大連萬達商業地產股份有限公司
Dalian Wanda Commercial Properties Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock code: 3699)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2015 amounted to RMB30,894 million, representing an increase of 32.87% as compared to the same period in 2014.
- Core profit (net of the effect of fair value change) attributable to equity holders of the Company for the six months ended 30 June 2015 amounted to RMB2,264 million, representing an increase of 116.65% as compared to the same period in 2014.
- Basic and diluted earnings per share for the six months ended 30 June 2015 amounted to RMB1.15.

RESULTS HIGHLIGHTS

The board of directors (the "**Board**") of Dalian Wanda Commercial Properties Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**We**") prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") for the six months ended 30 June 2015 (the "**Reporting Period"** or **"Period**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	**For the six months ended 30 June 2015** *RMB'million* **(Unaudited)**	2014 *RMB'million* (Audited)
REVENUE	*4*	**30,894**	23,251
Cost of sales		**(17,206)**	(12,821)
Gross profit		**13,688**	10,430
Other income and gains	*4*	**1,350**	1,190
Increase in fair value of investment properties, net		**3,910**	5,227
Selling and distribution expenses		**(2,257)**	(2,104)
Administrative expenses		**(3,119)**	(2,453)
Other expenses		**(514)**	(84)
Finance costs	*5*	**(3,760)**	(3,820)
Share of losses of joint ventures		**(7)**	–
Share of loss of an associate		**–**	(1)
PROFIT BEFORE TAX	*6*	**9,291**	8,385
Income tax expense	*7*	**(4,079)**	(3,468)
PROFIT FOR THE PERIOD		**5,212**	4,917
Attributable to:			
Owners of the parent		**5,194**	4,965
Non-controlling interests		**18**	(48)
		5,212	4,917
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*9*	**RMB1.15**	RMB1.33
Diluted	*9*	**RMB1.15**	RMB1.33

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
PROFIT FOR THE PERIOD	**5,212**	4,917
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(142)**	(30)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(142)**	(30)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,070**	4,887
Attributable to:		
Owners of the parent	**5,103**	4,939
Non-controlling interests	**(33)**	(52)
	5,070	4,887

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2015

	Notes	**30 June 2015** *RMB'million* **(Unaudited)**	31 December 2014 *RMB'million* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**36,982**	35,283
Investment properties	*10*	**271,350**	248,101
Prepaid land lease payments and permanent land		**10,445**	9,983
Goodwill		**1,745**	1,745
Other intangible assets		**3,040**	3,054
Investments in joint ventures		**533**	475
Available-for-sale investments		**35**	35
Long-term receivables		**10**	10
Deferred tax assets		**5,120**	4,272
Total non-current assets		**329,260**	302,958
CURRENT ASSETS			
Inventories	*11*	**163,768**	145,192
Prepaid taxes		**7,236**	5,469
Trade and bills receivables	*12*	**382**	848
Prepayments, deposits and other receivables		**19,435**	15,821
Other current assets		**724**	971
Restricted cash		**7,150**	6,732
Cash and cash equivalents		**50,620**	86,303
Total current assets		**249,315**	261,336
CURRENT LIABILITIES			
Trade and bills payables	*13*	**48,843**	53,743
Other payables and accruals		**162,074**	138,015
Interest-bearing bank and other borrowings		**44,231**	36,464
Deferred income		**391**	395
Dividend payables		**1,893**	13
Taxes payable		**2,294**	6,831
Total current liabilities		**259,726**	235,461
NET CURRENT (LIABILITIES)/ASSETS		**(10,411)**	25,875
TOTAL ASSETS LESS CURRENT LIABILITIES		**318,849**	328,833

	Note	30 June 2015 RMB'million (Unaudited)	31 December 2014 RMB'million (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		**318,849**	328,833
NON-CURRENT LIABILITIES			
Guaranteed bonds		**7,204**	7,210
Interest-bearing bank and other borrowings		**122,804**	137,295
Deferred income		**1,608**	1,359
Deferred tax liabilities		**29,155**	27,821
Other non-current liabilities		**1**	2
Total non-current liabilities		**160,772**	173,687
Net assets		**158,077**	155,146
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**4,527**	4,475
Reserves		**151,251**	148,339
		155,778	152,814
Non-controlling interests		**2,299**	2,332
Total equity		**158,077**	155,146

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the parent									
	Issued capital *RMB'million* (Audited)	Share premium *RMB'million* (Audited)	Capital reserve *RMB'million* (Audited)	Revaluation reserve *RMB'million* (Audited)	Statutory reserve *RMB'million* (Audited)	Exchange fluctuation reserve *RMB'million* (Audited)	Retained profits *RMB'million* (Audited)	Total *RMB'million* (Audited)	Non-controlling interests *RMB'million* (Audited)	Total equity *RMB'million* (Audited)
At 1 January 2014	3,736	7	–	35	1,565	11	102,932	108,286	5,586	113,872
Profit for the period	–	–	–	–	–	–	4,965	4,965	(48)	4,917
Other comprehensive income for the period	–	–	–	–	–	(26)	–	(26)	(4)	(30)
Total comprehensive income for the period	–	–	–	–	–	(26)	4,965	4,939	(52)	4,887
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	671	671
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	108	108
Acquisition of non-controlling interests	–	–	–	–	–	–	(1,615)	(1,615)	(3,304)	(4,919)
Final 2013 dividend declared and paid	–	–	–	–	–	–	(1,999)	(1,999)	–	(1,999)
At 30 June 2014	3,736	7	–	35	1,565	(15)	104,283	109,611	3,009	112,620

	Attributable to owners of the parent									
	Issued capital *RMB'million* (Unaudited)	Share premium *RMB'million* (Unaudited)	Capital reserve *RMB'million* (Unaudited)	Revaluation reserve *RMB'million* (Unaudited)	Statutory reserve *RMB'million* (Unaudited)	Exchange fluctuation reserve *RMB'million* (Unaudited)	Retained profits *RMB'million* (Unaudited)	Total *RMB'million* (Unaudited)	Non-controlling interests *RMB'million* (Unaudited)	Total equity *RMB'million* (Unaudited)
At 1 January 2015	4,475	22,392	344	35	1,961	(113)	123,720	152,814	2,332	155,146
Profit for the period	–	–	–	–	–	–	5,194	5,194	18	5,212
Other comprehensive income for the period	–	–	–	–	–	(91)	–	(91)	(51)	(142)
Total comprehensive income for the period	–	–	–	–	–	(91)	5,194	5,103	(33)	5,070
Issue of shares**	52	2,066	–	–	–	–	–	2,118	–	2,118
Share-based payments***	–	–	90	–	–	–	(46)	44	–	44
Final 2014 dividend declared	–	–	–	–	–	–	(4,301)	(4,301)	–	(4,301)
At 30 June 2015	4,527	24,458*	434*	35*	1,961*	(204)*	124,567*	155,778	2,299	158,077

* These reserve accounts comprise the consolidated reserves of RMB151,251 million in the unaudited interim condensed consolidated statement of financial position at 30 June 2015.

** On 14 January 2015, the over-allotment option described in the prospectus of the Company dated 10 December 2014 has been partially exercised by the Underwriter Representatives in respect of the over-allotment shares, representing approximately 8.76% of the total number of offer shares initially available under the global offering before exercise of the over-allotment option, to cover over-allocations under the international offering. The over-allotment shares are issued and allotted by the Company at HK$48.00 per share.

*** In July 2014, the Company issued a total of 138.8 million new shares at an issue price of RMB7.36 per share to 61 individuals, for a total consideration of RMB1,022 million. The issuance of new shares to certain employees of the Group, the Parent (the holding company and ultimate holding company of the company, Dalian Wanda Group Co., Ltd) and the Company's fellow subsidiaries was considered as compensations for their services and accounted for as equity-settled share-based payment transactions. The fair value of the shares granted to certain employees of the Parent and the Company's fellow subsidiaries was amortized and recognized as deemed distribution over the vesting period. If employees of the Group, the Parent and the Company's fellow subsidiaries cease to be employees in the vesting period, such shares granted shall be transferred to other party as decided by shareholders' general meeting or the board of directors.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	**5,795**	(2,286)
Interest received	**317**	256
Corporate income tax and land appreciation tax paid	**(9,780)**	(6,923)
Net cash flows used in operating activities	**(3,668)**	(8,953)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(2,842)**	(4,003)
Additions to investment properties	**(13,029)**	(16,314)
Acquisitions of investment properties	**(3,792)**	–
Additions to prepaid land lease payments and permanent land	**(319)**	(997)
Additions to other intangible assets	**(12)**	(38)
Investment in a joint venture	**(97)**	–
Net proceeds from disposal of other current assets	**310**	42
Acquisitions of subsidiaries	**–**	(162)
Proceeds from disposal of items of property, plant and equipment	**1**	30
Cash flows relating to disposal of subsidiaries	**–**	533
Net cash flows used in investing activities	**(19,780)**	(20,909)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	**1,993**	–
Net proceeds from issue of bonds	**–**	3,662
New bank loans	**27,991**	61,497
Repayment of bank loans	**(33,786)**	(20,267)
Interest and bank charge paid	**(6,268)**	(3,509)
Dividends paid	**(2,406)**	(1,999)
Capital contributions from non-controlling interests	**–**	671
Acquisition of non-controlling interests	**–**	(4,919)
Net cash flows from/(used in) financing activities	**(12,476)**	35,136
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(35,924)**	5,274
Cash and cash equivalents at beginning of period	**86,303**	69,525
Effect of foreign exchange rate changes, net	**241**	(38)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**50,620**	74,761
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	**50,620**	74,761
Cash and cash equivalents as stated in the statement of cash flows	**50,620**	74,761

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. CORPORATE INFORMATION

Dalian Wanda Commercial Properties Co., Ltd. (the "**Company**") is a limited liability company established in the People's Republic of China (the "**PRC**"). The Company's registered office is located at No. 539, Changjiang Road, Xigang District, Dalian, PRC.

The Group is principally engaged in property leasing and management, property development and hotel operation. There were no significant changes in the nature of the Group's principal activities during the six months ended 30 June 2015 (the "**Period**").

In the opinion of the Company's directors (the "**Directors**"), the holding company and ultimate holding company of the Company is Dalian Wanda Group Co., Ltd (the "**Parent**"), a company established in the PRC. The ultimate controlling shareholder is Mr. Wang Jianlin.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial statements are prepared 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 interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014.

Changes in the accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those as set out in the Group's annual financial statements for the year ended 31 December 2014, except for the adoption of new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by HKICPA which have become effective in this Period. The adoption of those new and revised HKFRSs has no material impact on the accounting policies in the Group's unaudited interim condensed consolidated financial statements for the Period.

3. OPERATING SEGMENT INFORMATION

The Group is organised into business units based on their products and services and has four reportable operating segments as follows since the end of year 2014. The segment information for the six months ended 30 June 2014 has been presented to conform with the current period's presentation.

(a) development, leasing and management of commercial properties held by the Group for long-term investment;

(b) development and sale of properties, including primarily commercial and residential properties;

(c) development and operation of hotels; and

(d) the "Others" segment mainly comprises management of properties sold, research and design centre, education and other services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources 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 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.

For the six months ended 30 June 2015

	Investment properties' leasing and management *RMB'million* (Unaudited)	**Sales of properties** *RMB'million* (Unaudited)	**Hotel operation** *RMB'million* (Unaudited)	**Others** *RMB'million* (Unaudited)	**Total** *RMB'million* (Unaudited)
Segment revenue:					
Sales to external customers	**6,345**	**20,989**	**2,234**	**1,326**	**30,894**
Intersegment sales	**484**	**233**	**3**	**339**	**1,059**
	6,829	**21,222**	**2,237**	**1,665**	**31,953**
Reconciliation:					
Elimination of intersegment sales					**(1,059)**
Revenue					**30,894**
Cost of goods sold ("**COGS**")	**(1,634)**	**(12,695)**	**(1,701)**	**(1,176)**	**(17,206)**
Other income and gains	**203**	**1,073**	**12**	**62**	**1,350**
Increase in fair value of investment properties, net	**3,910**	**–**	**–**	**–**	**3,910**
Selling and distribution expenses	**(80)**	**(1,919)**	**(169)**	**(89)**	**(2,257)**
Administrative expenses	**(448)**	**(1,542)**	**(674)**	**(455)**	**(3,119)**
Other expenses	**–**	**(514)**	**–**	**–**	**(514)**
Share of losses of joint ventures	**–**	**(7)**	**–**	**–**	**(7)**
Segment results	**8,296**	**5,385**	**(298)**	**(332)**	**13,051**
Reconciliation:					
Finance costs					**(3,760)**
Profit before tax					**9,291**
Other segment information					
Impairment losses recognised in the interim condensed consolidated statement of profit or loss	**24**	**370**	**–**	**6**	**400**
Depreciation and amortisation	**–**	**(414)**	**(524)**	**(89)**	**(1,027)**
Investments in joint ventures	**–**	**533**	**–**	**–**	**533**
Capital expenditure*	**19,440**	**202**	**2,829**	**17**	**22,488**

* Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments and permanent land and other intangible assets, including the acquisitions of investment properties.

For the six months ended 30 June 2014

	Investment properties' leasing and management *RMB'million* (Unaudited)	Sales of properties *RMB'million* (Unaudited)	Hotel operation *RMB'million* (Unaudited)	Others *RMB'million* (Unaudited)	Total *RMB'million* (Unaudited)
Segment revenue:					
Sales to external customers	4,861	16,293	1,770	327	23,251
Intersegment sales	355	–	5	409	769
	5,216	16,293	1,775	736	24,020
Reconciliation:					
Elimination of intersegment sales					(769)
Revenue					23,251
COGS	(1,283)	(9,928)	(1,257)	(353)	(12,821)
Other income and gains	71	603	7	509	1,190
Increase in fair value of investment properties, net	5,227	–	–	–	5,227
Selling and distribution expenses	(128)	(1,752)	(189)	(35)	(2,104)
Administrative expenses	(385)	(1,366)	(485)	(217)	(2,453)
Other expenses	–	(84)	–	–	(84)
Share of loss of an associate	–	(1)	–	–	(1)
Segment results	8,363	3,765	(154)	231	12,205
Reconciliation:					
Finance costs					(3,820)
Profit before tax					8,385
Other segment information					
Impairment losses recognised in the statement of profit or loss	–*	–	–	–	–*
Depreciation and amortisation	–	(284)	(408)	–	(692)
Investments in joint ventures	–	475	–	–	475
Capital expenditure**	16,814	451	4,702	2,623	24,590

* The impairment losses recognised in the statement of profit or loss are presented as zero rounded to the nearest million.

** Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments and permanent land and other intangible assets, including assets from the acquisitions of subsidiaries.

Geographical information

Over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the non-current assets of the Group are located in Mainland China. Accordingly, no segment information by geographical segment is presented.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the Period (for the six months ended 30 June 2014: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Revenue		
Investment properties' leasing and management	**6,345**	4,861
Sales of properties	**20,989**	16,293
Hotel operation	**2,234**	1,770
Others	**1,326**	327
	30,894	23,251
Other income		
Bank interest income	**326**	256
Government grants	**638**	308
Others	**56**	13
	1,020	577
Gains		
Gain on disposal of subsidiaries	**–**	387
Gain on disposal of items of property, plant and equipment	**1**	–
Fair value gain from derivative financial instruments	**–**	1
Exchange realignment, net	**133**	129
Gain on bargain purchase	**–**	2
Gain on disposal of other current assets	**113**	40
Others	**83**	54
	330	613
	1,350	1,190

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Interest on bank loans and other loans	**6,494**	6,179
Interest on guaranteed bonds	**229**	211
Total interest expense	**6,723**	6,390
Less: Interest capitalised	**2,963**	2,570
	3,760	3,820

6. PROFIT BEFORE TAX

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

		For the six months ended 30 June	
	Note	**2015**	2014
		RMB'million	*RMB'million*
		(Unaudited)	(Audited)
Cost of inventories sold		**12,695**	9,928
Government grants released		**(638)**	(308)
Gain on disposal of items of property plant and equipment, net		**–****	–
Depreciation		**850**	622
Amortisation of prepaid land lease payments and permanent land*		**66**	57
Amortisation of other intangible assets*		**111**	13
Impairment of inventories	*12*	**376**	–**
Impairment of trade receivables		**2**	15
Impairment of other receivables		**22**	(15)
Direct operating expenses relating to investment properties' leasing and management		**1,634**	1,283

* The amortisation of prepaid land lease payments and permanent land and other intangible assets are included in "Administrative expenses" and "Cost of sales" in the interim condensed consolidated statement of profit or loss.

** The gain on disposal of items of property plant and equipment and impairment of inventories, net are presented as zero rounded to the nearest million.

7. INCOME TAX

No provision for Hong Kong profits tax and overseas corporate income tax has been made as the Group had no assessable profits arising in Hong Kong or overseas during the Period.

The provision for the PRC corporate income tax ("**CIT**") in Mainland China has been provided at the applicable tax rate of 25% on the assessable profits of the Company and its subsidiaries in Mainland China.

The PRC land appreciation tax ("**LAT**") in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, other property development expenditures and the related sales taxes and surcharges. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review/approval by the local tax bureau.

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Current – Mainland China CIT	**1,680**	983
Current – Mainland China LAT	**1,918**	1,497
Deferred	**481**	988
Total tax charge for the period	**4,079**	3,468

8. DIVIDENDS

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Declared dividend-RMB0.95 per ordinary share	**4,301**	1,999
Final dividend paid	**2,406**	1,999

The board of directors did not recommend any payment of interim dividend in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 4,523,573,463 (six months ended 30 June 2014: 3,736,000,000) in issue during the Period, as adjusted to reflect the rights issue as a result of the exercise of over-allotment option during the Period.

	For the six months ended 30 June	
	2015	2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**5,194**	4,965

	Number of shares For the six months ended 30 June	
	2015	2014
	Million	*Million*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**4,524**	3,736

The calculation of the diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, adjusted to reflect the interest and fair value gain or loss on the derivative component of the convertible bonds issued by a subsidiary, Wanda Hotel Development Company ("**Wanda Hotel**"). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. There is no diluted effect for the six months ended 30 June 2015, as all the convertible bonds had been converted during the second half year of 2014. The share-based payments have no diluted effect on the earnings per share amount.

10. INVESTMENT PROPERTIES

	Completed investment properties	Investment properties under construction or development	Total
	RMB'million	*RMB'million*	*RMB'million*
	(Unaudited)	(Unaudited)	(Unaudited)
At 31 December 2014	216,709	31,392	248,101
Additions	–	15,020	15,020
Acquisitions of investment properties(1)	4,420	–	4,420
Net gain from fair value adjustment	3,429	481	3,910
Transfer upon completion	6,275	(6,275)	–
Transfer to property, plant and equipment	(108)	–	(108)
Transfer from inventories	7	–	7
At 30 June 2015	230,732	40,618	271,350

Note:

(1) During the Period, the Group acquired 3 investment properties, including Tongzhou Wanda Shopping Mall ("**Tongzhou Wanda Plaza**"), 1 ALFRED ("**1 ALFRED**") and 19-31 Pitt Street ("**19-31 Pitt Street**") in Sydney, Australia.

On 28 February 2015, the Group entered into an agreement with 北京萬方置業有限公司 ("**Wanfang Zhiye**"), pursuant to which the Group acquired from Wanfang Zhiye an investment property, Tongzhou Wanda Plaza, for a total consideration of RMB2,000 million on 1 June 2015. The fair value of Tongzhou Wanda Plaza at the acquisition date was RMB2,000 million. As at 30 June 2015, RMB1,500 million out of the total consideration of RMB2,000 million had been paid.

On 23 January 2015, the Group's oversea subsidiary, Wanda One Sydney Pty Ltd ("**Wanda One Sydney**"), entered into agreements with Valad Commercial Management Limited ("**VCML**") and 31 Pitt Street Pty Ltd ("**31 PSPL**"), pursuant to which the Group acquired investment properties, 1 ALFRED and 19-31 Pitt Street for a total consideration of RMB2,420 million including the consideration of investment properties amounting to approximately RMB2,297 million and related taxes amounting to approximately RMB123 million on 4 March 2015. The total fair values of 1 ALFRED and 19-31 Pitt Street at the acquisition date were RMB2,297 million. As at 30 June 2015, all the considerations for the two acquisitions had been paid.

	30 June 2015	31 December 2014
	RMB'million	*RMB'million*
	(Unaudited)	(Audited)
Located in:		
Mainland China		
Held under the following lease terms between 10 and 50 years	**269,053**	248,101
Australia		
Permanent	**2,297**	–

The Group's investment properties are mainly situated in Mainland China. All the completed investment properties are rented out under operating leases.

Most of completed investment properties and investment properties under construction or development, including both land and building elements held by the Group, were revalued at the end of the Period based on valuations performed by the independent qualified valuer, DTZ Debenham Tie Leung Limited ("**DTZ**"), an industry specialist in investment property valuation, who has the appropriate qualification and recent experience in the valuation of similar properties in the relevant locations. The valuation for completed investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties, where appropriate, by reference to market evidence of transaction prices for the similar properties in the same locations and conditions. The fair values of investment properties under development are determined by establishing the market values of the properties on an "as-if" completed basis with appropriate deduction on construction costs, professional fees and interest to be incurred from the valuation date to completion as well as a reasonable margin. There were no changes to the valuation techniques during the Period.

The Group's certain investment properties, amounting to RMB213,082 million as at 30 June 2015 (31 December 2014: RMB173,937 million), were pledged to secure bank borrowings granted to the Group and the Company.

As at 30 June 2015, the Group and the Company are in the process of applying for the relevant property certificates for certain investment properties. As at 30 June 2015, the carrying amount of the Group's certain investment properties in the process of applying for title certificates was RMB10,342 million. In the Directors' opinion, the Group is entitled to lawfully and validly occupy and use the certain investment properties.

As at end of the Period, all of the Group's investment properties were within Level 3 of the fair value hierarchy as the valuation was arrived at by reference to certain significant unobservable inputs. There were no transfers between Levels 1, 2 and 3 during the Period (six months ended 30 June 2014: Nil).

The Group includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the senior management, the valuation team and the independent valuers twice a year, in line with the Group's interim and annual reporting dates.

At the end of the Period, the Group:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements when comparing to the prior year valuation reports; and
- holds discussion with the independent valuers.

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Retail	Investment approach	Prevailing market rents	RMB48 – RMB905 per square meter per month
		Reversionary capitalisation rate	Anchor Stores: 4.5%-6.0% Standard Retail: 5.0%-7.0%
Office	Investment approach	Prevailing market rents	RMB68 – RMB482 per square meter per month
		Reversionary capitalisation rate	5.5%-7.0%
Carpark	Investment approach	Prevailing market rents	RMB200 – RMB2,000 per lot per month
		Reversionary capitalisation rate	4.0%-5.0%

Prevailing market rents are estimated based on the independent valuer's view of recent letting transactions within the subject properties and other comparable properties. The higher the rents, the higher the fair value is. Reversionary yield is estimated by the independent valuer based on the risk profile of the properties being valued. The higher the yield, the lower the fair value is.

11. INVENTORIES

	30 June 2015 ***RMB'million*** **(Unaudited)**	31 December 2014 *RMB'million* (Audited)
Properties	**163,442**	144,585
Hotel merchandise	**31**	97
Yachts and yachts related	**635**	477
Others	**89**	93
Impairment	**(429)**	(60)
	163,768	145,192

The movements in the provision for impairment of inventories are as follows:

	30 June 2015 ***RMB'million*** **(Unaudited)**	31 December 2014 *RMB'million* (Audited)
At beginning of period/year	**60**	–
Acquisition of a subsidiary	**–**	39
Impairment losses recognised	**376**	46
Write-off of impairment	**(8)**	(21)
Exchange realignment	**1**	(4)
At end of period/year	**429**	60

12. TRADE AND BILLS RECEIVABLES

An aged analysis of the trade and bills receivables of the Group as at the end of the Reporting Period, based on the invoice date and net of impairment, is as follows:

	30 June 2015 *RMB'million* **(Unaudited)**	31 December 2014 *RMB'million* (Audited)
Within one year	**364**	826
Over one year	**18**	22
	382	848

13. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2015 *RMB'million* **(Unaudited)**	31 December 2014 *RMB'million* (Audited)
Within 1 year	**43,350**	50,430
1 to 2 years	**4,656**	2,345
Over 2 years	**837**	968
	48,843	53,743

The trade payables are non-interest-bearing and are normally settled based on the progress of the construction of property projects.

BUSINESS AND MANAGEMENT DISCUSSION AND ANALYSIS

Results Overview

As at 30 June 2015:

- Total number of Wanda Plazas in operation was 112, among which, 5 were newly increased during the first half of 2015.

- Total gross floor area ("**GFA**") of properties held and in operation amounted to 22.40 million square meters, representing an increase of 3.90% compared to 21.56 million square meters at the end of 2014.

- Total GFA of shopping centers in operation amounted to 18.43 million square meters, representing an increase of 4.07% compared to 17.71 million square meters at the end of 2014.

- Total leasable floor area ("**LFA**") of shopping centers in operation amounted to 12.06 million square meters, representing an increase of 4.96% compared to 11.49 million square meters at the end of 2014.

- Total amount of contracted sales of the first half of 2015 was RMB61,237 million, representing an increase of 10.13% over the same period in 2014; contracted sales area was 6.54 million square meters, representing an increase of 44.27% over the same period in 2014.

- Total number of hotels in operation amounted to 64, among which, 2 hotels were newly opened during the first half of 2015.

- Total number of hotel rooms in operation was 19,713, among which 548 rooms were newly opened during the first half of 2015.

For the first half of 2015, all the Group's businesses were carried out as scheduled and achieved remarkable financial results. The Group's total revenue amounted to RMB30,894 million, representing a year-on-year increase of 32.87% as compared to the first half of 2014. The Group achieved core profit (net of fair value gains of investment properties) of RMB2,264 million during the first half of 2015, representing a year-on-year increase of 116.65% compared to the first half of 2014. Core profit margin was 7.33%, representing a year-on-year increase of 2.84 percentage points compared to the first half of 2014. The increase in core profit was mainly attributable to the increase in revenue of our investment property leasing and property management business and sales of properties, as well as the increase in core profit margin. For the first half of 2015, the Group realized net earnings per share of RMB1.15.

The main financial results of each business segment of the Group in the first half of 2015 are as follows:

Unit: RMB million

	Investment Property Leasing and Property Management			Sales of Properties			Hotel Operations			Other Segment			Total		
	First half of 2015	First half of 2014	Change	**First half of 2015**	First half of 2014	Change	**First half of 2015**	First half of 2014	Change	**First half of 2015**	First half of 2014	Change	**First half of 2015**	First half of 2014	Change
Revenue	**6,345**	4,861	30.53%	**20,989**	16,293	28.82%	**2,234**	1,770	26.21%	**1,326**	327	305.50%	**30,894**	23,251	32.87%
Cost	**1,634**	1,283	27.36%	**12,695**	9,928	27.87%	**1,701**	1,257	35.32%	**1,176**	353	233.14%	**17,206**	12,821	34.20%
Gross profit	**4,711**	3,578	31.67%	**8,294**	6,365	30.31%	**533**	513	3.90%	**150**	-26	-676.92%	**13,688**	10,430	31.24%
Gross profit-margin (%)	**74.25**	73.61	0.64	**39.52**	39.07	0.45	**23.86**	28.98	-5.12	**11.31**	-7.95	19.26	**44.31**	44.86	-0.55
Profit before interest and tax	**8,296**	8,363	-0.80%	**5,385**	3,765	43.03%	**-298**	-154	93.51%	**-332**	231	-243.72%	**13,051**	12,205	6.93%
Increase in fair value of investment properties	**3,910**	5,227	-25.20%										**3,910**	5,227	-25.20%
LAT				**1,918**	1,497	28.12%							**1,918**	1,497	28.12%
Profit before interest and tax (excluding change in fair value and LAT)	**4,386**	3,136	39.86%	**3,467**	2,268	52.87%	**-298**	-154	93.51%	**-332**	231	-243.72%	**7,223**	5,481	31.78%
Finance costs (not available for allocation)													**3,760**	3,820	-1.57%
Profit before tax (excluding change in fair value and LAT)													**3,463**	1,661	108.49%

For the first half of 2015, the Group's revenue mainly came from three major business segments, namely investment property leasing and property management, sales of properties and hotel operations, accounting for approximately 20.54%, 67.94% and 7.23%, respectively. For the first half of 2015, revenue from investment property leasing and management segment was RMB6,345 million, representing an increase of 30.53% as compared to the first half of 2014. Revenue from sales of properties reached RMB20,989 million, representing an increase of 28.82% as compared to the first half of 2014. Revenue from hotel operations segment was RMB2,234 million, representing an increase of 26.21% as compared to the first half of 2014.

For the first half of 2015, the Group's overall gross profit margin remained stable as compared to the same period in previous year, mainly due to the increase in revenue from our investment property leasing and property management segment with stable gross profit margin. Gross profit margin in sales of properties remained stable with moderate improvement, demonstrating the Group's ability to withstand cyclic risks under its business structure, outstanding business administration expertise and ability to achieve sustainable profitability.

For the first half of 2015, the Group continued to implement its strategy on increasing the percentage of contribution from investment property leasing and property management segment. The investment property leasing and property management segment's profit before interest and tax amounted to RMB8,296 million during the first half of 2015, which accounts for 63.57% of the total profit before interest and tax. The profit before interest and tax from sales of property accounted for RMB5,385 million or 41.26% of the total amount. Loss before tax and interest from hotel operations segment was RMB298 million, mainly due to the number of hotels operated for less than two years in the first half of 2015 was more than that in the first half of 2014.

Contribution of profit before interest and tax (excluding LAT)

For the first half of 2015, the Group's profit before interest and tax (excluding LAT) mainly came from sales of properties, investment property leasing and property management segments, among which, profit before tax and interest (after deducting LAT and excluding change of fair value) from investment property leasing and property management segment was RMB4,386 million, representing a year-on-year increase of 39.86% as compared to the first half of 2014, and accounting for 60.72% of profit before tax and interest (after deducting LAT and excluding change of fair value).

BUSINESS SEGMENTS ANALYSIS

Investment property leasing and property management

For the first half of 2015, revenue from investment property leasing and property management segment accounted for 20.54% of total revenue. Revenue amounted to RMB6,345 million, representing an increase of 30.53% as compared to the same period in previous year. Gross profit margin of our investment property leasing and property management segment was 74.25%, which remained stable as compared to the same period in previous year.

Main operating information about shopping centers:

	For the first half of 2015	2014	Change
Total GFA (million sq.m.)	**18.43**	17.71	4.07%
Total LFA (million sq.m.) (1)	**12.06**	11.49	4.96%
Occupancy rate	**98.09%**	99.32%	-1.23 percentage points
Average Rent (RMB/sq.m./month) (2)	**97.29**	89.84	8.29%

Notes:

(1) Total LFA represents total leasable GFA of shopping centers.

(2) Average rent = Investment property leasing and property management revenue (before tax)/total floor area leased.

Investment property

- Our investment properties mainly include shopping centers and cultural and entertainment complex projects of Wanda Plaza and Wanda City.

- For the first half of 2015, we further expanded our portfolio of investment properties. We increased 5 new shopping centers with a total GFA of approximately 0.72 million square meters and a total LFA of approximately 0.58 million square meters. As at 30 June 2015, we owned 112 shopping centers in operation in 75 cities with a total GFA of approximately 18.43 million square meters and a total LFA of approximately 12.06 million square meters. For the first half of 2015, Wanda Plaza recorded total sales of RMB54,600 million and foot traffic of more than 900 million visits, establishing itself as the largest provider of experiencing consumption platform and services in PRC mass consumption market.

- Our shopping centers opened in the first half of 2015 recorded a 100% occupancy rate upon their opening. As at 30 June 2015, the average occupancy rate of all our shopping centers in operation was 98.09%.

The table below sets out certain information in respect of our investment properties in operation as at 30 June 2015:

	GFA *(million sq.m.)*	LFA *(million sq.m.)*	Average Occupancy Rate in the first half of 2015 *(%)*
First-tier cities	1.91	1.27	100.00%
Second-tier cities	7.37	4.80	98.31%
Third-tier cities	9.15	5.99	97.47%
Total	18.43	12.06	98.09%

Revenue

For the first half of 2015, revenue from the Group's investment property leasing and property management amounted to RMB6,345 million, representing a year-on-year increase of 30.53% as compared to the first half of 2014, mainly due to the increase in leasable area and average rents during the Period. The increase in leasable area was mainly due to the 5 shopping malls newly increased during the first half of 2015 (including the 4 newly opened Wanda Plazas and the acquisition of Tong Zhou Wanda Plaza), bringing an increase of approximately 0.58 million square meters to the total leasable area; the increase in average rents was mainly due to the organic growth in rents based on contract terms for the shopping malls in operation, the rent rise as agreed by certain tenants upon contract renewal, and the higher rents caused by some adjustment to the Group's tenants.

Cost

Direct operating expenses in relation to investment property leasing and property management include property maintenance costs, salaries of employees in the investment property leasing and property management segment and the property tax in respect of the relevant investment properties. For the first half of 2015, our costs of investment property leasing and property management amounted to RMB1,634 million, representing an increase of 27.36% as compared to the same period in 2014. The increase was mainly due to the increase in the number of plazas in operation.

Gross Profit

Investment property leasing and property management realized a gross profit of RMB4,711 million in the first half of 2015, representing a year-on-year increase of 31.67% as compared to the first half of 2014. Gross profit margin was 74.25%, representing an increase of 0.64 percentage point as compared to the first half of 2014.

Selling and Distribution Expenses

Selling and distribution expenses for investment property leasing and property management, mainly including promotional expenses and advertising expenses, etc., were RMB80 million in the first half of 2015, representing a year-on-year decrease of 37.50% as compared to the first half of 2014. Such selling and distribution expenses accounted for 1.26% of the revenue from investment property leasing and property management in the first half of 2015, representing a decrease of 1.37 percentage points as compared to the first half of 2014, mainly due to our strict control and efficient use of the expenses.

Administrative Expenses

Administrative expenses for investment property leasing and property management, mainly including the management's salaries, travel expenses, office expenses and rents, etc., were RMB448 million in the first half of 2015, representing a year-on-year increase of 16.36% as compared to the first half of 2014. Such expenses accounted for 7.06% of the revenue from investment property leasing and property management in the first half of 2015, representing a decrease of 0.86 percentage point as compared to the first half of 2014. The increase in administrative expenses was mainly due to increase in the number of shopping centers in operation and under construction.

Fair value gains on investment properties

As at 30 June 2015, total book value of the Group's investment properties amounted to RMB271,350 million, accounting for 46.90% of the Group's total assets. During the Period, according to the requirements of the relevant accounting standards, the Group engaged DTZ, an independent third party, to carry out a valuation on our investment properties including the projects under construction. Valuation gain of RMB3,910 million was realised, including RMB3,429 million attributable to completed properties and RMB481 million attributable to properties under construction.

Sales of properties

The Group's properties held for sale comprise residential properties, retail spaces, office spaces and SOHO, etc. Benefited from our unique product mix and the advantages provided by our shopping complexes, we are more resilient in the volatile residential market.

For the first half of 2015, our total contracted sales was approximately RMB61,237 million, representing an increase of 10.13% as compared with the first half of 2014. Of which, sales in first-tier and second-tier cities accounted for 30.83%, third-tier cities accounted for 68.12% and sales generated from overseas accounted for 1.05%. By the type of properties, the proportion of retail spaces, office spaces, SOHO and others accounted for 50.83% and residential properties accounted for 49.17%.

The table below sets out information in respect of contracted sales by the type of properties during the Reporting Period:

	Contracted sales *(RMB million)*	**Contracted sales area** *(million sq.m.)*
Retail spaces	15,186	0.62
Office spaces	5,837	0.48
SOHO	8,931	1.06
Subtotal	29,954	2.16
Residential properties	30,112	4.11
Others [(1)]	1,171	0.27
Total	61,237	6.54

Note:

(1) Primarily includes saleable parking spaces, hotels and certain residential properties for relocation purposes. Same applies hereinafter.

Revenue

For the first half of 2015, the Group's sales of properties recognized a revenue of RMB20,989 million, representing a year-on-year increase of 28.82% as compared to the first half of 2014, mainly due to the increase in the sales area for which the properties have been delivered as per contracts and the revenue has been recognized during the Reporting Period. During the Reporting Period, the Group's sales of properties recognized an area of 1.719 million square meters, representing a year-on-year increase of approximately 11.73% as compared to the first half of 2014.

The following table sets forth the revenue, cost and area recognized for each category of our property sales segment:

	For the six months ended 30 June 2015			For the six months ended 30 June 2014		
	Area ***(sq.m.)***	**Revenue** ***(RMB million)***	**Cost** ***(RMB million)***	Area *(sq.m.)*	Revenue *(RMB million)*	Cost *(RMB million)*
Retail spaces	**200,496**	**5,611**	**2,374**	177,795	4,669	1,531
Office spaces	**146,680**	**1,638**	**1,108**	430,120	4,074	2,476
SOHO	**214,060**	**1,958**	**1,367**	337,718	2,180	1,932
Residential properties	**1,157,793**	**11,347**	**7,582**	592,941	4,673	3,618
Car parks and others	**n.a.**	**435**	**264**	n.a.	697	371
Total	**1,719,030**	**20,989**	**12,695**	1,538,574	16,293	9,928

Costs

The costs of property sales include the land acquisition costs, construction costs, capitalized interest, etc. For the first half of 2015, our costs of property sales amounted to RMB12,695 million, representing a year-on-year increase of 27.87% as compared to the first half of 2014, which was lower than the increase in revenue. The increase in costs was mainly due to the increase in the area for which revenue was recognized.

Gross profit

For the first half of 2015, sales of properties realized a gross profit of RMB8,294 million, representing a year-on-year increase of 30.31% as compared to the first half of 2014, which was mainly attributable to increase in revenue recognized for sales of properties and effective cost control. Despite a volatile market of real estate industry, our gross profit margin for sales of properties was 39.52%, representing an increase of 0.45 percentage point as compared to the first half of 2014. During the Reporting Period, the average sale price of revenue recognized was approximately RMB11,957 per square meter (excluding parking spaces and others), representing an increase of 17.96% as compared to the same period in previous year, which was mainly attributable to higher sale price of projects in which revenue was recognized during the Reporting Period.

Selling and distribution expenses

Selling and distribution expenses for sales of properties, mainly including the promotional expenses, and costs for sales and marketing staff, etc., amounted to RMB1,919 million in the first half of 2015, accounting for 3.13% of the contracted sales, and remaining stable as compared to the first half of 2014.

Administrative expenses

Administrative expenses for sales of properties, mainly including the management's salaries, travel expenses and office expenses, etc., amounted to RMB1,542 million in the first half of 2015, accounting for 2.52% of the contracted sales, and remaining stable as compared to the same period in 2014.

Hotel operations

As at 30 June 2015, we had 64 luxury hotels in operation in 55 cities, and the total number of rooms was 19,713, including 37 self-operated hotels and 27 hotels operated by world-known third-party hotel managers, all of which are situated in urban centers and travel hotspots.

During the Reporting Period, we newly opened 2 hotels, with 548 hotel rooms in total.

For the first half of 2015, our hotel operations realized owner's profit of RMB285 million, representing an increase of 36.0% as compared to the same period in 2014. For the first half of 2015, owner's profit margin was 12.76%, representing an increase of 0.90 percentage point as compared with the first half of 2014.

Revenue

For the first half of 2015, revenue from the Group's hotel operations amounted to RMB2,234 million, representing a year-on-year increase of 26.21% as compared to the first half of 2014, mainly due to the increase in the revenue in line with the increase in the number of hotels newly opened and hotels growing to maturity in operations.

Revenues from the Group's self-operated hotels and hotels managed by third parties during the Reporting Period are as follows:

Item	**For the six months ended 30 June 2015** Amount ***(RMB million)***	***Percentage***	For the six months ended 30 June 2014 Amount *(RMB million)*	*Percentage*
Self-operated hotels	**1,076**	**48.16%**	543	30.68%
Hotels managed by third parties	**1,158**	**51.84%**	1,227	69.32%
Total	**2,234**	**100.00%**	1,770	100.00%

Costs

Costs for hotel operations mainly include depreciation, hotel maintenance costs, employees' salaries and other miscellaneous expenses. For the first half of 2015, costs of our hotel operations amounted to RMB1,701 million, representing a year-on-year increase of 35.32% as compared to the first half of 2014, mainly due to the increase in depreciation and maintenance costs in line with the new 16 hotels opened during the second half of 2014 and the first half of 2015.

Gross profit

For the first half of 2015, our hotel operations realized a gross profit of RMB533 million, representing an increase of 3.90% as compared to the first half of 2014, with a gross profit margin of 23.86%, representing a year-on-year decrease of 5.12 percentage points as compared to the first half of 2014, mainly due to an increase in depreciation incurred by the 16 hotels newly opened since the second half of 2014, which had not reached maturity in operation and did not realize revenue at a normal level.

Selling and distribution expenses

Selling and distribution expenses for our hotel operations, mainly including the marketing and promotional expenses, amounted to RMB169 million in the first half of 2015, representing a year-on-year decrease of 10.58% as compared to the first half of 2014.

Administrative expenses

Administrative expenses for hotel operations, mainly including the management's salaries, travel expenses, office expenses and rents, etc., amounted to RMB674 million in the first half of 2015, representing an increase of 38.97% as compared to the first half of 2014. The increase was mainly due to the increase in the number of newly opened hotels.

Land acquisitions and land reserves

As at 30 June 2015, the Group had land reserves with an aggregate GFA of approximately 82.59 million square meters. We newly purchased 23 land projects in the first half of 2015 (including the lands acquired in phases of Wanda Plaza and Wanda City to be developed) with an aggregate Plot ratio GFA of approximately 7.74 million square meters.

The table below sets forth the composition of our land reserves:

	Total GFA as at 30 June 2015 *(Million sq.m.)*
Completed properties but not yet recognize revenue	**4.43**
Of which: pre-sold	**1.51**
Properties under construction	**53.56**
Properties held for future development	**24.60**
Total	**82.59**

Breakdown of Land Reserves by Region

Region	**Total GFA** *(Million sq.m.)*	**Percentage** *%*
East China	35.76	43.29%
Northeast China	13.46	16.30%
South China	9.33	11.30%
Northwest China	8.81	10.67%
Central China	7.47	9.04%
North China	4.25	5.15%
Southwest China	2.78	3.36%
Overseas	0.73	0.89%
Total	82.59	100.00%

Land reserve allocation by usage

Usage	Total GFA *(Million sq.m.)*	Percentage %
Sales of properties	64.29	77.84%
Investment properties	10.67	12.92%
Hotel	2.44	2.96%
Others [(1)]	5.19	6.28%
Total	82.59	100.00%

For the first half of 2015, the average land acquisition cost of the Group's newly acquired land was RMB1,667 per square meter.

Note:

(1) Others included area of municipal ancillary facilities and properties for relocation.

Subsequent Events

On 25 August 2015, the Company entered into the following agreements with KuaiQian (Tianjin) Financial Service Co, Ltd. ("**KuaiQian Financial**"), a company incorporated in the PRC with limited liability and Mr. WANG Jianlin directly and indirectly holds its 68.7% equity interests, and Wanda Wensheng (Shanghai) Investment Partnership ("**Wanda Wensheng**"), a limited partnership incorporated in the PRC with KuaiQian Financial as its general partner. The particulars are as follows:

1. the equity transfer agreement with Wanda Wensheng, pursuant to which the Company had agreed to transfer, and Wanda Wensheng had agreed to acquire all the equity interests of the Company's wholly-owned subsidiaries, namely 常德萬達置業有限公司, 梅州萬達地產有限公司, 三門峽萬達廣場投資有限公司, 宜春萬達廣場投資有限公司 and 鄭州碧源萬達廣場投資有限公司 (the "**Project Companies**");

2. the light asset cooperation framework agreement with KuaiQian Financial and Wanda Wensheng, pursuant to which (1) the Company had agreed to provide construction management and operation management service and license certain intellectual property rights to Wanda Wensheng and Project Companies; (2) Wanda Wensheng had agreed to provide funds to the Project Companies for the construction and operation of the Wanda Plazas under the Project Companies.

Under the light asset cooperation framework agreement, upon the transfer of Project Companies to Wanda Wensheng, the Company shall have absolute, exclusive and irrevocable right in the construction management and operation management of the Project Companies. It is also entitled to appoint all the directors and senior management (except legal representatives) of the Project Companies. In addition, in consideration of construction management and operation management service provided by the Company, the Company will receive fees at certain rate of the income generated by the Project Companies after the relevant Wanda Plaza opens for business. Therefore, the Project Companies will still be accounted for and consolidated in the consolidated accounts of the Company as subsidiaries.

The Company has been actively exploring the light-asset business model and dedicated to the long-term stable development of property management so as to avoid the uncertain fluctuations in real estate market. The Company believes that the entering of the light asset cooperation framework agreement is an important step to achieve its light asset strategy. The allocation mechanism of net property income can (1) increase the Company's commercial service management fee income; and (2) reduce the Company's debt levels to deal with real estate market fluctuations in China.

ANALYSIS ON OTHER FINANCIAL ITEMS

Other income and gains

For the first half of 2015, our other income and gains were mainly interest income, exchange gains, gains from disposal of other current assets and government grants. The Group's interest income (mainly interest on bank deposit), exchange gains (most of which derived from exchange settlement and the translation into RMB from the foreign currencies on hand as at the end of the Period as substantial proceeds in foreign currencies were received from the Company's listing in Hong Kong at the end of 2014 and the exchange rate between RMB and HK$ had been lower this year), gains from disposal of other current assets and government grants in the first half of 2015 were RMB326 million, RMB133 million, RMB113 million and RMB638 million, respectively.

Financing costs

For the first half of 2015, our overall financing costs (including the capitalized interest) amounted to RMB6,723 million, representing a year-on-year increase of 5.21% as compared to the first half of 2014, mainly due to the increase in loans and interest expenses as a result of the increasing demand for capital, which was in line with the expansion of the Company. For the first half of 2015, the financial costs of the Group were 6.96%, representing a decrease of 0.55 percentage point or 7.32% as compared with the financial costs for 2014. It was mainly due to our efforts to optimize loan structures, expand channels of financing, and decrease trust loans during the Reporting Period. We will be able to obtain funds on more favourable terms as the Group develops.

Income tax expenses

Our income taxes mainly include current and deferred corporate income tax and LAT in PRC. For the first half of 2015, our income tax expenses amounted to RMB4,079 million, representing a year-on-year increase of 17.62% as compared to the first half of 2014. The current corporate income tax, deferred tax and LAT amounted to RMB1,680 million, RMB481 million and RMB1,918 million, respectively.

For the first half of 2015, our effective corporate income tax rate (calculated using the sum of current corporate income tax and deferred tax divided by profits before tax minus LAT) was 29.31%, representing an increase of 0.70 percentage point as compared with 28.61% for the first half of 2014.

Capital expenditure

For the first half of 2015, the Group's capital expenditure amounted to RMB22,488 million, representing a decrease of 8.55% as compared to the first half of 2014, which mainly consisted of the expenditure on the purchase and construction of investment properties, fixed assets and intangible assets.

Debts

As at 30 June 2015, the Group's total debts amounted to RMB174,239 million, representing a decrease of 3.72% as compared with that as at the end of 2014. Among the debts, the Group's trust loans were mainly used for property development. The proportion of trust loans decreased to 20.98% from 23.46% as at the end of 2014, reflecting the optimized debt structure and preliminary effectiveness of debt control. The Group's debts are set out as follows:

	30 June 2015		31 December 2014	
Item	**Amount *(RMB million)***	***Percentage***	Amount *(RMB million)*	*Percentage*
Domestic Bank loans				
Loans for development	**55,187**	**31.68%**	63,490	35.08%
Loans for operation	**62,181**	**35.69%**	55,734	30.80%
Trust loans	**36,553**	**20.98%**	42,463	23.46%
Entrusted borrowings	**5,181**	**2.97%**	7,690	4.25%
Overseas loans	**7,933**	**4.55%**	4,382	2.42%
Bonds	**7,204**	**4.13%**	7,210	3.99%
Total	**174,239**	**100.00%**	180,969	100.00%

The Group's operational loans were secured by the investment properties held, with rental income as the source of fund for repayment of principal and interest. The average term of the loans was about 10 years and on revolving basis. The rental income and property value of the investment properties corresponding to the operational loans are constantly rising, the Group therefore enjoys greater credit limit under the revolving operational loans. The Group's operational loans are secured by sufficient and stable operating cashflow, property value and credit limit, thus ensuring risk-free repayment of principal and interest.

Net gearing ratio

As at 30 June 2015, the Group's net gearing ratio was 73.7%, representing a decrease of 14.1 percentage points as compared with 87.8% as at the end of the first half of 2014. The net gearing ratio was calculated by dividing interest bearing bank and other borrowings plus bonds less cash, cash equivalents and restricted cash by total equity.

Cash flow analysis

For the first half of 2015, the Group's cash flows are as follows:

Unit: RMB million

	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Net cash flow generated from operating activities	**(3,668)**	(8,953)
Net cash flow used in investment activities	**(19,780)**	(20,909)
Net cash flow generated from financing activities	**(12,476)**	35,136
Net cash flow	**(35,924)**	5,274

For the six months ended 30 June 2015, net cash outflow from the Group's operating activities amounted to RMB3,668 million, representing a decrease of 59.03% as compared with the net outflow for the six months ended 30 June 2014, mainly due to an increase in cash received from the provision of goods and services; net cash outflow used in investment activities amounted to RMB19,780 million, representing a decrease of 5.40% as compared with the net cash outflow from investing activities for the six months ended 30 June 2014. Net cash outflow from financing activities amounted to RMB12,476 million, mainly due to the decrease in new bank loans acquired for the six months ended 30 June 2015, as well as the increase in repayment of bank loans.

Foreign exchange risk

Most of the Group's investment properties and property sales projects are located in Mainland China and the relevant transactions are dominated in RMB, with a small number of liabilities and revenue in relation to overseas projects settled in foreign currencies. As at 30 June 2015, the Group's operating cash flow and liquidity were not obviously affected by the changes in exchange rate.

Contingent liabilities

As at 30 June 2015, the Group's guarantees provided in respect of the mortgage facilities granted by commercial banks to the purchasers of our properties were RMB60,249 million.

Major acquisition/disposals

(1) On 23 January 2015, Wanda One Sydney Pty Ltd, an overseas subsidiary of the Group, entered into agreements with Valad Commercial Management Limited and 31 Pitt Street Pty Ltd, pursuant to which, on 4 March 2015, the Group acquired the investment properties, namely 1 ALFRED and 19-31 Pitt Street, for a total consideration of RMB2,297 million.

(2) On 28 February 2015, the Group entered into an agreement with Beijing Wanfang Zhiye Company Limited (北京萬方置業有限公司), pursuant to which, on 1 June 2015, the Group acquired Tong Zhou Wanda Plaza from Beijing Wanfang Zhiye Company Limited for a total consideration of RMB2,000 million.

Pledged assets

As at 30 June 2015, bank deposits of RMB266 million, inventories of RMB44,076 million, investment property of RMB213,082 million and fixed assets, intangible assets and construction in progress of RMB20,604 million, among others, were pledged to secure bank and other borrowings of the Group.

Employees, remuneration policies and training

As at 30 June 2015, the Group had a total of 61,989 full-time employees. The salary expense was RMB4,645 million for the six months ended 30 June 2015.

With an aim to cope with its development, the Group has established and optimized its remuneration mechanism. The Group decides on the basic salaries and incentives of its employees in accordance with their performances, work experience and the prevailing market rates. The Group has also been in strict compliance with the Labor Law, Labor Contract Law and other relevant laws so as to ensure employee's benefits. Meanwhile, to regulate the management of employee training, the Group emphasized the need for providing training to employees, actively motivated all departments initiatives and organized various training for the employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2015.

INTERIM DIVIDENDS

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

BUSINESS OUTLOOK FOR THE SECOND HALF OF THE YEAR

China has transformed into a consumption-driven society. The consumption power and willingness of consumption of the public are both rapidly increasing. In the new norm phase of economic development, the retail market is favored by the government policies as well as an immense bonanza. The cornerstone of future commerce lies in the ability to provide consumers with more premium, diverse and convenient products and experience. The next step of the Group is to uphold our long-standing corporate philosophy carried forward over the past decade to undergo extensive exploration. In respect of consumer service, we are further improving consumer experience through strengthening the attractiveness and appeal of our plazas and increasing our contribution to the society. In respect of asset operation, by chiming with the development of China's financial market and drawing on international experiences, we will actively explore "asset recycling" and asset-light model, so as to further accelerate the expansion of properties held and further enlarge our market share in China's key retail markets. In doing so, we can ensure a healthy balance sheet and better returns for Shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company, being listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), consistently commits to retain high level of corporate governance, and complies throughout the Reporting Period with all the code provisions stated in the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Administrative Measures (the "**Administrative Measures**") for securities transactions by directors, supervisors and relevant employees of the Company on terms no less exacting than the required standards under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its code regarding directors', supervisors' and relevant employees' dealings in the Company's securities.

The Company has made specific enquiry to all of the directors and supervisors and all of the directors and supervisors have confirmed that they have complied with the Administrative Measure throughout the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2015 interim results announcement and 2015 interim report and the unaudited financial statements for the six months ended 30 June 2015 prepared in accordance with HKFRS. The Group's unaudited interim results for the six months ended 30 June 2015 have been reviewed independently by the Company's external auditor, Ernst & Young 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. Neither the Audit Committee nor Ernst & Young has any disagreement over the accounting treatments adopted in preparing the interim results during the reporting period.

PUBLICATION OF INTERIM REPORT

This results announcement was released on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wandaplazas.com).

The 2015 interim report which contains all the information required by the Listing Rules (including the unaudited financial statements) will be dispatched to the shareholders in due course and will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wandaplazas.com).

By order of the Board
Dalian Wanda Commercial Properties Co., Ltd.
Chairman
DING Benxi

Beijing, the PRC
26 August 2015

As at the date of this announcement, our executive directors are Mr. DING Benxi, Mr. QI Jie and Mr. QU Dejun; our non-executive directors are Mr. ZHANG Lin, Mr. WANG Guiya and Mr. YIN Hai; and our independent non-executive directors are Mr. LIU Jipeng, Dr. XUE Yunkui and Dr. HU, Fred Zuliu.