First City Industry Park	16.8	16.8	Business solicitation and operation
Changsha	Changsha Technology New Park	54.0	54.0	Sales agency, business solicitation and operation
	Meixihu Innovation Center	5.2	5.2	Business solicitation and operation
Chongqing	Liangjiang Science and Technology City	19.5	19.5	Sales agency
Chengdu	Guo Bin Headquarters Project in Chengdu	14.0	8.2	Business solicitation and operation
	Phase One of China (Mianyang) Technology City Software Industry Park	6.1	6.1	Business solicitation and operation
Suzhou	Yangchenghu Digital Cultural and Creative Industry Park	17.1	5.2	Business solicitation and operation
	Kunshan Huaqiao Wealth & Intelligence Technology Park	6.5	4.1	Business solicitation and operation
	Yida Shangjinwan Headquarters Economic Park	10.3	10.3	Business solicitation and operation
	Gao Rong Building	5.6	5.6	Business solicitation and operation
	Fu Li Electricity Project	0.4	0.4	Business solicitation and operation
	Tiancheng Building	1.6	1.6	Business solicitation and operation
Hangzhou	China (Hangzhou) Wisdom Information Industry Park	32.0	15.0	Business solicitation and operation
	Inventronics Science Park	14.0	5.0	Business solicitation and operation
Tianjin	Jinwan Media Building	6.5	0.5	Business solicitation and operation
Xi’an	Collaborative Innovation Port of Feng Dong New Town	27.6	12.0	Sales agency, business solicitation and operation

Cities	Projects	Project construction area (10,000 sq.m.)	Contracted operation and management area (10,000 sq.m.)	Operation and management model
Zhengzhou	Henan Outsourcing Industry Park	6.2	6.2	Sales agency, business solicitation and operation
Hefei	Yaohai City Science and Technology Park	54.8	42.5	Business solicitation and operation
Total		325.7	235.6	

IV. *Customized services*

According to the market research data and customer service experience of the Group over the years, especially the summarization and analysis in the expansion of entrusted operation and management nationwide, both popularity and scale of some enterprises of the Group expanded rapidly along with the development opportunity brought by the capital market, and SMEs are increasingly desiring their own office buildings. In addition, some enterprises had special requirements on the internal structure, decoration and design of office space. Therefore, the traditional ordinary customization for lease mode failed to satisfy their needs.

The Group put forward sales model of "Customization by Headquarters" to help enterprises customize their own office buildings, and provided the whole industry chain with services covering preliminary planning and design, construction, later operation and management, supporting services, and property management.

As at 31 December 2016, the Thunisoft Dalian Research and Development Center project customized by the Group was successfully delivered and moved into Dalian BEST City.

Dalian BEST City quickly targeted its clients under the customized sales model. As at 31 December 2016, there were four contracted clients with the contracted construction area of approximately 12,000 sq.m.. The customized services achieved rapid development.

V. *Construction, Decoration and Landscaping*

In 2016, the Group continued to strengthen the capabilities in construction, decoration and landscaping so as to lay the foundation for expanding external markets and business scale while supporting the internal business development of the Group.

Construction

The Group's construction business team strengthened communication and cooperation with Japan Sumitomo Realty & Development Co., Ltd., the Group's cooperating partner, followed Japanese construction management model and the lean method, and enhanced construction capability of its own premium projects. Meanwhile, the construction business team fully implemented the general contract strategy and product strategy, further promoted the engineering technology and production management capacity, and expanded the undertaking scale of external projects. In 2016, the newly-undertaken construction area of the Group was approximately 0.6 million sq.m., with the area under construction was 1.3 million sq.m.. The Group constantly expanded its construction business to ensure its subsequent income scale.

Yida Construction was awarded the "National Outstanding Construction Enterprise (全國優秀施工企業)" and "Liaoning Outstanding Construction Enterprise (遼寧省建築業優秀企業稱號)" in 2016, and the projects undertaken by Yida Construction was repeatedly named the "Project of High-quality Structure in Liaoning Province (遼寧省建設工程優質結構稱號)".

Decoration

The Group's decoration business company utilized the advantages of internet platforms, completed development and operation of "micro-mall" and "micro-services" and broadened customer exploration and service channels. The Group continued to optimize the decoration and design, standardize the construction management and improve the after-sales service. The Group was committed to providing its customers with high-quality living space. The Group was repeatedly awarded the national top 100 enterprises in residential decoration industry and Liaoning top 10 enterprises in residential decoration industry.

Landscaping

In 2016, adhering to the "customer-oriented and market-oriented" philosophy, the Group's landscaping services team continuously maintained the high-quality landscaping standard to constantly enrich product management models and further enhance the functionality and ornamental value of the landscaping, and closely followed the expansion pace by actively participating in the market expansion in Beijing, Tianjin, Hebei, Wuhan and other well-developed regions. By strengthening the internal management, the Group passed the system certification of quality, environment and safety, and won the "AAA" credit rating for three consecutive years. The Group's nursery bases were located in Shandong and Liaoning provinces respectively, covering an area of 2 million sq.m., which will satisfy the landscaping demands of its projects.

VI. *Property Management*

Residential Properties

The Group's residential property management company mainly provided the owners of residential community with property management service. Committed to creating "eased, sweet, comfortable" living space, the Group was highly recognized by the society and owners. In the satisfaction survey by a third-party institution, the service satisfaction was maintained at 90% or even above. In the evaluation of property management communities in 2016, both the Triumph Hill (天琴山) project and Ginkgo Garden (銀杏園) project managed by the Group were awarded the "Community with Excellent Quality". As at 31 December 2016, the area of residential properties under management amounted to 7.10 million sq.m..

In 2016, the Group continuously enhanced its property management capacity, and established E Surveillance Center, which became the newly-brand "Smart Management Cloud Platform" together with call center, thus realizing the comprehensive monitoring and quality control of property management. In the meantime, the operation of "E Home" APP optimized the reporting channel of owners, and formed a three-in-one problem processing network together with call center platform and customer service steward APP. In this sense, the perfect problem processing procedures were established to enhance the customer satisfaction.

Office Properties

With outstanding result of serving a number of Fortune Global 500 Enterprises, the Group has accumulated extensive experience in property management of office buildings. In 2016, the Group continued to improve the core capacity of office buildings and perfect the business models and standards, including financial calculation of projects in different scales, analysis of profit and loss data model and project staffing, business operation procedures and standards. Meanwhile, leveraging the distributed national network, marketing platforms and information service platforms, the Group accelerated its external expansion for property management projects of office building. During the year, the Group successfully obtained another seven property management projects of office buildings, with the management area increased by approximately 1,036,000 sq.m.. As at 31 December 2016, the area of office buildings entrusted for property management amounted to 2,960,000 sq.m. in aggregate.

VII. *Land Reserves*

As at 31 December 2016, the total gross floor area ("GFA") of the Group's land reserves was approximately 9.2 million sq.m., and the attributable GFA of the Group's land reserves was approximately 5.87 million sq.m..

By city	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Dalian	7,799,313	84.8%	5,116,035	87.2%
Wuhan	1,294,684	14.1%	647,342	11.0%
Chengdu	57,548	0.6%	56,800	1.0%
Shenyang	49,133	0.5%	49,133	0.8%
Total	9,200,678	100.0%	5,869,310	100.0%

By location	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Business park	7,272,149	79.0%	4,495,308	76.6%
Multi-functional, integrated residence	1,928,529	21.0%	1,374,002	23.4%
Total	9,200,678	100.0%	5,869,310	100.0%

The following table sets forth a breakdown of the Group's land reserves as at 31 December 2016:

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%	99,267	—	—
Subtotal	100%	694,205	—	—
Dalian Best City				
Office Building Area	100%	130,070	214,642	491,888
Residential Area	100%	308,149	63,538	122,206
Subtotal	100%	438,219	278,180	614,094
Wuhan First City				
Office Building Area	50%	146,681	303,746	508,501
Residential Area	50%	—	202,656	133,100
Subtotal	50%	146,681	506,402	641,601
Yida Information Software Park				
Office Building Area	100%	84,608	64,406	118,798
Residential Area	100%	202,269	356,416	—
Subtotal	100%	286,877	420,822	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	30%	323,000	299,655	1,267,065
Residential Area	30%	69,305	243,947	628,850
Subtotal	30%	392,305	543,602	1,895,915
Business Parks Subtotal	30%–100%	2,160,817	1,749,006	3,362,326
Multi-functional, Integrated Residential Community Projects				
Dalian	25%–100%	420,259	736,042	665,547
Shenyang	100%	28,190	20,943	—
Chengdu	80%–100%	53,811	—	3,737
Multi-functional, Integrated Residential Community Projects Subtotal	25%–100%	502,260	756,985	669,284
Total	25%–100%	2,663,077	2,505,991	4,031,610

VIII. ***Expansion and Cooperation***

The Group strictly followed the established project selection criteria, adhered to the development concept of "leading the development of light-assets to actuate heavy-asset, and developing light-asset and heavy-asset simultaneously" and identified cities and projects which conform to the Group's strategic development so as to lay the foundation for the Group's heavy asset investment at later stages.

Leveraging the advantages brought by the above entrusted operation and management business, the Group had explored several investment and development opportunities and had carried out preliminary works for some of the projects as at 31 December 2016.

- In May 2016, the Group signed strategic investment agreements with Hubei Province United Development Investment Group Company Limited (湖北省聯發投集團) and Baibuting Group Company Limited (百步亭集團) to jointly develop the "Hankou Happiness Innovative Ecological Peninsula" (漢口幸福創新生態半島) project;

- In June 2016, the Group signed a strategic investment agreement with the Administrative Committee of High-Tech Development Zone of Zhengzhou City to jointly develop the "Zhengzhou New Best City" (鄭州科技新城) project;

- In July 2016, the Group signed a cooperation framework agreement with Chengdu Industrial Group (成都工業投資集團) to start their cooperation in industrial park business in Chengdu by establishing a joint venture company;

- In September 2016, the Group signed a cooperation agreement with the Tiebeihongshan Administrative Committee of Xuanwu District of Nanjing City (南京市玄武區鐵北紅山管委會) to jointly develop and construct the "Yida • Wisdom Innovation Community" (億達 • 智慧創新社區) project;

- In September 2016, the Group signed strategic cooperation agreements with Wuhan National Bio-industry Base and China Optical Valley Modern Service Industry Park (中國光谷現代服務業園) to jointly create a world-class wisdom & health industry base by constructing "Optical Valley Wisdom & Health Park" (光谷智慧健康園) in Wuhan First City;

- In addition to the above cities, the Group also carried out research and analysis of investment and development in Shanghai, Hefei, Changsha, Xi'an, etc, and sought suitable opportunities to implement comprehensive development of business parks under city-industry integration model.

Relying on the CMJYI's powerful capacity in capital operation and city-industry integration, the Group will continue to practice the enterprise vision of the best business park operator at a larger resource platform, and accelerate its expansion layout nationwide in the future.

Financial Review

Revenues

The sources of revenue of the Group primarily include (I) income from the sales of properties; (II) rental income; (III) income from providing business park operation and management services; (IV) income from providing construction, decoration and landscaping services; and (V) income from providing property management services. For the year ended 31 December 2016, the revenue of the Group was RMB7,004.55 million, representing a decrease of 6.3% from the corresponding period of last year.

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

	Year ended 31 December			
	2016		2015	
	Amount		Amount	
	RMB'000	***% of total***	*RMB'000*	*% of total*
Sales of properties	**5,775,654**	**82.4%**	6,275,428	84.0%
Rental income	**382,497**	**5.5%**	361,412	4.8%
Business park operation and management income	**52,748**	**0.7%**	25,482	0.3%
Construction, decoration and landscaping income	**460,400**	**6.6%**	533,800	7.2%
Property management income	**333,249**	**4.8%**	277,078	3.7%
Total	**7,004,548**	**100%**	7,473,200	100%

(1) *Sales of Properties*

The income derived from sales of property of the Group in 2016 amounted to RMB5,775.65 million, representing a decrease of 8.0% from last year, mainly attributable to the decrease of the average sales price of property project for which income was recognized during the year.

(2) *Rental Income*

The rental income of the Group in 2016 was RMB382.50 million, representing an increase of 5.8% from the corresponding period of last year, mainly attributable to the increase in leased area during the year.

(3) *Business Park Operation and Management Income*

In the year of 2016, the income from business park operation and management services provided by the Group amounted to RMB52.75 million, representing an increase of 107.0% from the corresponding period of last year, mainly attributable to the increase in business park project with operation and management services provided during the year.

(4) *Construction, Decoration and Landscaping Income*

The construction, decoration and landscaping income of the Group decreased by 13.8% to approximately RMB460.40 million in 2016 from approximately RMB533.80 million in the corresponding period in 2015, which was mainly attributable to the decrease of contracted external project during the year.

(5) *Property Management Service Income*

The property management service income increased by 20.3% to approximately RMB333.25 million in 2016 from approximately RMB277.08 million in the corresponding period of 2015, which was mainly attributable to the increase in the area of residential properties under management, and the increase in the standard of property service fee of office buildings during the year.

Cost of Sales

The cost of sales of the Group in 2016 was approximately RMB5,460.08 million, representing an increase of 1.1% from approximately RMB5,400.56 million in 2015, which was mainly attributable to the increase in the sold area of properties and the increase in cost of properties sold revalued at fair value due to acquisitions of subsidiaries during the year.

Gross Profit and Gross Profit Margin

The gross profit of the Group in 2016 was RMB1,544.47 million, representing a decrease of 25.5% from approximately RMB2,072.64 million in 2015. The gross profit margin decreased to 22.0% in 2016 from 27.7% in 2015, which was mainly attributable to the decrease of average sales price of sales property project for which revenue was recognized and the increase in cost of properties sold revalued at fair value due to acquisitions of subsidiaries during the year. If the increased cost of properties sold revalued at fair value due to acquisitions of subsidiaries is deducted, the gross profit of the Group is approximately RMB1,781.95 million with the gross profit margin of 25.4%.

Other Income and Gains

Other income and gains of the Group include interest income, dividend income, government subsidy and other income. During 2016, other income and gains was RMB660.19 million, representing an increase of RMB525.46 million from 2015, which was mainly attributable to the gains on bargain purchases arising from the acquisition of the subsidiaries and gains on remeasurement of pre-existing interests in joint ventures to the date of obtaining control and acquisition during the year.

Sales and Marketing Costs

The sales and marketing costs of the Group was approximately RMB215.51 million in 2016, representing an increase of 2.4% from approximately RMB210.47 million in 2015, mainly attributable to the increase in sales agent and research and planning fees during the year.

Administrative Expenses

The administrative expenses of the Group increased by 12.4% to RMB434.36 million in 2016 from RMB386.46 million in 2015, which was mainly attributable to the increase of all administrative expenses resulting from increases in salaries and office expenses during the year.

Other Expenses

Other expenses of the Group include charity donation, fair value loss of derivative financial instruments and other expenses. In 2016, other expenses of the Group were RMB366.24 million, representing an increase of approximately RMB329.53 million from 2015, which was mainly due to the increase in losses of changes in fair value of put and call options during the year.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased by 6.4% to approximately RMB201.22 million in 2016 from approximately RMB215.07 million in 2015, which was mainly due to the slight increase in fair value led by the decrease in completed industrial buildings during the year.

Finance Costs

The finance costs of the Group mainly represented the interests on borrowings that were not capitalised and such amounts decreased by 10.5% to approximately RMB278.35 million in 2016 from approximately RMB311.00 million in 2015, which was primarily attributable to the decrease of finance costs led by the decrease of loan interest rates during the year.

Share of Profits and Losses of Joint Ventures

In 2016, the Group's share of profits of joint ventures was approximately RMB15.47 million, representing a decrease of RMB47.51 million from 2015, which was mainly attributable to the decrease of share of profit of joint ventures due to the acquisition of the joint ventures, Dalian Ambo and Dalian Shitong as the subsidiaries of the Company during the year.

Share of Profits and Losses of Associates

Share of losses of associates was primarily from Richcoast Group Limited ("**Richcoast Group**"). In 2016, the Group's share of losses of associates was approximately RMB96.14 million, which was mainly attributable to the losses of Dalian Tiandi project which the Group held interest through Richcoast Group.

Income Tax

The income tax expenses of the Group mainly include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group decreased by 26.4% to RMB456.60 million in 2016 from RMB620.16 million in 2015, which was mainly attributable to the decrease in land appreciation tax.

Profit for the year

As a result of the foregoing, the pre-tax profit of the Group decreased by 28.5% to approximately RMB1,030.75 million in 2016 from approximately RMB1,441.62 million in 2015.

The profit for the year of the Group decreased by 30.1% to approximately RMB574.15 million in 2016 from approximately RMB821.47 million in 2015.

The profit attributable to equity owners of the Group decreased by 31.3% to approximately RMB564.00 million in 2016 from approximately RMB821.26 million in 2015.

The core profit attributable to equity owners of the Group (excluding effects of fair value gains on investment properties, net of tax) decreased by 37.4% to approximately RMB413.10 million in 2016 from approximately RMB660.000 million in 2015.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2016, the Group had cash and bank balances of approximately RMB2,903.15 million, including restricted cash of approximately RMB1,047.11 million (31 December 2015: cash and bank balances of approximately RMB3,310.72 million, and restricted cash of approximately RMB2,252.15 million).

Debts

As at 31 December 2016, the Group had bank and other borrowings of approximately RMB15,010.78 million (31 December 2015: approximately RMB16,231.04 million), of which:

(1) *By loan type*

	31 December 2016 *RMB'000*	31 December 2015 *RMB'000*
Secured bank loans	**7,124,488**	11,043,008
Secured other borrowings	**4,797,200**	3,987,000
Unsecured other borrowings	**3,089,087**	1,201,028
	15,010,775	16,231,036

(2) *By maturity date*

	31 December 2016	31 December 2015
	RMB'000	*RMB'000*
Within one year or on demand	**4,072,068**	8,263,349
In the second year	**3,660,410**	3,324,969
In the third to fifth years	**5,926,343**	3,994,668
Beyond five years	**1,351,954**	648,050
	15,010,775	16,231,036

Corporate Bonds

In March 2016, the Group successfully issued a five-year domestic corporate bonds of RMB2 billion with annual coupon rate of 6.5%, carrying an option for issuer to adjust the coupon rate and an option for investors to sell back the bonds at the end of the third year. The successful issuance of corporate bonds had reduced the overall finance costs and further expanded the financing channel.

Gearing Ratio

The net gearing ratio of the Group (net borrowings, including interest-bearing bank loans and other borrowings less cash and cash equivalents and restricted cash, divided by the total equity) was approximately 119.3% as at 31 December 2016 and 137.3% as at 31 December 2015, which was mainly attributable to the decrease in interest-bearing liabilities during the year.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 31 December 2016, the Group had cash and bank balances (including restricted cash) of approximately RMB8.67 million and RMB1.23 million denominated in United States dollars and Hong Kong dollars, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no 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 commercial banks in China 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 2016, the Group provided a guarantee of approximately RMB516.05 million to commercial banks in China in respect of bank mortgages loans granted to the customers of the Group (as at 31 December 2015: approximately RMB329.29 million).

In addition to guarantees the Group provided in respect of the mortgage facilities for its customers, as at 31 December 2016, the Group provided a guarantee in the amount of not exceeding RMB24 million (31 December 2015: RMB37.78 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, and such guarantee was provided 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 (31 December 2015: approximately RMB356.20 million) in respect of bank and other borrowings granted to associated companies of the Group.

As at 31 December 2016, the Group also provided guarantees to the extent of RMB468.50 million (31 December 2015: RMB1,478 million) in respect of bank and other borrowings granted to the joint ventures of the Group.

Employees and Remuneration Policies

As at 31 December 2016, the Group had 2,240 full-time employees in the PRC and Hong Kong. The Group pays remunerations to the staff based on the performances, work experience 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 RMB3.2 cents per share for the year ended 31 December 2016, payable to shareholders whose names appear in the register of members of the Company on 26 June 2017. The proposed final dividend will be payable on or around 12 July 2017, 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 14 June 2017 and 16 June 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 12 June 2017 to Friday, 16 June 2017 (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 Friday, 16 June 2017, 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 Friday, 9 June 2017.

The register of members of the Company will be closed from Thursday, 22 June 2017 to Monday, 26 June 2017 (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, 21 June 2017.

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

During the year, material acquisitions of subsidiaries of the Group were as follows.

On 18 August 2016, Sichuan Yixing Real Estate Development Company Limited (四川億興置業發展有限公司) ("**Sichuan Yixing**"), a wholly-owned subsidiary of the Company, Sino Delight Investments Limited (旭譽投資有限公司), and Crown Speed Investments Limited (佳際投資有限公司) (the "**Vendors**") entered into equity transfer agreements, pursuant to which Sichuan Yixing purchased in total of 49% of related interest of Dalian Ambo and Dalian Shitong (the "**Target Companies**") from the Vendors at a total consideration of RMB436,420,000 (equivalent to approximately HK$512,320,000). Immediately before the acquisitions, each of the Target Companies was held as to 51% by Sichuan Yixing, 40.06% by Crown Speed Investments Limited and 8.94% by Sino Delight

Investments Limited and was accounted for as joint ventures of the Group. Upon completion of the acquisitions, each of the Target Companies became wholly-owned by Sichuan Yixing and hence an indirect wholly-owned subsidiary of the Group.

Please refer to the announcement of the Company dated 18 August 2016.

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.

ANNUAL RESULTS

The consolidated financial statements of the Group for the year ended 31 December 2016 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 2016 is included in 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, 24 March 2017

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