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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2018:

1. Recognised revenue amounted to RMB2,139.26 million, representing a decrease of 29.7% as compared to the same period in 2017;

2. The gross profit amounted to RMB550.21 million, and the gross profit margin was 25.7%;

3. The net profit amounted to RMB434.09 million, and the net profit margin was 20.3%;

4. The core net profit attributable to equity owners of the Company amounted to RMB455.10 million, representing an increase of 187.9% as compared to the same period in 2017;

5. Basic earnings per share were RMB17.90 cents; and

6. The Board does not recommend any payment of interim dividend.

FINANCIAL INFORMATION

The board of directors (the "**Board**") of Yida China Holdings Limited (the "**Company**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2018 (the "**Period**") together with comparative figures for the corresponding period in 2017.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**2,139,264**	3,044,374
Cost of sales		**(1,589,059)**	(2,179,782)
Gross profit		**550,205**	864,592
Other income and gains	*4*	**883,583**	32,060
Selling and marketing expenses		**(99,983)**	(100,454)
Administrative expenses		**(202,400)**	(162,450)
Other expenses and losses		**(102,990)**	(97,681)
Fair value gains on investment properties	*10*	**8,617**	59,691
Finance costs	*6*	**(409,969)**	(174,122)
Share of profits and losses of:			
Joint ventures		**(32,151)**	21,735
Associates		**–**	(17,269)
PROFIT BEFORE INCOME TAX	*5*	**594,912**	426,102
Income tax expenses	*7*	**(160,822)**	(174,024)
PROFIT FOR THE PERIOD		**434,090**	252,078
Attributable to:			
Owners of the Company		**462,419**	203,163
Non-controlling interests		**(28,329)**	48,915
		434,090	252,078
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB per share)	*9*	**17.90 cents**	7.86 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**434,090**	252,078
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(59,268)**	32,614
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**374,822**	284,692
Attributable to:		
Owners of the Company	**403,151**	235,777
Non-controlling interests	**(28,329)**	48,915
	374,822	284,692

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	**30 June 2018 RMB'000 (Unaudited)**	31 December 2017 RMB'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		**91,429**	88,044
Investment properties	*10*	**19,074,993**	12,244,622
Investments in joint ventures		**1,753,988**	2,585,466
Investments in associates		**20,699**	20,699
Prepayments for acquisition of land		**2,448,308**	2,297,438
Land held for development for sale		**504,564**	501,643
Prepayments and other receivables		**375,246**	705,094
Intangible assets		**15,776**	14,992
Available-for-sale investments		**–**	24,540
Deferred tax assets		**120,781**	124,892
Total non-current assets		**24,405,784**	18,607,430
CURRENT ASSETS			
Inventories		**49,943**	10,199
Land held for development for sale		**607,203**	607,203
Properties under development		**5,734,166**	1,670,574
Completed properties held for sale		**6,162,201**	6,121,194
Prepayments for acquisition of land		**774,623**	249,655
Contract assets		**174,362**	–
Gross amount due from contract customers		**–**	162,463
Trade receivables	*11*	**737,612**	990,036
Prepayments, deposits and other receivables		**3,001,789**	5,131,013
Prepaid corporate income tax		**105,434**	30,851
Prepaid land appreciation tax		**150,712**	153,188
Restricted cash		**1,443,128**	1,879,540
Cash and cash equivalents		**525,393**	1,484,138
Total current assets		**19,466,566**	18,490,054

	Notes	**30 June 2018** **RMB'000** **(Unaudited)**	31 December 2017 *RMB'000* (Audited)
LIABILITIES			
CURRENT LIABILITIES			
Contract liabilities		**2,706,972**	–
Gross amount due to contract customers		–	525,575
Receipts in advance		–	881,468
Trade payables	*12*	**3,897,181**	2,319,770
Other payables and accruals		**4,374,565**	1,935,900
Derivative financial instruments		**654,147**	591,065
Interest-bearing bank and other borrowings	*13*	**9,690,486**	6,912,232
Tax payable		**419,270**	454,604
Provision for land appreciation tax		**393,364**	382,116
Total current liabilities		**22,135,985**	14,002,730
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*13*	**8,215,540**	10,073,500
Deferred tax liabilities		**2,299,827**	1,878,348
Total non-current liabilities		**10,515,367**	11,951,848
Net assets		**11,220,998**	11,142,906
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**159,418**	159,418
Reserves		**10,763,731**	10,578,761
		10,923,149	10,738,179
Non-controlling interests		**297,849**	404,727
Total equity		**11,220,998**	11,142,906
NET CURRENT (LIABILITIES)/ASSETS		**(2,669,419)**	4,487,324
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,736,365**	23,094,754

NOTES TO INTERIM FINANCIAL INFORMATION

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 six months ended 30 June 2018, 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 (the "BVI"), and the ultimate holding company of the Company is China Minsheng Investment Corp., Ltd..

2.1 Basis of Preparation

The interim results set out in this announcement do not constitute the unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 June 2018 but are extracted from those financial statements, which has been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, investment properties and financial assets at fair value through other comprehensive income which are carried at fair value, and in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

As at 30 June 2018, the current liabilities of the Group exceeded its current assets by approximately RMB2,669,419,000. In preparing the condensed consolidated interim financial statements, the Directors have thoroughly assessed the going concern ability of the Group.

In light of the financing arrangements with certain commercial banks, the Group's funding raising history and the expected net operating cash flow in the next 12 months from 30 June 2018, the Directors believe that the Group can continuously gain access to adequate financing resources for operation, payment of matured debts and capital expenditure. Accordingly, the Directors believe that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

2.2 Significant Accounting Policies

The accounting policies applied in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2017, as described in those annual financial statements, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings and the adoption of the new standards, amendments and interpretation of HKFRSs effective for the financial year ending 31 December 2018.

New standards, amendments and interpretation of HKFRSs effective for 2018

The following new standards of HKFRSs which are relevant to the Group's operations are effective for the first time for annual period beginning on 1 January 2018.

- HKFRS 9 Financial Instruments ("HKFRS 9").

- HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15").

The impact of the adoption of HKFRS 9 and HKFRS 15 are described in Note 2.3 below. The other newly effective standards, amendments and interpretation to existing standards did not have any impact on the Group's financial statements and did not require retrospective adjustments.

New standards, amendments and interpretation of HKFRSs not yet adopted

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretation to existing standards which have been issued but are not yet effective for the year ending 31 December 2018. Among these to-be-effective HKFRSs, the following new standard is considered as may have a significant impact to the Group's financial statements.

- HKFRS 16 "Leases" ("HKFRS 16").

HKFRS 16 is effective for annual period beginning from 1 January 2019. The Group is in the process of making assessments on the impacts of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. The Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB750,868,000 and RMB826,476,000 as at 30 June 2018 and 31 December 2017, respectively. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognized as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognized, including, but not limited to, any amounts relating to leases of low-value assets and short-term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

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

2.3 Changes in accounting policies

The Group has adopted HKFRS 9 and HKFRS 15 since 1 January 2018, which led to changes in accounting policies and impact on the financial statements.

(a) Impact on financial statements

According to the transitional provision of HKFRS 9, the Group did not restate figures of the comparative period. Therefore, any reclassification and impairment provision for financial assets or liabilities during the comparative period have not been restated. All adjustments are recognised at the beginning of the period accordingly.

According to the transitional provision of HKFRS 15, the Group applied modified retrospective approach upon adoption and did not restate figures of the comparative period.

(b) Impact of adoption of HKFRS 9

HKFRS 9 replaced relevant requirements of HKAS 39 Financial Instruments relating to the recognition, classification and measurement of financial assets and liabilities; derecognition of financial instruments; and impairment and hedge accounting of financial assets.

The impact on the retained earnings of the Group as at 1 January 2018 due to the classification and measurement of financial instruments are as follows:

	RMB'000
Closing retained earnings – HKAS39 as at 31 December 2017	8,164,375
Increase in provision for trade receivables and contract assets	(5,821)
Increase in provision for other receivables	(9,462)
Increase in deferred tax assets	3,820
Adjustments to retained earnings from adoption of HKFRS 9 on 1 January 2018	(11,463)
Opening retained earnings – HKFRS 9 as at 1 January 2018	8,152,912

(i) Classification and measurement of financial instruments

On the date of initial application of HKFRS 9 (i.e. 1 January 2018), the management has assessed the business models and cash flow contract terms of the financial assets held by the Group and classified its financial instruments into the appropriate HKFRS 9 categories. On 1 January 2018, equity investments in unlisted companies with book value of RMB24,540,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities except for derivative financial instruments. The derecognition rules have been transferred from HKAS 39 and have not been changed.

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables
- contract assets relating to construction contracts
- other receivables (excluding prepayments)

The Group has revised its impairment methodology according to HKFRS 9 for these three classes of assets. For trade receivables and contract assets, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of lifetime expected loss provision for all trade receivables and contract assets. For other receivables, the Group applies the general model for expected credit losses prescribed by HKFRS 9, since credit risk has not significantly increased after initial recognition, provision is provided, the loss allowance recognised during the period was therefore limited to 12 months expected losses.

(c) Impact of adoption of HKFRS 15

After considering the changes in accounting policies as a result of the initial application of HKFRS 15, the Directors considered that the initial application of HKFRS 15 has no material impact on the consolidated financial statements of the Group, save for the presentation of contract assets and liabilities.

Presentation of contract assets and liabilities

Reclassification has been made since 1 January 2018 to conform to the terms used in HKFRS 15:

- Contract assets relating to construction contracts presented as gross amount due from contract customers in prior periods were now reclassified to contract assets (1 January 2018, net of provision: RMB162,463,000);

- Gross amount due to contract customers was now reclassified to trade payables (1 January 2018: RMB525,575,000);

- Contract liabilities relating to proceeds received from presale of property development presented as receipts in advance in prior periods were now reclassified to contract liabilities (1 January 2018: RMB881,468,000).

Accounting policy on the recognition of sales income from property development

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

- provides all of the benefits received and consumed simultaneously by the customer; or

- creates and enhances an asset that the customer controls as the Group performs; or

- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. If on the contract commencement date, the Group expects that the interval between the customer's obtaining control of the property and the payment of consideration by the customer will not exceed 1 year, the financing component will not be considered as significant.

The Group recognises the incremental costs of obtaining a contract as an asset under costs of obtaining contract if the Group expects to recover those costs. Where the amortisation period of such asset does not exceed one year, it will be recognised in profit or loss as incurred.

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 before tax except that interest income and finance costs are excluded from such measurement.

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

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

For the six months ended 30 June 2018 (unaudited)

	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	**1,563,678**	**211,703**	**15,748**	**118,457**	**229,678**	**–**	**2,139,264**
Segment results	**145,172**	**109,101**	**3,588**	**4,283**	**18,487**	**(41,099)**	**239,532**
Reconciliation:							
Interest income							**37,472**
Dividend income and unallocated gains							**790,959**
Corporate and other unallocated expenses							**(63,082)**
Finance costs							**(409,969)**
Profit before tax							**594,912**
Income tax expenses							**(160,822)**
Profit for the period							**434,090**

For the six months ended 30 June 2017 (unaudited)

	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	2,527,951	186,672	35,741	122,259	171,751	–	3,044,374
Segment results	433,558	197,356	9,622	4,432	15,270	(34,469)	625,769
Reconciliation:							
Interest income							27,988
Dividend income and unallocated gains							1,254
Corporate and other unallocated expenses							(54,787)
Finance costs							(174,122)
Profit before tax							426,102
Income tax expenses							(174,024)
Profit for the period							252,078

Geographical Information

Geographical information is not presented since all of the Group's revenue from external customers is generated in Mainland China and over 90% of the segment assets of the Group are located in Mainland China. Accordingly, in the opinion of the Directors, the presentation of geographical information would provide no additional useful information to the users of these financial statements.

4. Revenue, Other Income and Gains

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

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

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue		
Sales of properties	**1,563,678**	2,527,951
Rental income	**211,703**	186,672
Construction, decoration and landscaping income	**118,457**	122,259
Property management income	**229,678**	171,751
Business park operation and management service income	**15,748**	35,741
	2,139,264	3,044,374
Other income		
Interest income	**37,472**	27,988
Dividend income	**–**	1,254
Government subsidies	**2,594**	1,430
Other gains		
Gains on remeasurement of the fair value of pre-existing investment interests in a joint venture to the date of obtaining control and acquisition (note 14)	**160,521**	–
Gains on bargain purchase (note 14)	**630,438**	–
Foreign exchange gain – net	**33,022**	–
Others	**19,536**	1,388
	883,583	32,060

5. Profit Before Income Tax

The Group's profit before income tax is arrived at after charging

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of properties sold	**1,197,481**	1,853,401
Cost of services provided	**301,306**	251,762
Depreciation	**8,085**	6,978
Amortisation of intangible assets	**3,493**	2,516
Fair value losses of derivative financial instruments	**63,082**	54,787
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**90,272**	74,619
Net impairment losses on financial assets	**11,304**	–

6. Finance Costs

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank loans and other loans	**672,727**	551,472
Less: Interest capitalised	**(262,758)**	(377,350)
	409,969	174,122

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 six months ended 30 June 2018 and 2017. The income tax for the subsidiaries operating in Mainland China is calculated at the applicable tax rates on the taxable profits for the Period.

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

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current:		
PRC corporate income tax	**80,475**	139,804
PRC land appreciation tax ("LAT")	**57,168**	88,425
Under/(over) provision of PRC LAT in prior years*	**43,733**	(91,340)
	181,376	136,889
Deferred:		
Current period	**(9,621)**	14,300
(Recognition)/reversal of deferred tax assets on PRC LAT underprovided/overprovided in prior years	**(10,933)**	22,835
	(20,554)	37,135
Total tax charge for the period	**160,822**	174,024

* During the six months ended 30 June 2018, 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 prior years. As a result of the local tax bureau's assessments, the Group has recognized an under provision of LAT on the relevant property development projects of RMB43,733,000 (six months ended 30 June 2017: over provision of RMB91,340,000) in the consolidated statement of profit or loss.

8. Interim Dividend

The Company resolved not to declare an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

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

The calculation of the basic and diluted earnings per share amounts is based on the profit for the period attributable to the ordinary equity holders of the Company of RMB462,419,000 (six months ended 30 June 2017: RMB203,163,000), and the weighted average number of ordinary shares of 2,583,970,000 in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2018 and 2017 as the Group had no potentially dilutive ordinary shares in issue during those periods.

10. Investment Properties

	Completed *RMB'000*	**Under construction** *RMB'000*	**Total** *RMB'000*
(Unaudited)			
At 1 January 2018	**10,531,950**	**1,712,672**	**12,244,622**
Additions arising from acquisition of subsidiaries	**1,030,450**	**5,813,100**	**6,843,550**
Other additions	**2,176**	**19,128**	**21,304**
Disposals	**(43,100)**	**–**	**(43,100)**
Net gains from fair value adjustments	**724**	**7,893**	**8,617**
At 30 June 2018	**11,522,200**	**7,552,793**	**19,074,993**

	Completed *RMB'000*	Under construction *RMB'000*	Total *RMB'000*
(Unaudited)			
At 1 January 2017	9,936,350	1,858,683	11,795,033
Additions	31,599	34,756	66,355
Transfers from investment properties under construction to completed investment properties	480,000	(480,000)	–
Net gains/losses from fair value adjustments	70,701	(11,010)	59,691
At 30 June 2017	10,518,650	1,402,429	11,921,079

As at 30 June 2018, certain of the Group's investment properties of RMB11,887,096,000 (31 December 2017: RMB11,949,268,000) were pledged to banks to secure the loans granted to the Group (Note 13).

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 qualified professional 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 as at 30 June 2018, valuations were based on the residual approach and market approach, and have taken into account the expended construction costs and the costs that will be expended to complete the development to reflect the quality of the completed development on the basis that the properties will be developed and completed in accordance with the Group's latest development plan.

Investment properties which have been measured at cost included in the condensed consolidated interim financial statements as at 30 June 2018 were RMB485,492,000 (31 December 2017: RMB527,430,000).

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. The amount of the completed investment properties and investment properties under construction of the Group measured at fair value were RMB18,589,501,000 as at 30 June 2018 (31 December 2017: RMB11,717,192,000).

Unrealised fair value gains included in the condensed consolidated interim financial statements for completed investment properties for the six months ended 30 June 2018 amounted to RMB724,000 (six months ended 30 June 2017: RMB70,701,000).

Unrealised fair value gains included in the condensed consolidated interim financial statements for investment properties under construction for the six months ended 30 June 2018 amounted to RMB7,893,000 (six months ended 30 June 2017: loss of RMB11,010,000).

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

	Valuation technique	Significant unobservable inputs	Range (weighted average) 30 June 2018	Range (weighted average) 31 December 2017
Completed	Income approach			
Retail		Estimated yearly rental value per square metre (RMB)	**714-2,016**	476-2,020
Office		Estimated yearly rental value per square metre (RMB)	**540-867**	539-865
Car park		Estimated yearly rental value per lot (RMB)	**3,526-5,306**	3,526-5,306
Retail		Capitalisation rate	**5.25%**	4.8%-5.5%
Office		Capitalisation rate	**4.3%-4.8%**	4.3%-5.3%
Car park		Capitalisation rate	**3.8%**	3.8%
Under construction	Residual and market approach			
Office		Estimated yearly rental value per square metre (RMB)	**609-700**	604-697
Car park		Estimated yearly rental value per lot (RMB)	**3,726-4,946**	3,726-4,946
Office		Capitalisation rate	**4.8%**	4.8%
Car park		Capitalisation rate	**3.8%**	3.8%
Office and car park		Development profit	**4.5%-25%**	4.5%-25%

A significant increase/(decrease) in the estimated yearly rent per square metre or per lot would result in a significantly higher/(lower) fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate would result in a significantly lower/(higher) fair value of the investment properties.

Generally, a change in the assumption made for the estimated yearly rent per square metre or per lot is accompanied by a directionally similar change in the development profit and an opposite change in the capitalisation rate.

11. Trade Receivables

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Gross trade receivables	**773,305**	1,009,306
Less: Bad debt provision for trade receivables	**(35,693)**	(19,270)
	737,612	990,036

Trade receivables mainly represent receivables for contract works. The payment terms of contract works receivables are stipulated in the relevant contracts. Trade receivables are non-interest-bearing.

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

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**641,087**	792,132
1 to 2 years	**78,683**	167,086
Over 2 years	**53,535**	50,088
	773,305	1,009,306

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2018, a bad debt provision of RMB35,693,000 (1 January 2018: RMB24,929,000) was made against the gross amount of trade receivables.

As at 30 June 2018, included in the Group's trade receivables are amounts due from the Group's joint ventures of RMB164,488,000 (31 December 2017: RMB325,760,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

12. Trade Payables

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

	30 June 2018 *RMB'000* **(Unaudited)**	31 December 2017 *RMB'000* (Audited)
Due within 1 year or on demand	**2,280,861**	1,805,833
Due within 1 to 2 years	**1,616,320**	513,937
	3,897,181	2,319,770

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

13. Interest-Bearing Bank and Other Borrowings

	30 June 2018 (Unaudited)			31 December 2017 (Audited)		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans — secured	**4.35 – 10.60**	**2018-2019**	**4,290,051**	2.24 – 7.50	2018	3,147,877
Other loans — secured	**6.70 – 10.50**	**2018-2019**	**1,973,750**	1.20 –12.00	2018	2,732,300
Other loans — unsecured	**3.00 – 18.00**	**2019**	**3,426,685**	3.00 – 6.76	2018	1,032,055
			9,690,486			6,912,232
Non-current						
Bank loans — secured	**3.58 – 7.50**	**2019-2024**	**4,661,250**	3.58 – 7.50	2019-2030	3,764,650
Other loans — secured	**1.20 – 10.50**	**2019-2025**	**1,578,500**	1.20 – 10.60	2019-2025	2,309,500
Other loans — unsecured	**8.23**	**2020**	**1,975,790**	6.76 – 8.23	2020-2021	3,999,350
			8,215,540			10,073,500
			17,906,026			16,985,732

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**4,290,051**	3,147,877
In the second year	**2,058,661**	1,359,040
In the third to fifth years, inclusive	**1,807,909**	1,539,806
Beyond five years	**794,680**	865,804
	8,951,301	6,912,527
Other loans repayable:		
Within one year or on demand	**5,400,435**	3,764,355
In the second year	**3,215,790**	1,220,000
In the third to fifth years, inclusive	**321,000**	5,071,350
Beyond five years	**17,500**	17,500
	8,954,725	10,073,205
	17,906,026	16,985,732

(a) Included in other loans of the Group are corporate bonds in an aggregate principal amount of RMB3,000,000,000 (31 December 2017: RMB3,000,000,000). The first tranche of RMB1,000,000,000 and the second tranche of RMB2,000,000,000 of the corporate bonds was issued by Yida Development Company Limited ("Yida Development"), an indirectly wholly-owned subsidiary of the Company, on 24 September 2015 and 8 March 2016, respectively. At the end of third year, Yida Development shall be entitled to adjust the coupon rate of corporate bonds and the bond holders shall be entitled to sell back the bonds to Yida Development. The corporate bonds with a principal amount of RMB3,000,000,000 is classified as a current liability as at 30 June 2018.

(b) Included in other loans of the Group are senior notes in a principal amount of USD300,000,000 (approximately RMB1,984,980,000) (31 December 2017: RMB1,960,260,000) issued by the Company in April 2017 (the "Senior Notes"). The net proceeds after deducting the issuance costs amounted to approximately USD289,819,000 (approximately RMB1,998,876,000). The Senior Notes are unsecured, have a term of three years and bear interest at a rate of 6.95% per annum. The Senior Notes will mature on 19 April 2020.

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

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

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

   (i) pledges of the Group's properties under development with an aggregate carrying value at 30 June 2018 of approximately RMB5,472,071,000 (31 December 2017: RMB1,243,299,000);

   (ii) pledges of the Group's investment properties with an aggregate carrying value at 30 June 2018 of approximately RMB11,887,096,000 (31 December 2017: RMB11,949,268,000);

   (iii) pledges of the Group's land held for development for sale with an aggregate carrying value at 30 June 2018 of approximately RMB526,673,000 (31 December 2017: RMB461,673,000);

   (iv) pledges of the Group's completed properties held for sale with an aggregate carrying value at 30 June 2018 of approximately RMB3,770,209,000 (31 December 2017: RMB3,708,060,000);

   (v) pledge of a building and certain equipment of the Group with a carrying value at 30 June 2018 of approximately RMB144,442,000 (31 December 2017: RMB50,721,000);

   (vi) corporate guarantees executed by certain subsidiaries of the Group to the extent of RMB11,148,934,000 (31 December 2017: RMB10,612,607,000) as at 30 June 2018;

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

   (viii) pledges of certain of the Group's time deposits with an aggregate carrying value at 30 June 2018 of approximately RMB668,000,000 (31 December 2017: RMB777,000,000); and

(d) Other than certain other borrowings with a carrying amount of RMB1,975,791,000 (31 December 2017: RMB2,603,370,000) denominated in USD as at 30 June 2018 and RMB421,550,000 denominated in HKD as at 30 June 2018 (31 December 2017: Nil), the remaining bank and other borrowings of the Group are denominated in RMB as at 30 June 2018 and 31 December 2017.

(e) As at 30 June 2018, included in other loans of the Group are other loans from joint ventures with principal amounts of RMB21,000,000 (31 December 2017: RMB21,000,000), which are unsecured, bear interest at 4.75% per annum and are repayable on demand, and RMB13,480,000 (31 December 2017: RMB13,480,000), which is unsecured, bears interest at 3% per annum and is repayable on demand, respectively.

(f) As at 30 June 2018, included in bank loans of the Group is an amount of RMB1,394,000,000 (31 December 2017: RMB1,472,000,000) containing an on-demand clause, which has been classified as current liability. For the purpose of the table above, the loan is included in current interest-bearing bank and other borrowings and analysed into bank loans repayable within one year or on demand.

14. Business Combinations

As at 31 December 2016, the Group directly held 10.26% equity interests in Richcoast Group, which held 78% equity interests in the real estate project namely Project Dalian Tiandi through certain project companies, while the remaining 22% equity interests in Project Dalian Tiandi was held by the Group directly. As a result, the Group held 30% effective interests in Project Dalian Tiandi. Richcoast Group and Project Dalian Tiandi were recognized as associates to the Group.

On 14 November 2017, the Group entered into acquisition agreements with other shareholders of Richcoast Group respectively, to acquire the entire remaining equity interests in Richcoast Group. As at 31 December 2017, the acquisition of additional 28.20% equity interests in Richcoast Group was completed by the Group, and therefore the Group increased its equity interests in Richcoast Group from 10.26% to 38.46%. As a result, the Group held 52% effective interests in Project Dalian Tiandi. Since then, Richcoast Group became a joint venture to the Group.

On 14 May 2018, the Group completed the acquisition of the remaining 61.54% equity interests in Richcoast Group. As a result, Richcoast Group became a wholly-owned subsidiary of the Group, and therefore the Group held 100% equity interests in Project Dalian Tiandi. The consideration for the acquisition of the 61.54% equity interests was RMB3,160 million. During the six months ended 30 June 2018, the Group recorded a gain of approximately RMB790.96 million for the acquisition of the interests in Richcoast Group, including the gains on remeasurement of the fair value of pre-existing interests in a joint venture to the date of obtaining control and acquisition of RMB160.52 million and gains of RMB630.44 million on bargain purchase, which was reflected in other income and gains in the consolidated interim statement of profit or loss.

15. Financial Guarantees

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

(a) As at 30 June 2018, the maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB406,587,000 (31 December 2017: RMB454,930,000).

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

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

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

(b) As at 31 December 2017, the Group provided a guarantee for an amount not exceeding RMB41,600,000 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. Such guarantee has been released during the six months ended 30 June 2018.

(c) The Group provided guarantees to the extent of RMB954,372,000 as at 31 December 2017 in respect of bank loans granted to certain joint ventures. Such guarantee have been released during the six months ended 30 June 2018.

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.

CHAIRMAN'S STATEMENT

During the Period, the Group recorded revenue of RMB2,139 million, of which residential properties within and outside business parks and office properties sales income was RMB1,564 million; rental income of business parks was RMB212 million; business park operation and management income was RMB16 million; construction, decoration and landscaping income was RMB118 million; and property management income was RMB230 million. Gross profit margin was 25.7%, and net profit attributable to shareholders of the Company was RMB462 million.

REVIEW OF THE FIRST HALF OF 2018

In 2018, national policies for financial deleveraging and restrictions on property purchase in the PRC continued to ferment. More significant industry consolidation and deepened differentiation brought challenges to small and medium-sized property developers. In the meantime, with China's economic transformation and upgrade and the continuous optimisation of and adjustment to its industrial structure, the government's support for the integrated development of industry and city and innovative industrial development has been growing. Large property developers generally have increased their portfolio of properties for holding and strengthened their presence in such area with the support of financial products such as asset securitization, which enabled their increasingly in-depth cooperation with professional property developers in terms of area, depth and scope. All these had brought historical opportunities for a new round of evolutionary development for property developers with the characteristic of city-industry integration and operation, business solicitation and local resources.

This year is a year of milestone of the 20th year of the Group's development in the business park market, and also a key year for the Group to implement its plan of national presence. Starting with Dalian, it now operates 31 business park projects with self-owned and asset-light business model in 18 cities; from focusing on service outsourcing to engaging in eight major segments; from soliciting business for business parks to providing whole industrial chain integrated solutions. Over the past two decades, the Group has always been adhering to its business philosophy of "promoting the development of city through industry integration while creating value together through coordinated development", committed to replicating and creating successful business models in more cities, and establishing an industrial and city ecological system, with scientific innovations taking the lead, high-end industries clustering, green ecological model and human interaction and common growth.

In the face of the macro-economic situations of the co-existence of opportunities and challenges and with its 20-year experience in development and operation, the Company managed to achieve a number of strategic development objectives during the Period and laid a solid foundation for the fulfilment of its performance target for the year.

1. **Adhered to the strategy of city-industry integration, widened national presence to strengthen the core competitiveness of business parks**

   Under its asset-heavy business model, the Company firmly implemented its development strategy of "consolidating market position in Dalian, gearing-up development effort in Wuhan and expanding business coverage nation-wide". With the strategic objective of serving and constructing an "innovative country", the Company focused on emerging industries, established an intelligent Yida industry development system to support the construction of local industrial clusters, and formed an in-depth presence of asset-heavy business parks. During the Period, the Company acquired Changsha Meixihu International New City – Yida Health Science and Technology Industrial Park project, Changsha Wangcheng National Economic and Technological Development Zone Intelligent Manufacturing Industry Town project, Zhengzhou Yida Science and Technology New City project and Chongqing Beibei Yida Innovation Square project, which provided additional land bank of approximately 1 million square metres and formed a new strategic land resource reserve.

2. **Successfully completed the acquisition of Dalian Tiandi, receiving market recognition for its comprehensive operation and making positive contribution to middle- and long-term growth**

   During the Period, the acquisition of equity interests in Dalian Tiandi, a flagship project drawing wide attention in the PRC and overseas, was completed, and the residential properties of two phases of "Dalian Tiandi – Hekou Bay" were sold out by the Company immediately after launch with positive market response. The Company entered into a strategic cooperation framework agreement with Longfor group, a leading property developer, pursuant to which the Company sold the undeveloped land of the Dalian Tiandi project with an area of approximately 250,000 square metres to Longfor group at a consideration of approximately RMB2.6 billion. The Company will make use of its advantages in integrated development, business solicitation and operation of industrial parks, maintain general control over the direction and pace of development, better meet local strong demand for properties and the demand for the lease of business parks. Longfor group will make use of its ability to build and serve different properties such as residential and commercial properties, conduct in-depth coordination in business parks, improve overall values of the region, provide diversified products to property buyers, and, together with the Company, optimise the ancillary facilities and business environment.

3. **Firmly adhered to the strategic policy of "leading the development of asset-light business to actuate asset-heavy business", fanned out from a point to an area, significantly increased the coverage of asset-light business**

For the asset-light business, the Group firmly implemented the strategic policy of "asset-light first to actuate asset-heavy business". The number of its entrusted operation and management projects increased to 25 with a total area of approximately 5.60 million square metres. It entered new cities including Xiangtan, Luzhou, Taizhou and Huzhou, currently covering 17 cities across the PRC. A highly-efficient business model with economies of scale has formed, with key cities driving surrounding ancillary cities and industries and services clustering. Its asset-light and asset-heavy project teams conducted in-depth cooperation with local governments and platform enterprises. Through customised planning, designing, teambuilding, market understanding and resources allocation, they continued to conduct in-depth communication with governments, tenants and consumers, improved the quality of development and operation, introduced local advantageous resources and external supplementary advantages, and eventually realized the improvement in regional value, performance of social responsibility and long-term returns investment.

OUTLOOK OF THE SECOND HALF OF 2018

The report of 19th National Congress of the Communist Party of China expressly states that, "the government will create networks of cities and towns based on city clusters, enabling the coordinated development of cities of different sizes and small towns, and speed up work on granting permanent urban residency to people who move from rural to urban areas". The comprehensive development of industrial business parks in the cities is an optimal way to facilitate, improve and upgrade China's urbanization. In particular, in economically active areas in the PRC such as the Bohai Rim, the Yangtze River Delta and the Pearl River Delta, the continuous industrial optimisation and upgrading coordinated development focusing on business parks will facilitate the comprehensive improvement in the values of national industrial chains. The booming demand from local governments, enterprises and employees in the business parks will create in-depth development opportunities for property developers with principal activities of industrial integration in business parks. It is expected that in the second half of 2018, through deleveraging and market control, more and more opportunities for mergers and acquisitions will emerge, creating a new round of opportunities for enterprises having strong resources and presence and being good at operation. The Company will continue to adhere to its development strategy of "leading the development of asset-light business to actuate asset-heavy business, developing asset-light and asset-heavy simultaneously, integration of industry and finance". Under the guidance of the "year of systematic management", the Company will comprehensively improve its operation and management capability and leverage its internal and external resources to improve its annual results.

1. **Improve the core competitiveness of development and operation of business parks, leverage the resources for large-scale development**

   As the plans for local industries, residential and commercial properties in the key cities where the Company operates become more refined, reasonable and diversified, a new round of opportunities for obtaining business park and industrial integrated development projects and related joint venture and cooperation will arise. The Company will continue to improve the coverage, depth and compatibility of resource integration in the services of business parks, strive to realize coordinated development of asset-light and asset-heavy business, and establish a platform for generating core competitiveness. By making full use of the differentiation advantage, the Company will pursue a model of vertical cooperation with industry and regional leaders, actively seek investment opportunities for mergers and acquisitions, and increase land bank in its key cities in a prudent manner.

2. **Improve management efficiency, revitalize existing assets, and accelerate asset turnover**

   The Company will conduct a comprehensive review of its assets, divide them into core assets for long-term holding, high-quality assets for sale at premium and low-efficiency assets, and conduct comprehensive optimisation and portfolio allocation, in order to meet the management objective of taking the lead in operating core assets and selling high-quality assets while disposing of low-efficiency assets in a reasonable manner. It will seek out diversified asset optimisation and management plans, including working with leading enterprises in the industry to operate and manage assets, assets securitization and asset disposal, recovering capital for investment in middle- and long-term city-industry integration projects with sustainable turnover.

3. **Expand financing channels, conduct in-depth cooperation with leading property investment funds, steadily implement various financing plans**

   Under the environment of tight capital supply in the market, the Company will actively expand its financing channels, develop reasonable capital utilisation plans, emphasize sales cash flow management, steadily implement refinancing plans, realize normal and sufficient loan exchange for loans from financial institutions, and obtain proper additional financing. The Company will explore opportunities for cooperation with renowned property funds for certain projects, implement comprehensive cooperation for domestic and overseas equity and debt financing, provide strong capital support for its future operation and development, and boost the market's confidence in investing in the Company.

Since the commencement of the period of the "13th Five-Year Plan", China's economy has entered a "new normal". The government expects to revitalize the real economy, and the transformation of the industrial structure has become inevitable. The business parks, which support the development of industrial clusters, will play an important role in supporting and facilitating industrial upgrade and transformation. With the restructuring and shuffling of the global trade system, the new trade orders and division will force China to complete such process as soon as practicable based on its existing presence and enter the expressway of development of new economy. As a result, the Company will unswervingly adhere to its development vision of "being China's leading business park operator" and its development strategy of "developing asset-light and asset-heavy businesses simultaneously" and "national expansion", consolidating its core competitiveness of the development and operation of business parks, gradually achieving the joint development of each business sector and creating greater value for our shareholders and the society.

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

Jiang Xiuwen
Yida China Holdings Limited
Chairman and chief executive officer

16 August 2018

Operation of Business Parks Owned by the Group

During the Period, the Group's wholly-owned business parks included Dalian Software Park, Dalian BEST City, Yida Information Software Park and Dalian Tiandi; the Group's partially owned business parks included Wuhan First City (50% stake) and Dalian Ascendas IT Park (50% stake). The total completed gross floor area in above parks was approximately 1,574,000 square metres, and an area available for leasing was approximately 1,570,000 square metres. During the Period, the Group recorded a rental income of approximately RMB212 million, which increased by 13.4% to that of the corresponding period of 2017.

The following table shows the business parks owned by the Group (unit: '000 sq.m.):

Business Parks	Equity Interests Held by the Group	Completed Gross Floor Area	Leasable Area				Occupancy Rate at the End of the Period
			Office Buildings	Apartments	Shops	Parking Spaces	
Dalian Software Park	100%	637	391	180	33	42	94%
Dalian BEST City	100%	147	99	–	7	41	84%
Yida Information Software Park	100%	91	66	–	4	20	100%
Dalian Tiandi	100%	334	207	37	41	38	83%
Wuhan First City	50%	161	161	–	–	–	41%
Dalian Ascendas IT Park[1]	50%	204	178	–	–	25	85%
Total		1,574	1,570				

Note:

1. The financial statements of Dalian Ascendas IT Park are not consolidated, therefore the rental income of the Group excludes the rental income from such park.

During the Period, new tenants of Dalian Software Park include Fortune Global 500 companies including VF Corporation, and domestic top 100 companies in the big data research and development and intelligent medical industries. The park generally showed a trend of clustering of high-end intelligence enterprises with no pollution, high added-value, low energy consumption and combination of intelligence and talents. The park is fully covered with intelligent management system and has completed key assets maintenance such as buildings to explore areas of improvement in service value. A structure of "3 platforms + 4 carriers + N layers" has been formed, including: the establishment of a talent reserve station by enterprises in the park together with local colleges, the establishment of technology enterprise information database and technological service resource database, and the development of "IT Home", a building party and mass service front, etc, which has established a closed loop serving enterprises to meet their diversified needs throughout their full life cycle.

During the Period, India NASSCOM (Dalian) IT Industry Corridor was formally launched at Dalian BEST City. The first few Indian companies had moved in. The IT Industry Corridor will become an engine for opening up new space of the development of software service industries in the PRC and India. ITL Group has established the ITL College at Dalian BEST City, which partners with colleges and universities across China to conduct cooperation in respect of discipline development and allocation of teachers and resources and provide lecturer resources and course design services for SAP and AI. Dalian BEST City is diversified in different segments, this realizes a multi-layered and multi-dimensional development layout that makes it stronger in market expansion and more competitive in the industry.

During the Period, the Group completed the acquisition of 100% equity interest in Dalian Tiandi, which comprises two areas being Huangnichuan (黃泥川) and Hekou Bay (河口灣). Located at the Lvshun South Road Industry Belt in Dalian, Huangnichuan office area is designed by top international design firms such as Palmer & Turner and comprises office buildings with a gross floor area of nearly 210,000 square metres. Fortune Global 500 Companies including IBM joined Huangnichuan in 2010, and have become the best model for "City-Industry Integration" in Dalian and across the country by relying on the foreign language advantage and the cluster effect of service outsourcing industry and recruiting fresh college graduates in Dalian each year.

Sale of Properties

During the Period, the Group achieved contracted sales of RMB4,050 million, representing an increase of 10.6% over the corresponding period last year, mainly due to the increase in the sales volume of properties under Dalian Tiandi, which was acquired by the Group during the Period. The average contracted sales price was RMB14,713 per square metre, representing an increase of 28.1% over the corresponding period last year, mainly due to the overall increase in the average selling price of properties in the Dalian market during the Period. The major sales projects were mostly located in Dalian (93.5% of total contracted sales) and Wuhan (2.8% of total contracted sales), with residential property sales as its main form, which accounted for 97.1% of the total contracted sales.

During the Period, the segment recorded revenue of RMB1,563.68 million, representing a decrease of 38.1% from the corresponding period last year. The average sales price was RMB12,792 per square metre, representing a year-on-year increase of 13.2%, mainly due to the overall increase in the average selling price of properties in the Dalian market. The projects carried forward during the Period were mainly ordinary residential properties. Revenue-recognised projects were mainly located in Dalian (89.3% of revenue), Wuhan (5.1% of revenue) and some other cities.

Dalian

In order to accelerate the sales of residential properties in surrounding urban areas, Dalian government introduced a moderate property purchase restriction policy for central urban areas during the Period. The residential property sales cycle dropped to the lowest in 5 years. As the supply of residential properties was lower than the demand, their sales volume remained stable and prices increased. Improvement demand gradually replaced rigid demand, becoming the main factor driving the market. Property developers continued to be keen in land acquisition, showing an obvious trend of joint development, however, it had been hard to acquire land. In May 2018, the Group completed the acquisition of the Dalian Tiandi project, recording strong sales of residential properties at its launch and making significant contribution to the results of the Group for the first half of the year.

It is expected that in the second half of 2018, with a consistent restriction policy, the volume and price of properties in the Dalian market will remain in a reasonable range driven by both "different policies for different regions" and market demand.

Wuhan

During the Period, Wuhan maintained its property purchase restrictions and raised the percentage of down payment for property purchases. In the same time, Wuhan relaxed property purchase restrictions for talents introduced. Residential properties meeting rigid demand remained popular in the market with short supply. The market gradually returned to rationality, showing a general trend of polarization in terms of location and purchase demand. The Wuhan Government has been cultivating new drivers supporting emerging industries and economic development and actively establishing industrial parks to realize the advantages of combining policies, talents, technologies and clusters.

During the Period, the Company mainly sold office properties in Wuhan and slowed down the sales of residential properties. The market in Wuhan will continue to be diversified on different locations and types of operation.

Contracted Sales Details

	Sales Floor Area (sq.m.)	Sales Amount (RMB in ten thousand)	Average Sales Price (RMB/sq.m.)	Percentage of the Contracted Sales Amount
Dalian	240,818	378,478	15,716	93.5%
Wuhan	17,959	11,272	6,276	2.8%
Chengdu	9,591	9,548	9,955	2.3%
Shenyang	6,897	5,688	8,248	1.4%
Total	275,265	404,986	14,713	100.0%
Dalian Software Park	1,019	2,312	22,679	0.6%
Dalian BEST City	9,776	16,907	17,294	4.2%
Yida Information Software Park	19,408	19,811	10,207	4.9%
Wuhan First City	17,959	11,272	6,276	2.8%
Dalian Tiandi	173,332	289,714	16,714	71.5%
Residential properties outside business parks	53,771	64,970	12,083	16.0%
Total	275,265	404,986	14,713	100.0%
Residential Properties	257,062	393,286	15,299	97.1%
Office Properties	18,203	11,700	6,427	2.9%
Total	275,265	404,986	14,713	100.0%

Business park operation and management

At the end of the Period, the Group's business parks had a total of 25 operation and management projects, and the total area of entrusted operations and management was approximately 5.6 million square metres, representing an increase of 35.1% from 31 December 2017. During the Period, five new business park operation and management projects were added. Revenue was RMB15.75 million, representing a year-on-year decrease of 55.9%, mainly due to the fact that new operation projects for the Period were in development stage and revenue was not yet recognized.

During the Period, the business team of the Group used the ways of sales agent, business solicitation, operation, consultation and brand output, etc. to enhance the value of the business parks. Among which, projects such as Changsha Meixihu Innovation Center, Changsha Technology New Park, Shenzhen Haikexing Sinovac Strategic Emerging Industrial Park, Chengdu Western Geography Information Technology Industrial Park, Phase One of Mianyang Technology City Software Industry Park, Shanghai Yida Beijiang Bridge Venture City, etc. had completed business solicitation and enter into stable operation period. The business solicitation for certain projects and new projects in Beijing, Tianjin, Hefei, Xi'an and Suzhou were fully commenced.

Changsha Meixihu Innovation Center became the benchmark e-commerce industrial park in Central China. During the Period, a number of Fortune Global 500 companies settled in the innovation center. The overall occupancy rate was nearly 100%. Our business team strengthened the scientific management of building space and ensured the cluster effect of high-tech Internet companies; improved service quality, improved business service platform and administrative service platform; and introduced value-added service content such as customer circle activities.

Shenzhen Haikexing Sinovac Strategic Emerging Industrial Park is the gathering place of biomedical enterprises in South China. During the Period, the top ten companies of medical device industry entered into the industrial park. The overall occupancy rate was nearly 95%. Our business team actively improved the construction and operation of production and living services in the park, and built a cluster ecology of industries such as smart manufacturing, biomedicine, information technology, etc., and combined with Shenzhen's investment, talent, incubation and innovation, to provide one-stop all-round service for the enterprises that entered the park.

Suzhou Yida Shangjinwan Headquarters Economic Park is the headquarters of high-quality small and medium-sized enterprises in Eastern China. During the Period, the headquarters and regional headquarters of a number of leading enterprises of electronic technology, logistics technology, architectural decoration, and smart homes had entered into the park. Our business team connected to the leading enterprises at the headquarters level and established a one-stop enterprise service platform. In particular, our business team strengthened the consultation and assistance for corporate patent applications, attracted high-tax enterprises to settle down in the park, completed specific industry gatherings, and made outstanding contributions to regional value enhancement.

Chengdu Western Geography Information Technology Industrial Park is the largest geographic information Beidou navigation industrial park in Western China. During the Period, a number of listed companies and top 100 enterprises in the information technology and geographic information industries entered into the park. Based on the characteristics of the industrial clusters in the park, our business team actively cooperated with the Jinniu District Government to implement the preferential policies of the park, accelerated the progress of business solicitation, and built a park service center integrating government affairs services, geographic information professional services and project declaration services. By the end of the year, the intelligent service platform system of smart business park will be introduced.

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

	Status	District	Project Name	Contracted Area ('000 sq.m.)	Operation Model
1	Opening Stock	Wuhan	Wuhan First City Phase 1.1	168	Business solicitation and operation
2		Shanghai	YIDA North Hongqiao Entrepreneur Park	48	Business solicitation and operation
3		Suzhou	Suzhou Gaotie First City	203	Business solicitation and operation and incubator
4		Suzhou	Yida Shangjinwan Headquarters Economic Park	401	Business solicitation and operation
5		Shenzhen	Haikexing Sinovac Strategic Emerging Industrial Park	70.6	Business solicitation and operation
6		Changsha	Meixihu Innovation Center	52	Business solicitation and operation
7		Chengdu	Guo Bin Headquarters in Chengdu	81.7	Business solicitation and operation
8		Chengdu	Chengdu Western Geography Information Technology Industrial Park	700	Business solicitation and operation
9		Xi'an	Collaborative Innovation Port of Feng Dong New Town	200	Sales agent, business solicitation and operation
10		Hefei	Yaohai City Science and Technology Park	425	Business solicitation and operation
11		Hefei	Hefei City Luyang Big Data Industry Park	242.6	Business solicitation and operation
12		Mianyang	Phase One of China (Mianyang) Technology City Software Industry Park	62.6	Business solicitation and operation
13		Tianjin	Xiangyi Square	10	Business solicitation and operation
14		Harbin	Harbin-Israel International High & New Technology Incubator Complex Industrial Park	89	Business solicitation and operation
15		Beijing	Yida Lize Center	41	Charter
16		Shanghai	Yida Waigaoqiao Business Park	13.9	Charter
17		Changsha	Changsha Technology New Park	540	Sales agent, business solicitation and operation
18		Chongqing	Liangjiang Science and Technology City (Phase I)	195.3	Sales agent, business solicitation and operation
19		Chongqing	Liangjiang Science and Technology City (Phase II)	210	Sales agent, business solicitation and operation
20		Beijing	Mobile Silicon Valley Innovation Center	149	Sales agent, business solicitation and operation

	Status	District	Project Name	Contracted Area ('000 sq.m.)	Operation Model
21	Newly added in the Period	Suzhou	Suzhou Jianye Science Park	53	Business solicitation and operation
22		Xiangtan	Jiuhua Innovation and Entrepreneurship Center	320	Business solicitation and operation
23		Taizhou	Chuangmei Science and Technology Industrial Park	400	Business solicitation and operation
24		Huzhou	Zhejiang Huzhou Changxing National Economic Development Zone Project	223	Business solicitation and operation
25		Luzhou	Luzhou Aeronautics and Astronautics Industrial Park	700	Business solicitation and operation
		Total		5,598.7	

Construction, Decoration and Landscaping

The Group continued to strengthen its construction, decoration and landscaping business capabilities to support the development of internal projects of the Group and to achieve sustained and stable recurring revenue by undertaking external projects. Meanwhile, in line with the trend of specialized, customized and comprehensive industries and services in relation to construction, decoration and landscaping across the country, the Group enhanced the business standards and broadened the scope and coverage of business from the northeast China to the entire country. During the Period, the construction, decoration and landscaping businesses recorded revenue of RMB118 million, representing a decrease of 3.1% from the corresponding period of last year, mainly due to the elimination of revenue of Dalian Tiandi project in the consolidated financial statements as a result of the Group's acquisition of Dalian Tiandi project, a major project of this segment, during the Period.

During the Period, the major projects of this segment include Glory of the City, Haiyi Changzhou (海逸長洲), Dalian Ascendas IT Park, Government Warm House (政府暖房子) and Jinlongsi Commercial Street (金龍寺商業街) in Dalian as well as Dandong Royal Bay (丹東帝泊灣). A number of projects were recognized by the Government as the top three in terms of regional quality acceptance, effectively promoting the national layout of the Group's business segments.

Through prudent and dynamic control of project cost, the business team realized competitive bidding prices and maintained profit margin. It took advantage of market situations to develop external market, continued to track and provide services for the follow-up projects of our long-term partners across the country, actively strived for direct undertaking with competitive pricing, and comprehensively expanded the scope, coverage and geographical locations of construction for the projects undertaken. The business team implements a manager responsibility system, developed inspection and acceptance standards by item and monthly inspections to strictly control construction quality, effectively guarantee the market response and reputation of the contracted projects, and form a regional brand advantage together with other business segments. The Group strengthened the operation and management optimization of the nursery, and added industries such as livestock husbandry and agricultural products to improve land use efficiency. Also, the Group further broadened the coverage of the business modules and contract models and broke the common model of single segment for single business to facilitate the interactive operations among construction, decoration and landscaping businesses.

The Group attaches great importance to the quality of construction. This business segment will continue to be oriented for high quality, standards and efficiency and refine the quality control process with the strategy for excellence, so as to lay a solid foundation for undertaking more external projects.

Property Management

During the period, the Group's property management business recorded revenue of RMB230 million, representing an increase of 33.7% for the corresponding period of last year, mainly due to the increase in the area of properties under management and the revenue from value-added property services.

Residential Property Management

During the Period, the Group operated 9 new residential property projects with an operation area of 768,000 square metres. Various income, such as property management fee, car parking fee and community operation income, recorded significant increase. The Group also actively sought for new growth drivers by carrying out community elderly care, community supermarket and after-school care business and building the Yida community service brand. In particular, Yida Elderly Care – Qingyun Yingshan Community Branch (億達養老－璞養芳華青雲映山社區店) is expected to commence operation in the second half of the year.

With the development strategy of "strengthening services, improving results and expanding operation", the Group strengthened its efforts to build an intelligent community cloud service platform, and promoted the community APP using multi-dimensional and vertical means to increase the number of registered property owners, which will provide data support for future property management and innovation and increase user loyalty. As at the end of the Period, the APP covered nearly 10,000 registered households, serving almost 100,000 property owners. Customer service demand meeting ratio was 95.3%, and feedback satisfaction ratio reached 94%, both leading in the industry.

The Group will leverage its advantages and experiences in property management to develop customer resources while expanding light and heavy resources through the provision of high-quality management services.

Office Property Management

During the Period, the Group acquired 6 new office property management projects with an area under management of 228,100 square metres, making its total gross floor area under operation reach 3.55 million square metres. The Group strengthened its presence in Dalian, Suzhou, Hangzhou, Chongqing, Wuhan and Mianyang, serving 932 enterprise customers and making steady progress towards its objective of national presence. With its 20 years of experience in developing and operating business parks, the Group continues to provide more refined, customised and modernised property management services to Fortune Global 500 tenants and has established a complete set of standard business park property management system.

By introducing third-party strategic consulting institutions, the Group will strive to build high-quality projects and technical research and development teams to ensure the utilisation and maintenance of various professional and customised equipment and provide reliable logistics services as support. In addition, it will establish an industrial park service platform which will, through online and offline combination, realize synergies among intelligent hardware system, customer terminals, management terminals and cooperation terminals and provide customers with diversified value-added services.

Land reserves

As at 30 June 2018, the total gross floor area of the Group's land reserves was approximately 9.21 million square metres. The gross floor area of the land reserves attributable to the equity of the Group was approximately 8.013 million square metres.

The core business of the Group is comprehensive city-industry development. The Group has successfully obtained 310,000 square metres commercial land at Meixihu, Changsha in January to construct Changsha Yida Meixihu Health Technology Industrial Park with a focus to develop three industry categories including smart healthcare, software information technology and technology intelligence which facilitate the transformation of Changsha industries. In February, the core zone of the Zheng Luoxin National Independent Innovation Demonstration Zone of the Group located in Zhengzhou obtained 330,000 square metres industrial land to construct Yida Zhengzhou Software Park with a focus to introduce industries such as software information services, promote innovation and further enhance the advantages and innovation capabilities of the intelligent industry cluster in Zhengzhou High-tech Zone. In the first half of this year, the Group accelerated the pace of national expansion. In April, the Group obtained 250,000 square metres residential land in Wangcheng District, Changsha to construct Yida Intelligent Industrial Town which integrated industry and city with "Industry + Culture". The Town will form a new highland of intelligent industry with supporting clusters, enterprise clusters and concentrated talent source, and become a model area for the construction of characteristic towns in Hunan Province. In May, the Group obtained 100,000 square metres land at the core of New City at Beibei District, Chongqing for the construction of project phase 1, so as to construct Chongqing Yida Chuangzhi Plaza with ecological, single, landmark high-rise office buildings and business support, aiming to become an important cluster for high-tech enterprises in Beibei District and even in Chongqing. The land for project phase 2 is expected to be granted in the second half of the year.

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

The following table sets forth a breakdown of the Group's land reserves as at 30 June 2018:

By city	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Dalian	7,092,329	77.0%	6,441,935	80.5%
Wuhan	971,144	10.6%	538,253	6.7%
Chengdu	138,826	1.5%	98,434	1.2%
Shenyang	18,222	0.2%	18,222	0.2%
Chongqing	103,250	1.1%	103,250	1.3%
Changsha	557,041	6.0%	483,229	6.0%
Zhengzhou	329,212	3.6%	329,212	4.1%
Total	9,210,023	100.0%	8,012,535	100.0%

By location	**Total GFA of land reserves** *(sq.m.)*	**Proportion**	**Attributable GFA of land reserves** *(sq.m.)*	**Proportion**
Within business parks	7,440,591	80.8%	6,747,019	84.2%
Outside business parks	1,769,433	19.2%	1,265,516	15.8%
Total	9,210,023	100.0%	8,012,535	100.0%

Business Parks/Multi-functional, Integrated Residential Community Projects	Equity Interests Held by the Group	GFA Completed Remaining Leasable/ Saleable *(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%	89,204		
Subtotal	100%	684,142	–	–
Dalian BEST City				
Office Building Area	100%	98,873	182,317	491,888
Residential Area	100%	281,460	–	79,642
Subtotal	100%	380,333	182,317	571,530
Wuhan First City				
Office Building Area	50%	323,433	–	508,501
Residential Area	50%	5,648	133,562	–
Subtotal	50%	329,081	133,562	508,501
Yida Information Software Park				
Office Building Area	100%	149,014	–	118,798
Residential Area	100%	237,234	–	114,720
Subtotal	100%	386,248	–	233,518
Dalian Ascendas IT Park				
Office Building Area	50%	202,530	–	91,918
Subtotal	50%	202,530	–	91,918
Dalian Tiandi				
Office Building Area	100%	207,457	131,750	826,457
Residential Area	100%	183,770	270,884	1,024,287
Subtotal	100%	391,227	402,634	1,850,744

Business Parks/Multi-functional, Integrated Residential Community Projects	Equity Interests Held by the Group	GFA Completed Remaining Leasable/ Saleable *(sq.m.)*	GFA Under Development *(sq.m.)*	GFA Held for Future Development *(sq.m.)*
Chengdu Tianfu Intelligent Transportation Science and Technology City				
Office Building Area	60%	–	–	99,111
Subtotal	60%	–	–	99,111
Zhengzhou Software Park				
Office Building Area	100%	–	–	329,212
Subtotal	100%	–	–	329,212
Chongqing Beibei Project				
Office Building Area	100%	–	–	103,250
Subtotal	100%	–	–	103,250
Changsha Wangcheng Town				
Office Building Area	70%			
Residential Area	70%	–	–	246,041
Subtotal	70%	–	–	246,041
Changsha Meixihu Project				
Office Building Area	100%	–	–	311,000
Subtotal	100%	–	–	311,000
Business Parks Subtotal		2,377,254	718,513	4,344,824
Multi-functional, Integrated Residential Projects				
Dalian	25%-100%	564,923	16,959	1,129,615
Chengdu	80%-100%	35,979	–	3,737
Shenyang	100%	18,222	–	–
Multi-functional, Integrated Residential Projects Subtotal		619,123	16,959	1,133,351
Total		2,996,377	735,472	5,478,175

FINANCIAL REVIEW

Revenue

The sources of revenue of the Group primarily include (1) revenue from sales of properties; (2) rental income; (3) income from providing business park operation and management services; (4) income from providing construction, decoration and landscaping services; and (5) income from property management services.

During the Period, the revenue of the Group was RMB2,139.26 million, representing a decrease of 29.7% from the corresponding period of last year.

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

	For the six months ended 30 June			
	2018		2017	
	Amount RMB'000	***% of total amount***	*Amount RMB'000*	*% of total amount*
Revenue from sales of properties	**1,563,678**	**73.1%**	2,527,951	83.0%
Rental income	**211,703**	**9.9%**	186,672	6.1%
Business park operation and management services income	**15,748**	**0.8%**	35,741	1.2%
Construction, decoration and landscaping income	**118,457**	**5.5%**	122,259	4.0%
Property management income	**229,678**	**10.7%**	171,751	5.7%
Total	**2,139,264**	**100%**	3,044,374	100.0%

(1) Revenue from sales of properties

The Group's revenue arising from sales of residential properties within and outside business parks and office properties for the Period was RMB1,563.68 million, representing a decrease of 38.1% from the corresponding period of last year, which was mainly attributable to the decrease in the projects completed and handed over to customers during the Period.

(2) Rental income

The Group's rental income derived from operation of business parks owned by the Group for the Period amounted to RMB211.70 million, representing an increase of 13.4% from the corresponding period of last year, which was mainly attributable to the increase in the leasable area in the first half of the year.

(3) Business park operation and management services income

During the Period, the income arising from business park operation and management services provided by the Group amounted to RMB15.75 million, representing a decrease of 55.9% from the corresponding period of last year, which was mainly attributable to the fact that new operation projects for the Period were in development stage and revenue was not yet recognised.

(4) Construction, decoration and landscaping income

During the Period, the income derived from construction, decoration and landscaping services provided by the Group amounted to RMB118.46 million, remaining substantially at the same level as that of the corresponding period of last year.

(5) Property management income

During the Period, the income derived from property management service provided by the Group amounted to RMB229.68 million, representing an increase of 33.7% from the corresponding period of last year, which was mainly attributable to the increase in property management projects and supporting service income.

Cost of Sales

The cost of sales of the Group during the Period amounted to RMB1,589.06 million, representing a decrease of 27.1% from the corresponding period of last year, which was mainly attributable to the decrease in the area of properties completed and handed over to customers in the first half of the year.

Gross Profit and Gross Profit Margin

The gross profit of the Group during the Period amounted to RMB550.21 million, representing a decrease of 36.4% from the corresponding period of last year; the gross profit margin decreased from 28.4% for the corresponding period of 2017 to 25.7% during the Period, which was mainly attributable to the decrease in the number of projects recognised during the Period and the different recognised product structure during the Period.

Other Income and Gains

Other income and gains of the Group include interest income, dividend income, government subsidy and other income. During the Period, other income and gains of the Group were RMB883.58 million, representing an increase of approximately RMB851.52 million as compared to the corresponding period of 2017, which was mainly attributable to the gain on bargain purchase arising from obtaining the control of a joint venture and the exchange gain.

Sales and Marketing Expenses

The sales and marketing expenses of the Group were RMB99.98 million, substantially remaining at the same level as that of the corresponding period of last year.

Administrative Expenses

The administrative expenses of the Group increased by 24.6% to RMB202.40 million for the Period from RMB162.45 million in the corresponding period of 2017, which was mainly attributable to the increase in office expenses as a result of business expansion and the provision for bad debts of receivables pursuant to HKFRS 9, a new accounting standard.

Other Expenses and Losses

Other expenses of the Group mainly include fair value loss of derivative financial instruments. During the Period, other expenses of the Group were RMB102.99 million, representing an increase of RMB5.31 million as compared to the corresponding period of 2017, which was mainly due to the increase in fair value losses on put options and call options.

Fair Value Gains on Investment Properties

The fair value gains on investment properties of the Group decreased from RMB59.69 million in the corresponding period of 2017 to RMB8.62 million during the Period, which was mainly due to the completion and lease of Anbo Valley Industrial Building in the corresponding period of last year, leading to the increase in fair value, whereas there was no such event during the Period.

Finance Costs

The finance costs of the Group increased by 135.4% to RMB409.97 million during the Period from RMB174.12 million in the corresponding period of 2017, which was primarily attributable to the increase in interest-baring financings and the decrease in the number of capitalized projects during the Period.

Share of Profits and Losses of Joint Ventures

During the Period, the Group’s share of losses of joint ventures was RMB32.15 million, which was mainly attributable to the loss on investment in Richcoast Group during the Period, as compared to share of profits of joint ventures of approximately RMB21.74 million for the corresponding period of 2017. Richcoast Group was an associate of the Group during the corresponding period of 2017.

Share of Profits and Losses of Associates

During the Period, the Group's share of profit of associates was nil, as compared to losses of RMB17.27 million for the corresponding period of 2017, which was mainly attributable to the loss on investment in Richcoast Group for the corresponding period of last year, which became a subsidiary of the Group during the Period.

Income Tax Expenses

The income tax expenses of the Group include corporate income tax, land appreciation tax and deferred income tax. The income tax expenses of the Group decreased by 7.6% to RMB160.82 million during the Period from RMB174.02 million in the corresponding period of 2017, which was mainly attributable to the settlement of LAT and the decrease in taxable profits.

Profit for the Period

As a result of the foregoing, the profit before tax of the Group increased by 39.6% to RMB594.91 million during the Period from RMB426.10 million for the corresponding period of 2017.

The net profit of the Group increased by 72.2% to RMB434.09 million during the Period from RMB252.08 million for the corresponding period of 2017.

The net profit attributable to equity owners increased by 127.6% to RMB462.42 million during the Period from RMB203.16 million for the corresponding period of 2017.

The core net profit attributable to equity owners (excluding effects of fair value gains on investment properties, net of tax) increased by 187.9% to RMB455.10 million during the Period from RMB158.39 million for the corresponding period of 2017.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 30 June 2018, the Group had cash and bank balances of approximately RMB1,968.52 million (including restricted cash of approximately RMB1,443.13 million) (31 December 2017: cash and bank balances of approximately RMB3,363.68 million, including restricted cash of approximately RMB1,879.54 million).

Debts

As at 30 June 2018, the Group had bank and other borrowings of approximately RMB17,906.03 million (31 December 2017: approximately RMB16,985.73 million), of which:

(1) By Loan Type

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Secured bank loans	**8,951,301**	6,912,527
Secured other borrowings	**3,552,250**	5,041,800
Unsecured other borrowings	**5,402,475**	5,031,405
	17,906,026	16,985,732

(2) By Maturity Date

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year or on demand	**9,690,486**	6,912,232
In the second year	**5,274,451**	2,579,040
In the third to fifth year	**2,128,909**	6,611,156
Beyond five years	**812,180**	883,304
	17,906,026	16,985,732

Debt Ratio

The net gearing ratio (net debt, including interest-bearing bank and other borrowings, less cash and cash equivalents and restricted cash, divided by the total equity) of the Group was approximately 142.0% as at 30 June 2018, which increased by 15 percentage points as compared to 127.0% as at 31 December 2017.

Foreign Exchange Risks

The functional currency of the Group is RMB and most transactions were denominated in RMB. As at 30 June 2018, the Group had cash and bank balances (including restricted cash) of approximately RMB1.94 million and approximately RMB6.85 million denominated in Hong Kong dollars and USD, respectively. All such amounts were exposed to foreign currency risks. The Group currently has no foreign currency hedging policies, but the management monitors foreign exchange risks and will consider hedging significant foreign exchange risks when necessary.

Contingent Liabilities

The Group enters into arrangements with PRC commercial banks to provide mortgage facilities to its customers to purchase the Group's properties. In accordance with industry practice, the Group is required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (I) registration of mortgage interest to the bank, or (II) the settlement of mortgage loans between the mortgagee banks and the purchasers. As at 30 June 2018, the Group provided guarantees of approximately RMB406.58 million to commercial banks in the PRC in respect of mortgage loans granted to the customers of the Group (31 December 2017: approximately RMB454.93 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2018, the Group had 1,803 full-time employees. The Group distributes remunerations to the staff based on the performances, work experiences of the employees and the current market salary level.

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

INTERIM DIVIDEND

The Board does not recommend any payment of interim dividend for the six months ended 30 June 2018.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the Period, except for the deviation from CG Code A.2.1 which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual, the Company has complied with all the code provisions set out in the CG Code.

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. With effect from 22 June 2018, Mr. Jiang Xiuwen serves as the chairman and chief executive officer of the Company and is responsible for overseeing the operations of the Group. The Board has considered the merits of separating the roles of the chairman and chief executive officer but is of the view that it is in the best interests of the Company to vest the two roles in Mr. Jiang Xiuwen. The Board will nevertheless review the structure from time to time in light of the prevailing circumstances. For further details, please refer to the announcement of the Company dated 22 June 2018.

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 period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 14 November 2017, the Company and Many Gain International Limited (the "Purchaser"), a wholly-owned subsidiary of the Company, entered into the first acquisition agreement with Innovate Zone Group Limited ("Vendor A") and Shui On Development (Holding) Limited ("Vendor A Guarantor"); and the Company and the Purchaser entered into the second acquisition agreement with Main Zone Group Limited ("Vendor B") and SOCAM Development Limited ("Vendor B Guarantor"). Pursuant to these two acquisition agreements, the Purchaser has conditionally agreed to acquire (1) 61.5% interest in Richcoast Group Limited (the "Target Company", together with its subsidiaries, the "Target Group") and all of Vendor A's benefits of and interests in offshore loans from Vendor A for a consideration of RMB3,160 million (the "First Acquisition"); and (2) 28.2% interest in the Target Company and all of Vendor B's benefits of and interests in offshore loans from Vendor B for a consideration of RMB1,300 million (the "Second Acquisition"). The acquisitions contemplated under the two acquisition agreements constitute a very substantial acquisition of the Company. On 28 December 2017, the Second Acquisition was completed. On 14 May 2018, the First Acquisition was completed. Upon completion of the First Acquisition, the Target Company becomes an indirect wholly-owned subsidiary of the Company.

Save as mentioned above, the Group did not have any other material acquisition and disposal during the Period.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 1 June 2014. During the Period, no share options have been granted under the share option scheme.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 1 June 2014 with written terms of reference, which was amended on 10 December 2015, in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of four independent non-executive Directors, namely Mr. Yip Wai Ming, Mr. Guo Shaomu, Mr. Wang Yinping and Mr. Han Gensheng, with Mr. Yip Wai Ming acting as the chairman of the Audit Committee. In compliance with Rule 3.21 of the Listing Rules, the chairman of the Audit Committee has appropriate professional qualifications.

REVIEW OF THE INTERIM RESULTS

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 have been reviewed by the auditors of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The interim report of the Group for the six months ended 30 June 2018 has also been reviewed and approved by the Audit Committee.

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

This interim 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 interim report of the Company for the six months ended 30 June 2018 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
Jiang Xiuwen
Chairman and chief executive officer

Hong Kong, 16 August 2018

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